

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 51st LEGISLATURE - REGULAR SESSION

#### SUBCOMMITTEE ON HEALTH & HUMAN SERVICES

Call to Order: By Chairman Bradley, on January 17, 1989, at 8:00 a.m.

#### ROLL CALL

Members Present: All members were present.

Members Excused: None

Members Absent: None

Staff Present: Peter Blouke, LFA  
Lois Steinbeck, OBPP

Announcements/Discussion: eligibility determination: personal services, operating costs; EXECUTIVE ACTION: assistance payments except general assistance (GA) and AFDC; eligibility determination.

Chairman Bradley stated the subcommittee would begin with executive action on the assistance payments program and asked Dr. Blouke to give a quick refresher on each issue with which members will have to deal.

A090

Dr. Blouke reported that executive and LFA current levels are basically same; vacancy savings are not included in accordance with general policy. Minor differences relate to health benefits. FTE levels are the same at both levels. The executive will be running the personal services ultimately.

#### DISPOSITION OF DEPARTMENT OF SOCIAL AND REHABILITATIVE SERVICES

A099

Motion by Sen. Keating to accept the executive level of personal services, assistance payments program.

Motion carried UNANIMOUSLY.

A105

Dr. Blouke confirmed the 52.75 FTE level with budget monies of \$1,576.386 and no vacancy savings with Chairman Bradley.

Discussion followed to clarify that the subcommittee will not be dealing with vacancy savings but they are budgeted into amounts.

Sen. Keating asked Dr. Blouke to specify on each page what levels/monies have been selected on each executive action.

A140

Major differences in operating expenses is the inclusion of \$12,000 more per year for travel, which is offset in other areas in supply and contract services.

A145

Motion by Sen. Van Valkenburg to accept executive level of \$2,007,886 budget monies and also include an additional \$12,000 for instate travel.

Motion carried with Rep. Cobb dissenting.

A150

On the equipment, Dr. Blouke stated there is no difference between executive and LFA. The funds are for the purchase of semi-trailer trucks to deliver food commodities.

A154

Motion by Sen. Keating to accept executive level of the equipment expense budget.

Motion carried UNANIMOUSLY.

A156

Dr. Blouke stated the first benefit program is on page 4; this is a 100 percent federally funded grant to administer the food stamp program on two Indian reservations. The difference between the executive and the LFA is the executive has included a higher postal rate than has been included in the LFA projection.

A163

Sen. Keating asked if these funds are a part of a general appropriation of some sort so that if we take the lesser figure here and save \$6,000, can it be used some place else.

A170

Dr. Blouke stated that this is not a generic federal grant. The mechanism is that the subcommittee would authorize a certain level of funding. Through the 1991 biennium the department would incur expenses related to the issuance, then bill the federal government to get reimbursement for those expenses.

A180

Motion by Sen. Keating to accept executive level of \$31,250 for 1990 and \$32,500 for 1991 in handing out food stamps on two Indian reservations.

Motion carried UNANIMOUSLY.

Dr. Blouke stated the difference in executive and LFA current levels reflects that the executive budget request includes some funding for medical emergency situations for non-resident general assistance recipients. Funding for this program is to assist non-resident recipients to return to their state of origin.

A217

Rep. Cody asked if this was a line item budget in 1987; also if subcommittee wants to line item a budget, can they do it now or can they also do it later.

Dr. Blouke said the line item restricts the use of the funds to just that program. Line item can be addressed now or funds can be line itemed later.

A258

Motion by Sen. Van Valkenburg to accept LFA current level budget of \$33,000 in 1990 and \$33,000 in 1991.

A261

Sen. Keating wanted to amend motion to line item budget. After general discussion, Sen. Keating withdrew his motion to amend.

Motion by Sen. Van Valkenburg carried with Rep. Grinde dissenting.

A285

Dr. Blouke discussed Legal Services contract with Montana Legal Services which is \$100,000 per year the biennium; the grant is primarily to assist general assistance clients in moving off GA and onto the federal benefit programs.

A310

Motion by Rep. Cody to accept current LFA level budget for legal services of \$100,000 per year the biennium.

A313

Rep. Cobb inquired if this was a bid program. Mr. Tickell states legislative intent was a contract with Montana Legal Services. At one point, there was another association interested in this contract but they didn't have statewide coverage so based on legislative intent we contract with Montana Legal Services.

A320

Sen. Hofman asked if these monies were used 100 percent each year and Dr. Blouke stated all monies are used each year because it is a contract sum which is awarded each year.

A333

Sen. Keating inquired if the \$100,000 represented services in all

counties or the assumed counties. Dr. Blouke reported these contracted services were for the assumed counties only.

A340

Rep. Cobb asked if this subcommittee was going to express legislative intent that contract go to Montana Legal Services; should we try to bid it out. Chairman Bradley reported that this has become a matter of tradition right now to award to Montana Legal Services.

A345

Sen. Van Valkenburg noted that it is important to note at this point that legal services success rate in moving GA recipients off welfare and onto programs like supplemental security income has a good track record; the end result is a saving of general funds.

A354

Motion by Rep. Cody carried with Reps. Grinde and Cobb dissenting.

A358

Dr. Blouke gave an overview of GA burials funded 100 percent by general funds and is specific to the 12 assumed counties. In reply to inquiries, Dr. Blouke reported the law requires that counties be responsible for the burial expenses of the indigent. Sen. Hofman asked if the subcommittee could receive a breakdown on monies spent. Discussion revealed that this is a statutory requirement. Dr. Blouke will present statistics on this fund for the 12 assumed counties as SRS does not maintain statistics on the other counties.

A396

Motion by Sen. Van Valkenburg to accept LFA current level budget of \$123,620 per year the biennium for GA burials.

A400

Motion carried with Sen. Hofman, Sen. Keating and Rep. Grinde dissenting.

A405

Dr. Blouke reviewed the training benefit program and reported these are 100 percent federal funds used to train county workers and state staff in changes in federal laws as they relate to eligibility for AFDC, Medicaid and a variety of the federal benefit programs. The difference is 1988 actual for LFA and executive inflated 1988 by 4 percent to get to 1989 and then carried that sum forward.

A419

Sen. Hofman inquired how these training sessions are conducted. Are they all in Helena, self education or in the field. Mr. Tickell reported that where it is centralized and appropriate, SRS will go to Kalispell, Missoula, Billings

and Miles City; often times we have new eligibility worker training, perhaps six or seven, and they come into Helena from all over the state. SRS maps out whichever is the most cost effective location for holding training and hold it there.

A437

Sen. Hofman reported that the new changes shouldn't be that extensive for people who work in the field. They should be able to understand the changes without so much study or training and be less costly.

A440

Mr. Tickell reported that there have been massive changes to the welfare reform in 53 years. The reason SRS is so concerned is a recent receipt of a sanction going back to 1984 of \$1 million dollars. Effective training makes good common sense to assure the taxpayers when a determination is made it is correct. Chairman Bradley asked Mr. Tickell what kind of sanctions has the department received and what is the magnitude of the sanctions beyond a certain error percentage. Mr. Tickell reported SRS has to achieve 97 percent correctness in AFDC and Medicaid and 95 percent in food stamps. For every amount you're under that, the federal program take that percentage against your state benefits. If you have an one percent difference in that area, the federal program takes one percent against your entire benefits so it is a very high stake game.

A481

Rep. Cobb asked who would be making the errors. Mr. Tickell stated that ultimately it is the worker. In reply to Chairman Bradley's inquiry if people could be getting benefits who are not qualified if the worker wasn't aware of the rules, Mr. Tickell replied that was possible and people who are qualified might not be receiving benefits.

A494

Motion by Sen. Van Valkenburg to accept executive level budget for training with 2% allocated for county participants.

Motion carried with Rep. Cobb and Sen. Hofman dissenting.

A510

Dr. Blouke proceeded to the job search program and reported there is no difference between the executive and LFA current level budgets and the expected 100 percent federal funds for this program. These are USDA funds and are to be used to assist food stamp recipients in locating employment.

A529

Rep. Cobb inquired if these were the funds matching our general assistance training program, our general fund, to which Mr. Tickell said yes. Mr. Tickell and Ms. Steinbeck reported that the job search training program is a federal mandate

which is required in efforts to reduce the number of food stamp recipients. The JTPA will be working with people on GA and AFDC.

A606

Rep. Cobb asked what happens to the funds if not used during the year. Mr. Johns stated the funds can revert to the Department of Labor & Industry.

A616

Ms. Steinbeck reported the job search requirements mandates states train at least 80 percent of recipients who are receiving food stamps. It is doubtful if SRS could use other federal dollars not allocated to this program.

A620

Sen. Keating asked staff if these funds are a 50%/50% match and Ms. Steinbeck said yes that was correct with the USDA funds.

A640

SRS did not go in on its own to obtain these USDA funds, Ms. Steinbeck reported; during the last legislature, the subcommittee requested the department to apply. Mr. Johns reported that this did result in an offset of general funds with \$600,000 reverting back to the Department of Labor & Industry.

A693

Motion by Sen. Van Valkenburg to accept executive current level of \$491,752 per year the biennium for job search training.

Motion carried UNANIMOUSLY.

A700

Discussion followed regarding the intent of the money be designated so that funds are used for training and not salaries.

Rep. Cobb expressed an intent to present a motion to that effect. Ms. Steinbeck reported that training is a contracted service so it would not be used for salaries.

A774

Dr. Blouke reported with the next program, the day care benefit, there was no difference between executive and LFA current level; the projections are for an increase in day care costs over the 1989 biennium level. This is day care that is provided for AFDC recipients. In answer to Rep. Grinde's question on how this will affect the WIN program, Dr. Blouke replied the WIN program will be phasing out but the federal welfare reform act will not have any impact until 1990. Ms. Steinbeck said the state has the option to continue the WIN or JOBS program in 1990 but we still need this level of funding. At the present time the Department of Labor & Industry is looking at model pilot programs and then try to

replicate.

A841

Rep. Cody wanted to know if there were a possibility that this funding might have to be increased. Dr. Blouke said that there is always a possibility. Chairman Bradley wanted to know if these were direct vendor payments to which Mr. Johns said yes.

A857

Rep. Cobb asked if day care payments were given directly to the parent(s) who decide where they want to obtain their day care or is it given to provider or is it bid out. Mr. Tickell replied that payments go to the provider.

A870

Sen. Hofman inquired as to why there is a steady cost increase in day care. Dr. Blouke stated this indicates more people on AFDC that are now using day care, which is relevant to the 3.3 percent increase in the caseload. Chairman Bradley reported that more parents are no doubt using day care and many are single female parents who are in training, not at home as much consequently, and using day care.

A914

Rep. Grinde asked if users send in voucher to get repaid for day care if primary care is by a family member. Sen. Keating (A950) asked if the day care program was just for AFDC recipients.

A926

Mr. Tickell replied that currently family members are not eligible for payment but under the welfare reform act it is very clear that family members would be reimbursed for day care.

A952

Dr. Blouke reported that the day care program is just for AFDC recipients.

A954

Motion by Sen. Van Valkenburg to accept executive current level of funding for day care of \$783,126 per year the biennium.

Motion carried UNANIMOUSLY.

A960

Dr. Blouke reported on the community service block grant (CSBG) and no difference in the executive and LFA current level. There is an allocation of five percent for administration and then five percent potentially for a discretionary program the department may wish to operate; then 90 percent is required to go out to the Human Resource Development Councils (HRDC). During the last legislative session, the

full 95 percent was allocated to the HRDC's. This program is 100 percent federally funded.

Chairman Bradley inquired if this funding had dropped approximately \$150,000 per year; Dr. Blouke stated that this had occurred.

A970

Motion by Rep. Grinde to accept current executive level of CSBG funding with the stipulation that 95% be allocated to the HRDC's in the field.

Motion carried UNANIMOUSLY.

Chairman Bradley followed up with a report on percentage used for administration in the field was 6 percent.

A985

In answer to Rep. Cobb's inquiry as to possibility of review of executive action before going to full committee, Dr. Blouke stated he would develop a summary which will include the funding; this summary will come back to the committee for their final action.

Chairman Bradley stated that an amendment is always possible in case of reconsideration by subcommittee members.

A004

In discussing the weatherization program, Dr. Blouke reported no difference between executive and LFA levels, and of this 100 percent federally funded program two percent is used for administration.

A010

Motion by Sen. Van Valkenburg to accept executive current level for weatherization of \$1,525,294 per year the biennium with stipulation that two percent be used for administration.

Motion carried UNANIMOUSLY.

A019

Rep. Cobb asked if people on general relief were hired for this program. Jim Smith of HRDC replied that this happens more geographically as in the Missoula area; he reported three or four had been hired. Rep. Cobb asked for statistics and Mr. Smith said he would present them.

A036

Dr. Blouke then reported on the low income energy assistance program (LIEAP). There is no difference between executive and LFA levels; the difference is in the amount of refunds projected. Current level includes approximately \$600,000 per year in refunds and the executive is projecting a lower rate of about \$420,000. In both instances, the amount that would actually go for grants that would transfer to the DD



program and amounts included for administration, is identical. This is an 100 percent federally funded grant and does not include any oil overcharge monies.

A060

Motion by Sen. Van Valkenburg to approve current executive level budget of \$8,624,436 per year the biennium with \$862,444 to DD program where revenues are available over and above \$7 million dollars per year for fuel assistance grants and that that money be put into weatherization and transfer 10 percent to the DD program in SRS and that finally we direct the department to work with utilities operating in the State of Montana to develop a long term plan tied to peak loads of utilities that would further the weatherization efforts and reduce the need for new operating plants.

A097

Chairman Bradley asked for a clarification of the implications of this motion. Dr. Blouke reported that if refunds exceed \$420,000, the amount that exceeds \$420,000 would be diverted to the weatherization program. Administration of weatherization grant would be five percent at state level and five percent at local level.

A140

Sen. Van Valkenburg stated that the difference between his motion and the executive budget was that he recommends putting the excess money into weatherization as opposed to carryover into the 1993 biennium. The reason for this motion is that the LIEAP money is beginning to dry up and completion of weatherization on as many homes as possible will hold down the high energy costs now being experienced.

Sen. Van Valkenburg reported that LIEAP funding is already one million dollars lower than in the 1987 biennium.

A167

Rep. Cobb asked the duties of the 1.5 FTE in SRS for the weatherization program. Mr. Tickell replied the development of rules and regulations, training manual and computer time. Rep. Cobb asked if this could be done at the local level. Mr. Tickell replied for payments to all areas and other duties, the program can be served better from a central location.

A218

Sen. Van Valkenburg renewed his original motion that SRS be directed to work with community utilities, including cooperatives serving Montana citizens, to develop a long range plan with respect to weatherization which would have the effect of reducing peak demands for energy and therefore the need for construction of new energy plants.

A240

Sen. Keating asked why restrict the construction of generation

plants. Mr. Mueller (A258) replied by weatherization the need for more power plants is reduced and you can postpone further construction. Sen. Keating replied that the facility siting act will monitor the need and the motion declares that there is no further need or intent is to stop construction.

A300

Due to conflict of content, Sen. Van Valkenburg volunteered to come back with language that would be acceptable to subcommittee's intent.

Motion by Sen. Van Valkenburg carried UNANIMOUSLY.

Chairman Bradley asked agency staff to explain the modifieds to the subcommittee. The first program is the federal welfare reform act.

B030

Mr. Tickell stated the costs for federal welfare reform are for FTE's were for administration at state and county level as well as total welfare costs for extending the Medicaid and AFDC programs.

B046

Sen. Keating inquired why there was such an increase in general funds in the second year of the biennium. Ms. Steinbeck reported that the increase is the extension of Medicaid and Day Care for AFDC recipients for a year after they accept paid employment. As the program picks up more clients the second year, the costs will increase. Sen. Keating asked if there would be a reduction of cost somewhere else or will this all be new growth.

B069

Mr. Tickell stated that principally this would be an expansion. I believe there is a consensus nationwide that there are two things that cause people not to get off welfare; that is the perception on the part of the recipient that I am going to lose my day care, which is \$160 per child, and also I am going to lose my medicaid. To a woman with two kids, that is very dramatic. National welfare reform tries to address those issues by extending day care and medicaid until AFDC recipient can work toward a wage situation where they can handle the medical and day care.

B085

Chairman Bradley stated the subcommittee would be discussing the federal welfare reform act in more detail on January 31, 1989.

B093

Sen. Keating asked for the effective date welfare reform will be initiated in the state and Mr. Tickell reported 1990.

B108

Sen. Keating inquired as to replacement of other programs or a reduction of personnel in other areas but Mr. Tickell stated this would be an expansion.

B150

Mr. Tickell reported that the federal regulations for the welfare reform act will not be available until April 1, 1989, which makes it difficult to implement this program at the present time. Rep. Cobb asked if Mr. Tickell would appreciate oversight and Mr. Tickell stated that would be a good idea and the department would welcome it.

B180

Chairman Bradley clarified the 9 FTE's are new employees in reply to Sen. Hofman's query. Chairman Bradley asked Mr. Tickell if administration was nine percent of the total operating cost for welfare reform; Mr. Tickell replied in the affirmative.

B193

Mr. Tickell went on to the food commodities program which is new federal requirement per hunger prevention act of 1987.

B204

Sen. Keating asked for figures on the match. Mr. Tickell replied 14.8 percent of the six commodity programs. Then Sen. Keating asked how much we would lose if we do not appropriate this money. Mr. Tickell said two commodity programs that require match are charitable institutions and area agencies on aging.

B242

Mr. Tickell then discussed TEAMS (the economic assistance management system) and is ongoing eligibility system that this subcommittee authorized two years ago and this budget would add one computer programmer for the development of that program.

A250

In answer to Rep. Cobb's questions as to problems with this computer program and if it would eventually replace jobs, Mr. Tickell replied that the program would be the largest in the state and would increase accuracy, avoid future growth and be better for quicker payment. Present equipment is fragile at this time having been transferred to Montana in 1974.

A290

Sen. Keating asked if the 1987 cost were start up costs and Dr. Blouke stated it was start up. Sen. Keating inquired if this was being budgeted now for expansion and Mr. Johns said one employee.

A370

Mr. Johns stated an analysis of needs and what could be transferred from another state was completed for \$5 million. SRS received federal funding for 85 percent of the cost.

Sen. Keating asked if this was done by contractors outside the state and Mr. Johns said yes.

A390

SRS can develop a new contract data basis as we talked about earlier in the presentations. The economic assistance division has in excess of several thousand contracts and this is the payment system for those contracts. As invoices come in against those contracts, this is the actual payment for those contracts. Mr. Tickell also informed subcommittee that the present system was designed for a more limited use.

B405

Rep. Cobb asked if this funding is crucial why is SRS delaying in replacement. Sen. Keating asked if this was a federal requirement.

Mr. Tickell reported that the department is getting along with what they have until July 1, 1989 and replacement then. In answer to Sen. Keating's question, Mr. Tickell replied that you have to be accountable for federal funding. Ms. Steinbeck reported that the state has to deal with millions of dollars and keep accurate track of all monies. There are different formulas, different match rates, etc. that can be complex.

B470

Mr. Tickell reported on OP plan changes which would continue changes made by SRS during the 1989 biennium through the budget amendment process. He reported that there has been a decreased amount of dollars requested in the program due to using a utilization review nurse, or a gatekeeper to the medicaid program. By hiring professionally qualified person, funding is covered by 75 percent federal and 25 percent general funds.

B536

Mr. Tickell proceeded to the modified for needy families, which is 100 percent federally funded. Mr. Tickell said the program would serve Indian families in northern Wyoming and we would have the authority to do it if the federal government should ask Montana to do this program. In answer to Rep. Cody's question as to why Montana is doing this, Mr. Tickell reported Montana could do it less expensively than any other means of getting food there. He reported that the trade off makes for better relations as far as sanctions, establishing good will, etc. in reply to Rep. Grinde's query as to why SRS volunteers for this project.

B618

On the eligibility determination, Dr. Blouke referred subcommittee to page B93 in LFA manual and pages 353-355 in the executive. Eligibility determination technicians and clerical staff are located in all 56 counties in order to make decisions regarding the eligibility of clients for such programs as AFDC, Medicaid, GA and county welfare. This is the primary function of the personnel in this program. The FTE level is 385.30 for the executive level and 388.55 for the LFA. This reflects a difference of 3.25 FTE's which resulted when the executive eliminated 3.25 eligibility determination technicians located in the non-assumed counties. The executive also applied a two percent vacancy savings and the LFA used a four percent. There are only minor differences in the two levels.

A699

Rep. Cody asked Rep. Cobb for the length of time positions in the non-assumed counties had been vacant. Rep. Cobb prepared a report on vacancies and vacancy savings earlier in the session.

Rep. Cobb will present a report to Rep. Cody, who is concerned about cutting positions in the non-assumed counties.

B720

Mr. Tickell addressed Rep. Cody's concern about eliminating positions at the county level where burnout is now being experienced due to lack of staff and increased caseloads.

Chairman Bradley stated that in the last legislative session an amendment in the language gave blanket authority for the agency to seek an amendment to hire FTE's in the state's non-assumed counties. If county directors can persuade their county commissioners that they need staff, SRS can recognize the need and put in a budget amendment. The agency would like to request that this granting of authority continue during the next biennium given the uncertainty of welfare reform; this essentially gives county commissioners the authority to hire whereby they spend local county funds and match them with federal.

B726

The four positions in the non-assumed counties, identified by Rep. Cobb, are being eliminated in concurrence with the county directors. The two positions that do have general fund impact handle food commodities; some counties contract to have this done; but these two partial positions can be eliminated. Our department supports the executive level, Mr. Tickell reported, with the reduction of staff by 3.25 FTE's and the 3.60 level of positions identified in the non-assumed and assumed county eligibility determination program.

B750

Mr. Tickell presented changes under modified budget requests.

The modified attempts to equalize caseloads between assumed and non-assumed counties where the county commissioners then can more easily keep current with the current caseloads. The disparity shows a 70 case difference between a state assumed county, which is 350, and a non-assumed county of 280. This level of FTE's will attempt to more equitably address that disparity. Rep. Cody asked if one eligibility determination technician could handle the 350/280 caseloads in assumed/non-assumed counties and was this a practical process. The agency stated that they are working with what they have and equalizing caseload is progress. The national average caseload is 175-180. Chairman Bradley requested information on burnout and high turnover rates; also on amount of federal funds and how this is determined for each state.

## ADJOURNMENT

Adjournment At: 10:45 a.m.

  
REP. DOROTHY BRADLEY, Chairman

DB/dib

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# DAILY ROLL CALL

## HEALTH AND HUMAN SERVICES

SUBCOMMITTEE

DATE January 17, 1989

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