

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION**

#### **SUBCOMMITTEE ON HUMAN SERVICES & AGING**

**Call to Order:** By CHAIRMAN DOROTHY BRADLEY, on February 8, 1991,  
at 8 a.m.

#### **ROLL CALL**

##### **Members Present:**

Rep. Dorothy Bradley, Chairman (D)  
Sen. Mignon Waterman, Vice Chairman (D)  
Rep. John Cobb (R)  
Rep. John Johnson (D)  
Sen. Tom Keating (R)  
Sen. Dennis Nathe (R)

**Staff Present:** Carroll South, Senior Fiscal Analyst (LFA)  
Terri Perrigo, Associate Fiscal Analyst (LFA)  
Dan Gengler, Budget Analyst (OBPP)  
Bill Furois, Budget Analyst (OBPP)  
Faith Conroy, Secretary

**Please Note:** These are summary minutes. Testimony and  
discussion are paraphrased and condensed.

##### **Announcements/Discussion:**

#### **EXECUTIVE ACTION ON SUPPLEMENTAL BUDGETS**

##### **DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES (SRS)**

**Tape 1A**

**John Donwen, SRS Support Services Division Administrator,**  
distributed a county-by-county comparison of 12-mill levy  
proceeds and costs. **EXHIBIT 1**

**Julia Robinson, SRS Director,** distributed a breakdown of SRS'  
supplemental budget request for the 1991 biennium. **EXHIBIT 2**

**Carroll South, Legislative Fiscal Analyst,** distributed copies of  
HB 3, the supplemental budget bill. **EXHIBIT 3.** CHAIRMAN BRADLEY  
referred to Page 3 of EXHIBIT 3 for SRS' proposed supplemental  
appropriation.

**Ms. Robinson** said the supplemental is needed because caseloads  
were higher than anticipated, with the exception of TEAMS. SRS  
had the money for TEAMS, but the Legislative Auditor wants the  
Department to have legislative authorization. It isn't new money.  
She referred to Page 2 of EXHIBIT 2, noting SRS is reverting \$3

million to the General Fund because of changes in General Assistance.

**Mr. South** said SRS, the Budget Office and LFA Office calculated 1991 projections for Aid to Families with Dependent Children (AFDC), State Medical, Day Care and Burial services. Everyone agrees on the amounts needed in fiscal year (FY) 1991 to pay costs above the 1989 Legislature's appropriation.

The supplemental budget for the Developmental Disabilities Division is for Phase I and II group homes authorized by the executive during this biennium. Some of the homes are already built and occupied. The subcommittee's action to adopt the budget modification for Phases I and II will continue the funding. The supplemental is for costs this biennium.

The JOBS appropriation is another example of caseload increases above the level anticipated by the 1989 Legislature.

In almost all instances, the bill will have be amended upward. The Budget Office has drafted those amendments. **CHAIRMAN BRADLEY** asked for adjusted figures. **Bill Furois, Office of Budget and Program Planning**, provided amended figures for Page 3 of HB 3.  
**EXHIBIT 3**

**Mr. South** said language is needed to supersede HB 100 to permit transfer of excess General Assistance money into these programs. **Mr. Furois** said Section 5 of the supplemental appropriations bill removes language that restricts General Assistance money from being transferred within the SRS budget. The Budget Office believes that change will allow use of \$3 million. **Mr. South** said the deduction is shown in **EXHIBIT 2**. If the transfer is not made or language prohibiting the transfer is not removed, \$3 million in General Fund money will have to be added to the Primary Care budget.

**SEN. WATERMAN** asked what difference it makes if \$3 million is left in General Assistance and it reverts to the General Fund, or if the restrictive language is removed. **Mr. Furois** said there is no difference, technically. SRS' budget typically has been tightly line-itemed. During the 1989 session, language was removed to allow SRS to transfer money around. If Section 5 of HB 3 is removed, \$3 million will have to be added to SRS' supplemental appropriation and it will revert to the General Fund. It's a wash. The intention is to have \$3 million directly transferred to Primary Care. No other money is built in for use elsewhere.

**Ms. Robinson** said there has been substantial debate about the General Assistance Program and how much it will save. The 1989 Legislature decided to put a fence around the budget to make it easier to track how successful the program had been.

**MOTION:** SEN. KEATING moved to adopt SRS corrections and additions to HB 3.

**VOTE:** The motion PASSED 5-1, with REP. COBB voting no.

DEPARTMENT OF FAMILY SERVICES (DFS)

Tom Olsen, DFS Director, distributed Foster Care and Pine Hills supplemental budget information. EXHIBIT 4-5. He said the residential care budget did not cover a number of days of care projected through the end of the fiscal year. Approximately 43 children await placement. The supplemental for foster care would provide care for 107 children on reservations statewide who do not receive services through DFS. DFS has been advised it is in danger of losing its IVE funding if it doesn't provide these services. This is an entitlement program.

SEN. NATHE asked how DFS can be involved in foster care on Indian reservations. Mr. Olsen said the agency is required to provide services. SEN. NATHE asked if the agency must place Indian children in foster homes on reservations. Mr. Olsen said DFS is not restricted but tries to make placements on reservations whenever possible. Most placements are on reservations with Indian families.

SEN. KEATING asked if DFS has Indian staff working in foster care. Mr. Olsen said yes. The agency has an Indian child welfare specialist who coordinates services on reservations statewide. DFS has social workers who work on certain reservations. On others, DFS contracts with tribes for services.

Mr. Furois corrected DFS supplemental budget figures in HB 3.

Mr. Olsen said the supplemental budget for Mountain View School involves \$32,251 in General Fund money. The money is needed to cover increased medical costs for two children. One student was kicked in the face by a horse and required extensive reconstructive surgery. Another child has a congenital heart defect, which requires extensive medical treatment and monitoring.

The \$72,183 supplemental for Pine Hills School is needed to cover increased medical costs and a revenue shortfall. Capacity at Pine Hills is 128 students and there are 184 students committed to the school. Additional money is needed to cover increased costs associated with the overload.

SEN. WATERMAN asked if placements for these children are appropriate. Mr. Olsen said placements are the most appropriate that can be found. Most of the children will probably end up out of state because Montana lacks appropriate services. DFS is in the process of developing a system of alternative services.

**MOTION:** SEN. KEATING moved approval of the DFS supplemental budget.

**DISCUSSION:** SEN. NATHE asked if any of these children come under the Medically Needy program. Mr. Olsen said no. They are not Medicaid-eligible.

REP. COBB said he has heard that children are not necessarily in appropriate placements. Mr. Olsen said they are placed appropriately. Each child is assessed and needs are determined. Most of them are not appropriate for in-state placement. As DFS develops in-state alternatives, many of the children who are out of state will be brought back.

**VOTE:** The motion PASSED unanimously.

SEN. NATHE said he wants to revisit the medically needy relatives issue. CHAIRMAN BRADLEY said it can be done at the end of the subcommittee's work, during wrap-up days.

#### **HEARING ON THE DEPARTMENT OF LABOR AND INDUSTRY**

Mike Micone, Labor Department Commissioner, distributed Department overview materials. EXHIBIT 6

Terri Perrigo, Legislative Fiscal Analyst, distributed budget summaries for the Department's Job Service Division, EXHIBIT 7, and Centralized Services Division, EXHIBIT 8.

Mr. Micone said the Department has spent a lot of time during the last two years implementing changes directed by the 1989 Legislature, including separation of the Workers' Compensation insurance and regulatory functions. He reviewed information on Pages 2-3 of EXHIBIT 6.

The Jobs for Montana's Graduates (JMG) program was recommended by the governor and initiated last spring through the Job Service Division. It is affiliated with the Jobs for America's Graduates (JAG), which is a school-to-work transition program.

JMG began as a pilot program in four schools, two in Butte and two in Helena. The Department hopes to expand the program to school districts statewide. The goal is to reduce the dropout rate, increase the graduation rate of at-risk students, reduce absenteeism, and reduce unemployment of at-risk youth. The program is funded with Unemployment Insurance (UI) administrative tax.

CHAIRMAN BRADLEY referred to the JMG budget modification on Page 2 of Exhibit 7.

**Tape 1B**

Cathi Neff, a JMG participant, said she attends the Abraham Lincoln Alternative School in Butte. She testified in support of

the program, which is helping her to stay in school. She urged continuation of the program at other schools statewide.

**Jamey McDaniel, a JMG participant,** said he is president of Butte High School's chapter of the Montana Career Association. The JMG program helped him develop leadership abilities and to decide to go to college. He urged continued support of the program.

**Loralee Robinson, JMG Executive Director,** said this year the 12th-grade, School-To-Work Transition (STOW) component of the JAG model was initiated. There are programs in other grades to prevent dropout before the 12th grade.

**CHAIRMAN BRADLEY** said some states run their programs through private non-profit organizations. She asked if the Department discussed the pros and cons of how Montana's program should be organized and if the Department believes it should be state-operated. **Mr. Micone** said the Department initially believed it should be a privately operated and funded program. The advisory board's goal is to have the program run by a private entity, but it probably will always need some public financial support.

**CHAIRMAN BRADLEY** asked how the JMG program is coordinated with nearly identical programs on Indian reservations. **Loralee Robinson** said no in-school programs like the JAG model are operating on the state's Indian reservations. There is a need. **Mr. Micone** said he has been meeting with the state Indian coordinator to see if reservation program can be started.

**SEN. WATERMAN** asked what kind of alternative learning programs are available in Butte and how the JMG program is coordinated with school districts and the Office of Public Instruction (OPI). **Loralee Robinson** said the program is offered at Butte High School and Butte's alternative high school. Students receive academic credit for participating in it. OPI was asked to run the program but Superintendent of Public Instruction Nancy Keenan did not want to take on an additional program. **Loralee Robinson** said she intends to work with school district superintendents and principals to determine if there is interest in the program and to assist in its implementation.

**SEN. WATERMAN** asked how the JMG program changed what was in place in Butte. **Loralee Robinson** said no program like the JAG model was available at Butte High School or the alternative school. Students learned resume writing and interviewing skills in other classes. An effort is made to avoid duplication if students are participating in the JMG program.

**Brian McCullough, Management Services Bureau Chief,** referred to the Department's organizational structure on Page 4 of **EXHIBIT 6** and reviewed information on Page 2. He said it will take time for the Department to get a handle on the Workers' Compensation regulatory function. Initially it was thought the Department of Labor would be the lead agency in the JOBS Program, but SRS

became the lead agency.

He highlighted reorganization changes within the Department, reviewing information on the Human Rights Commission, Page 21; Workers' Compensation Court, Page 22; Board of Labor Appeals, Page 10; Board of Personnel Appeals, Page 9; Job Service Division, Page 11; Legal Services Division, Page 14; Unemployment Insurance Division, Pages 19-20; Centralized Services Division, Pages 6-7; Research, Safety and Training Division, Page 16-17; and Employment Relations Division, Page 8-9.

He said the Department is seeking budget modifications in the Job Service Division for the JMG program, and the Trade Assistance Adjustment (TAA) and Economic Dislocated Worker Adjustment and Assistance (EDWAA) programs, which provide training and help people return to work.

Another modification calls for three additional FTEs in the Unemployment Insurance Division to handle collections and fraud issues. One-half FTE was inadvertently cut from the Research, Safety and Training Division and should be added back in.

#### HEARING ON THE CENTRALIZED SERVICES DIVISION

**Mr. McCullough** reviewed funding issues in the Division's budget summary. **EXHIBIT 7.** He said each Department program pays a portion of the Centralized Services Division budget, so funding for the Division cannot be determined until after the subcommittee finalizes the entire Department budget.

**SEN. KEATING** asked if the proprietary fund is a mix of state and federal money. **Mr. McCullough** said yes. The executive budget includes less than 2 percent General Fund money. The budget also includes money from Workers' Compensation, Human Rights Commission, federal programs and the UI administrative tax, which finances wage claim activities and part of Job Service.

**Dan Gengler, Office of Budget and Program Planning,** said the Department of Labor is funded largely with federal money, but a significant portion of what appears to be federal money is actually state money, specifically UI administrative tax revenue. UI tax funds come from Montana employers. They are coded as federal funds but are really state funds.

The JMG program is a top priority in the executive budget for the Department of Labor. Without state funding, the Department would have a difficult time raising private donations. It is important for the state to provide core support so that potential funding sources see their contributions would go toward something that has state commitment. The program is funded with UI administrative tax revenue. The executive budget continues that funding.

**EXECUTIVE ACTION ON THE CENTRALIZED SERVICES DIVISION**

Votes were taken on issues in **EXHIBIT 8**.

**CHAIRMAN BRADLEY** said she would like a motion to approve program budgets in Centralized Services, but she wants to reserve action on indirects until the end of the subcommittee's work. Indirects will vary depending on decisions on other divisions.

**MOTION: REP. JOHNSON** moved approval of program budgets and to allow staff at the end of the hearings to reallocate indirects.

**VOTE:** The motion **PASSED** unanimously.

**CHAIRMAN BRADLEY** said there are no reorganization issues to consider. Appropriation issues will be handled the way they have been before. The funding base is LFA, the computer network is the executive and inflation is LFA. That will continue.

**Ms. Perrigo** said Program Issue No. 1 is related to the Department's reorganization. The LFA current level retains microfilm services in Centralized Services at 1990 actual expenditures. The Department is requesting more.

**SEN. KEATING** asked how many program issues deal with the Department's computer program. **Ms. Perrigo** said none. Program Issue No. 3 is for additional equipment. Program Issue No. 2 deals with the Department's computer programming needs. Program Issue No. 7 deals with the statewide cost allocation plan, which doesn't really relate to computer processing.

**Tape 2A**

**Mr. McCullough** said microfilming under Program Issue No. 1 is usually done annually, but the Department wants to get ahead. There are five to six years of claim files to be microfilmed. The money would go to the Department of Administration, which would do the work.

**SEN. KEATING** asked if the difference in the budget is a result of an increase in the base or if the Department is exceeding current level operating expenses. **Ms. Perrigo** said the LFA Office tried to determine the current level base. Budget figures reflect the Department's reorganization, which increases the base at some point.

**SEN. KEATING** asked if the LFA deducted reorganization expenses so they would not be part of the current level and if the Department is seeking an increase above current level for additional projects. **Ms. Perrigo** said that is somewhat correct. The LFA base includes some reorganization-related costs from 1990. Other costs were not reflected in FY 90 expenditures and could be perceived as increases to the base.

**Rod Sager, Centralized Services Division Administrator,** said microfilming of records was not done for six months in FY 90 because the Department was being reorganized. The funding request for microfilming is higher in FY 92 than FY 93 because the Department wants to catch up.

**MOTION: SEN. KEATING** moved the executive budget for operating expenses and equipment.

**CHAIRMAN BRADLEY** asked if the motion covered all Program Issues. **SEN. KEATING** said yes.

**VOTE:** The motion PASSED unanimously.

#### HEARING ON THE JOB SERVICE DIVISION

**Mr. McCullough** reviewed background information on the Job Service Division on Pages 11-13 of **EXHIBIT 6**. He said the Trade Adjustment Assistance Act is for workers dislocated from their jobs because of increased imports. Montana's oil workers have been involved in this program. The Economic Dislocated Worker Adjustment Assistance Act provides services to people who were terminated from employment, exhausted their unemployment benefits and probably won't return to their previous jobs. He also reviewed budget modifications and program issues in **EXHIBIT 7**.

**SEN. KEATING** asked what TAA and EDWAA entailed. **Mr. McCullough** said workers receive money to move to another location for a job, or they can get training grants for up to 104 weeks to go to college. It is a powerful training program to get people into new careers. **Jim Hill, Administrative Support Bureau Chief,** said TAA is for people affected by national trade policies and EDWAA is for people affected by plant closures.

**SEN. KEATING** asked what EDWAA does for a person. **Mr. Hill** said dislocated workers receive job counseling to help them determine a new career. EDWAA helps them prepare to move if necessary. Committees may be created to maintain communication between workers and employers to help prevent bitterness. Employee buy-outs are examined. People may be sent to vocational-technical centers or private business schools, or receive on-the-job training. Others may be given money for transportation to a job interview.

**SEN. NATHE** asked if farmers are covered. **Mr. Hill** said he believes they receive assistance under EDWAA. **Mr. McCullough** said the Department applied four years ago for discretionary funds for dislocated farmers. At this point, discretionary funds specifically for farmers are not available. **Mr. Hill** said farmers would be eligible under EDWAA. The Department may submit a special funding request for farmers.



Ms. Perrigo said Program Issue No. 1 is a result of reorganization and covers costs to move Division telephones to its new building. Those costs were included in the LFA budget as an oversight. They were one-time costs.

EXECUTIVE ACTION ON THE JOB SERVICE DIVISION

Votes were taken on issues in EXHIBIT 7.

MOTION: SEN. WATERMAN moved approval of the executive budget for Program Issue No. 1. The executive budget does not include phone-move costs.

VOTE: The motion PASSED unanimously.

Ms. Perrigo reviewed Program Issue No. 2. She said the agency spent \$5,364 in overtime during FY 90. No overtime was included in the LFA budget. The agency didn't spend differential pay in FY 90. The difference in longevity and benefits is related to classification upgrades within the Department, specifically in the Job Service Division. When the LFA examined data, longevity and benefits were not in the data base. The executive manually inserted the amounts, so the executive budget is higher in those areas.

MOTION: SEN. KEATING moved approval of the executive budget for personal services.

VOTE: The motion PASSED unanimously.

MOTION: REP. COBB moved approval of the EDWAA and TAA budget modification.

VOTE: The motion PASSED unanimously.

CHAIRMAN BRADLEY said the UI administrative tax, which finances the JMG program, is an at-risk item. The tax is being put at risk because the program will grow. The match will have to come from somewhere. A precedent is being set. Mr. McCullough said the Department sees a strong potential for reducing the dropout rate through the JMG program. However, the Department also is looking for other funding sources. The program needs a solid funding base so that foundation programs do not think the only source of funding is their donations. Requests carry more weight if there is a base program. The Department's hope is to identify other funding sources and not increase use of UI administrative tax. The Department wants to fund the program entirely with other money.

**CHAIRMAN BRADLEY** asked for more information about the UI administrative tax, including its source, balance, criteria for use and who else is after it.

**Mr. McCullough** said the UI administrative tax finances programs that contribute to Job Service. It also finances Employment Relations Division wage claim and personnel appeals functions; personnel appeals staff in the Legal Services Division; prevailing wage and apprenticeship programs in the Research, Safety and Training Division; and the Displaced Homemakers program and Project Work match in the Grants Program.

JMG would use UI administrative tax money and the Displaced Homemakers program may seek an increase. The Department's intent has been to use UI administrative tax money for employer-employee-related services. Some General Fund-financed functions have been switched to UI administrative tax.

**CHAIRMAN BRADLEY** asked if UI administrative tax comes from employers. **Mr. McCullough** said yes. **CHAIRMAN BRADLEY** asked why the state has this tax. **Mr. McCullough** said there was concern in 1980-81 that the federal government would cut Job Service funding. The money was reinstated so the tax wasn't needed then. In 1989, Job Service offices needed the tax revenue as a funding source. **CHAIRMAN BRADLEY** said the tax initially was needed for Job Service offices and now it is being used for other things. **Mr. McCullough** said yes.

**SEN. WATERMAN** asked for the tax fund balance. **Mr. McCullough** said it is about \$6.2 million. **SEN. WATERMAN** asked how much of it is being used. **Gary Curtis, Job Service Division Administrator**, said the Department plans to transfer the balance to the trust fund so that employer tax rates would be 0.1 percent or lower. The balance is supposed to roll into the primary benefits trust fund to allow the tax schedule to go down. **Mr. Micone** said approximately \$4 million would go into the trust fund. The paperwork is being processed, but the transfer has not been completed.

**SEN. KEATING** said he wants a flow chart. He asked how much revenue is generated by the UI administrative tax. **Mr. Micone** said approximately \$2.5 million per year. **Mr. McCullough** said recent projections show revenues of up to \$2.8 million for FY 92, with another \$560,000 in interest earnings. Projections for FY 93 are \$2.9 million and \$638,000 in interest.

**SEN. KEATING** asked how much is appropriated from the total. **Mr. McCullough** said proposed budgets would use \$2.5 million per year of the biennium. **SEN. KEATING** asked if other people are looking at the tax for other uses. **Mr. McCullough** said yes, but the law says the money can only be used by the Department of Labor. It cannot be transferred elsewhere.

**SEN. KEATING** asked about the balance. **Mr. McCullough** said it is \$6.2 million and will be reduced to \$2 million to keep the tax schedule down. The Department is at schedule three and intends to get it down to schedule one.

**SEN. WATERMAN** asked for a breakdown of how the \$2.5 million is appropriated. **Mr. McCullough** said he would provide the figures.

**Mr. Gengler** said the executive budget appropriation of UI administrative tax money is about the same as it was last session. The total does not represent a change. Some initiatives, such as Project Work and JMG programs, represent new use of the money. But other programs were discontinued. The bottom line is about the same.

**SEN. WATERMAN** asked which programs were dropped. **Mr. McCullough** said a match isn't needed for the Job Training Partnership Act (JTPA) Dislocated Worker program. The shift was to Project Work and JMG. **Mr. Micone** said he also is concerned about use of UI administrative tax revenue. Employers were willing to pay an additional tax to ensure Job Service offices remained open. In the past 10 years, particularly in the last four to five years, state agencies have become innovative in using funds. The last administration asked the Department to look for other ways to fund programs instead of using General Fund money. The UI administrative tax has been viewed somewhat like a slush fund. Whenever a program idea comes up, the UI administrative tax is looked at as a funding source. Employers are concerned about what is happening to the UI administrative tax. **REP. BOB GILBERT** has a bill to limit use of the tax for public employment offices only, which was the original intent. But a number of important programs that cannot be discontinued are being funded with UI administrative tax money. If UI administrative tax money can only be used for public employment offices, a number of programs will be eliminated or will have to be financed with General Fund money.

**Mr. Gengler** said **REP. GILBERT's** bill would cost about \$2 million in General Fund money per year to replace UI administrative tax funds. **CHAIRMAN BRADLEY** asked if the bill would decrease the tax. **Mr. Gengler** said no. It would restrict use for employment service offices only. The law allows the tax to be used for administrative purposes in the Department of Labor. The 1989 Legislature appropriated \$2.5 million from the fund and the executive budget this session recommends appropriation of \$2.5 million.

**SEN. KEATING** asked if programs could be juggled during the biennium if the bill's effective date is delayed. **Mr. Micone** said he thinks so.

**SEN. KEATING** asked what other programs use UI administrative tax money. **Mr. McCullough** said the Employment Relations Division uses the tax for prevailing wage enforcement, wage claim enforcement,

minimum wage enforcement and a program that ensures bonds are available for wage claims on employers who go out of business. Under the Legal Services Division, the tax finances personnel appeals from grievances or collective bargaining. It is used for the prevailing wage survey and apprenticeship program in the Research, Safety and Training Division. It also finances the Displaced Homemaker Program. **SEN. KEATING** asked for a flow chart on tax revenues and expenditures. **Mr. McCullough** said he would provide the figures.

**REP. COBB** said he was going to ask the Department if it wanted to contribute funding for the developmentally disabled (DD) waiting list. If not, he planned to make a motion to use UI administrative tax.

**Tape 2B**

**Ms. Perrigo** said Job Service offices work with job coaches in SRS' Supported Employment program. **REP. COBB** said 40 people are on the DD waiting list and he wants to eliminate it. **Mr. Curtis** said the Department does not want to volunteer money. It is a wonderful program, but employer services would be impacted if the Department dedicated its staff to the DD program. The Department would need more money to do it. **REP. COBB** said the Department could contract out the work. **Mr. Curtis** said the Department would have to pay for the contracts and doesn't have enough money now.

**CHAIRMAN BRADLEY** told **REP. COBB** that it appears he is trying to use a narrow source of money for a program for the disabled and that it is a philosophical question as to whether the subcommittee should do that. **REP. COBB** said it is easier to try to find jobs for people without barriers than to serve the disabled. Disabled people just want to work. It's a policy decision. The question is how much of a barrier the Legislature wants Job Service to tackle.

**SEN. WATERMAN** said she agrees. She asked **REP. COBB** if he is saying the money should be used to contract with SRS to provide supported employment. **REP. COBB** said the money could go to providers if SRS doesn't have time to do it. There would be some federal matching money if it goes through SRS. The cost would be \$143,276 in General Fund per year. Federal matching money would be about \$30,000-\$40,000.

**CHAIRMAN BRADLEY** said she will ask for a motion to accept the modification in concept and leave the match for discussion later. It would help to have additional information brought to the subcommittee. She asked the Department to provide a summary on the UI administration tax and for **Ms. Perrigo** to supply a copy of **REP. GILBERT's** bill. **SEN. WATERMAN** said she also wants to know the administration's position on **REP. GILBERT's** bill and the thinking behind that position.

**Mr. Micone** said the presentation by **REP. COBB** is an example of what will be heard from others seeking use of UI administrative tax.

**MOTION:** SEN. KEATING moved approval of the JMG executive budget modification.


**DISCUSSION:** CHAIRMAN BRADLEY said the subcommittee can reopen discussion on the funding source later.

**VOTE:** The motion PASSED unanimously.

**ADJOURNMENT**

Adjournment: 11 a.m.

  
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REP. DOROTHY BRADLEY, Chairman

  
\_\_\_\_\_  
FAITH CONROY, Secretary

DB/fc

**HOUSE OF REPRESENTATIVES**  
**HUMAN SERVICES SUBCOMMITTEE**

**ROLL CALL**

**DATE** 2/8/91

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB	✓		
SEN. TOM KEATING	✓		
REP. JOHN JOHNSON	✓		
SEN. DENNIS NATHE	✓		
SEN. MIGNON WATERMAN, VICE-CHAIR	✓		
REP. DOROTHY BRADLEY, CHAIR	✓		

Department of Social & Rehabilitation Services  
 State Assumed Counties  
 Comparison of Proceeds of 12 Mills vs. Costs  
 FY90

02/07/91

	12 Mill Proceeds	General Fund Costs	Variance	Mills Needed To Pay All Costs
Cascade	\$1,130,645	\$2,371,827	(\$1,241,182)	25.17
Deer Lodge	\$106,930	\$569,746	(\$462,816)	63.94
Flathead	\$1,166,689	\$986,749	\$179,940	10.15
Lake	\$355,695	\$432,972	(\$77,277)	14.61
Lewis & Clark	\$818,592	\$1,464,386	(\$645,794)	21.47
Lincoln	\$400,973	\$470,940	(\$69,967)	14.09
Mineral	\$99,245	\$107,249	(\$8,004)	12.97
Missoula	\$1,437,480	\$2,699,502	(\$1,262,022)	22.54
Park	\$276,888	\$285,573	(\$8,685)	12.38
Powell	\$155,345	\$162,861	(\$7,516)	12.58
Ravalli	\$371,300	\$466,343	(\$95,043)	15.07
Silver Bow	\$587,218	\$2,549,536	(\$1,962,318)	52.10
Totals	\$6,907,000	\$12,567,684	(\$5,660,684)	79.1

2/8/91  
 Human Service  
 Subc.

10m.07

1990 Poor Fund Mill Levy  
Biennial Report of the Montana Department of Revenue

County	Poor Fund Levy
*****	*****
Powder River	0.00
Liberty	0.02
Rosebud	0.58
Treasure	0.60
Wibaux	0.61
Judith Basin	0.71
Carter	1.00
Big Horn	1.12
Toole	1.29
Fallon	1.54
Golden Valley	1.76
Lake	1.91
Glacier	1.99
Garfield	2.00
Teton	2.00
Petroleum	2.20
McCone	2.25
Daniels	2.36
Jefferson	2.63
Madison	2.64
Chouteau	3.18
Richland	3.29
Phillips	4.00
Broadwater	4.14
Gallatin	4.26
Sweet Grass	4.45
Blaine	4.57
Carbon	4.74
Valley	4.74
Prairie	4.88
Sheridan	4.90
Granite	5.00
Sanders	5.25
Musselshell	5.27
Meagher	5.28
Hill	5.46
Dawson	5.55
Roosevelt	5.93
Stillwater	6.50
Beaverhead	7.50
Fergus	7.63
Pondera	7.72
Custer	10.00
Yellowstone	11.83
Wheatland	18.00



## Department of Social and Rehabilitation Services

02/07/91  
10:57 AM

## 1991 Biennium Supplementals

	General Fund	St. Special Fund	Federal Funds	Total Funds
Supplementals:				
Primary Care	\$10,502,699	\$0	\$26,045,092	\$36,547,791
Less: GA Transfer	(\$3,000,000)			(\$3,000,000)
Net Primary Care	\$7,502,699	\$0	\$26,045,092	\$33,547,791
AFDC	\$1,339,886	\$135,825	\$4,030,629	\$5,506,340
State Medical	\$1,558,034	\$0	\$0	\$1,558,034
Day Care/Burials	\$209,870	\$0	\$433,610	\$643,480
DD Division	\$728,115	\$0	\$701,091	\$1,429,206
JOBS	\$450,000	\$0	\$0	\$450,000
TEAMS	\$461,964	\$0	\$2,977,827	\$3,439,791
Total Supplementals	\$12,250,568	\$135,825	\$34,188,249	\$46,574,642

Note: HB 100 prohibits the transfer of General Assistance funds to any other program.  
This language is removed by Section 5 of House Bill 3.

The TEAMS supplemental is a request for reappropriation of FY88 and FY89 funds  
reverted by SRS in accordance with a Legislative Audit finding.

2-8-91

Department of Social and Rehabilitation Services  
1991 Biennium Supplementals  
All Fund Types

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	FY90 Appropriated	FY90 Costs	FY90 Shortfall
Primary Care	\$94,288,728	\$104,288,428	\$9,999,700
AFDC	\$35,904,355	\$38,407,690	\$2,503,335
State Medical	\$4,590,000	\$5,690,000	\$1,100,000
Day Care/Burials	\$906,746	\$1,450,530	\$543,784
DD Division	\$0	\$224,500	\$224,500
	\$135,689,829	\$150,061,148	\$14,371,319

	FY91 Appropriated	FY91 Projected Costs	FY91 Shortfall
Primary Care	\$105,792,103	\$132,340,194	\$26,548,091
AFDC	\$37,562,364	\$40,565,369	\$3,003,005
State Medical	\$4,681,800	\$5,139,834	\$458,034
Day Care/Burials	\$1,859,657	\$1,959,353	\$99,696
DD Division	\$0	\$1,204,706	\$1,204,706
JOBS	\$0	\$450,000	\$450,000
TEAMS	\$0	\$3,439,791	\$3,439,791
	\$149,895,924	\$185,099,247	\$35,203,323

GA Transfer	\$5,024,600	\$2,024,600	(\$3,000,000)
Total Biennium	\$290,610,353	\$337,184,995	\$46,574,642

## 1 HOUSE BILL NO. 3

2 INTRODUCED BY BARDANOUVE

3 BY REQUEST OF THE OFFICE OF BUDGET AND PROGRAM PLANNING

4

5 A BILL FOR AN ACT ENTITLED: "AN ACT APPROPRIATING MONEY TO VARIOUS

6 STATE AGENCIES FOR THE FISCAL YEAR ENDING JUNE 30, 1991; AMENDING

7 NARRATIVE PROVISIONS IN HOUSE BILL NO. 100, LAWS OF 1989; AND

8 PROVIDING AN IMMEDIATE EFFECTIVE DATE."

9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 NEW SECTION. Section 1. Time limits. The appropriations

12 contained in [this act] are intended to provide only necessary and

13 ordinary expenditures for the years for which the appropriations

14 are made. The unspent balance of any appropriation must revert to

15 the fund from which it was appropriated unless the appropriation is

16 continued by [this act].

17 NEW SECTION. Section 2. Governor's power to reduce

18 appropriations. In the event of a shortfall in revenue, the

19 governor may reduce any appropriation in [this act] by not more

20 than 15%.

21 NEW SECTION. Section 3. Totals not appropriations. The totals

22 shown in [this act] are for informational purposes only and are not

23 appropriations.

24 NEW SECTION. Section 4. Appropriations. The following money

25 is appropriated subject to the terms and conditions of [this act]:

1	Agency and Program	FY	Amount	Fund
2	MONTANA SUPREME COURT			
3	Boards and Commissions	1991	\$ 23,500	General Fund
4	Water Court	1991	22,000	State Special
5	STATE AUDITOR			
6	State Payroll	1991	51,054	General Fund
7	Fiscal Control & Management	1991	263,423	General Fund
8	DEPARTMENT OF JUSTICE			
9	Motor Vehicle -- Decals & Gas	1991	63,700	General Fund
10	Highway Patrol	-- 1991	280,000	State Special
11	Prisoners	-- 1991	217,100	State Special
12	Highway Patrol Gasoline	-- 1991	9,500	General Fund
13	Law Enforcement	-- 1991	77,000	General Fund
14	Gasoline	-- 1991	100,000	General Fund
15	County Attorney Payroll	1991	12,000	General Fund
16	Transportation of Prisoners	1991	3,960,000	State Special
17	GOVERNOR'S OFFICE			
18	Citizens' Advocate	1991	14,040,000	Federal Special
19	DEPARTMENT OF HIGHWAYS			
20	Construction	1991		

1	Maintenance Program	1991	234,716	State Special	1	Developmental	1991	728,115	General Fund
2	Equipment Program	1991	735,059	Proprietary	2	Disabilities			
3	Stores Inventory	1991	1,313,673	State Special	3	JOB\$ . . . . . 450,000 General Fund		701,091	Federal Special
4	Interfund Transfers	1991	15,681,172	State Special	4	DEPARTMENT OF FAMILY SERVICES			
5	DEPARTMENT OF REVENUE				5	Community Serv. -- Foster	1991	744,604	General Fund
6	Property Assessment --	1991	220,984	General Fund	6	Care			
7	CAMAS				7			224,169	Federal Special
8	DEPARTMENT OF ADMINISTRATION				8	Mountain View -- Medical	1991	32,251	General Fund
9	Teachers' Retirement	1991	26,866	Trust Account	9	Costs			
10	System				10	Pine Hills -- Medical	1991	27,883	General Fund
11	DEPARTMENT OF MILITARY AFFAIRS				11	Costs		48,583	
12	Firefighters' Lawsuit	1991	30,000	General Fund	12	Pine Hills -- Decrease in	1991	23,600	General Fund
13	DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES				13	School Trust Interest			
14	Family Assistance -- AFDC	1991	1,349,986	General Fund	14	& Income			
15			1,349,556		15	DEPARTMENT OF STATE LANDS			
16			150,536	State Special	16	Forestry -- Firefighting	1991	2,517,108	General Fund
17	Family Assistance -- Day	1991	4,233,009	Federal Special	17	DEPARTMENT OF INSTITUTIONS			
18	Care		4,233,629	General Fund	18	Montana State Prison	1991	719,417	General Fund
19			209,870		19	Swan River Forest Camp	1991	13,500	General Fund
20	Medicaid -- Primary Care	1991	433,660	Federal Special	20	Corrections Program	1991	25,742	General Fund
21			292,905		21	Women's Corrections	1991	78,040	General Fund
22	State Medical	1991	5,298,087	General Fund	22	Corrections -- Medical	1991	336,932	General Fund
23	TEAMS Carryover	1991	7,562,649	Federal Special	23	Costs			
24			14,960,182		24	Board of Pardons	1991	35,651	General Fund
			26,045,092		25	Montana State Hospital	1991	70,573	General Fund
			1,740,009	General Fund					
			1,552,834						
			461,964	General Fund					
			2,977,827	Federal Special					

1 OFFICE OF PUBLIC INSTRUCTION

2 Transportation Aid to 1991 605,589 General Fund

3 School Districts

4 SCHOOL FOR THE DEAF AND THE BLIND

5 ATF Local 4027 Payout 1991 161,285 General Fund

6 Employee Settlement Costs 1991 21,829 General Fund

7 Chapter I Revenue 1991 53,783 General Fund

8 Shortfall

9 Large Print & Braille 1991 10,000 General Fund

10 Texts

11 BOARD OF PUBLIC EDUCATION

12 Severance Pay 1991 6,000 General Fund

13 MONTANA UNIVERSITY SYSTEM

14 U of M -- Liability 1991 93,843 General Fund

15 Insurance

16 Eastern -- Tuition and 1991 106,011 Current

17 Fees Unrestricted

18 Northern -- Liability 1991 133,237 General Fund

19 Insur.

20

21 STATEWIDE TOTAL

22 Fund FY Amount

23 General Fund 1991 \$15,641,402

24 State Special Revenue 1991 21,859,197

25 Federal Special Revenue 1991 41,449,383

1 Proprietary and Other 1991 867,936

2 Total 1991 \$79,817,918

3 **Section 5.** Section 16, House Bill No. 100, Laws of 1989, the

4 narrative to appropriations to the department of social and

5 rehabilitation services, on page 2060, Laws of Montana, 1989, is

6 amended to read:

7 "No-funds-may-be-transferred-out-of--item--~~that~~--to--any--other

8 ~~portion-of-the-SRS-budget.~~"

9 **Section 6.** Section 16, House Bill No. 100, Laws of 1989, the

10 narrative to appropriations to the department of institutions, on

11 page 2070, Laws of Montana, 1989, is amended to read:

12 "Within item 5, transfers may be made between line items in

13 excess of 5% of the total appropriation authority, including

14 personal services spending authority, in each line item upon

15 approval of the governor or his designated representative."

16 NEW SECTION. **Section 7.** Effective date. [This act] is

17 effective on passage and approval.

-End-

EXHIBIT

4

2/8/91

DATE

2-8-91

Human Serv.  
Subc.

-6-

## FOSTER CARE SUMMARY

#1	Increased days of care and waiting list	General Fund	693,564
		Federal Fund	<u>94,666</u>
		Total	788,230

Waiting list 450,180

#2	Native American Placements	General Fund	51,040
		Federal Fund	<u>129,503</u>
		Total	180,543

Total General Fund	744,604
Total Federal Fund	<u>224,169</u>
Total	968,773

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## Department of Family Services

### *Subject:*

Foster care projections for 1991, and comparison to 1991 funding.

### *Assumptions:*

Projections are based on services paid through August 1990  
Projections include an adjustment for peak mid year foster care placements  
Medicaid eligible residential treatment placements projections are adjusted for approved medicaid days  
Budget funding is adjusted for FY91 to FY90 general fund transfer of \$200,000

### *Calculations:*

Projections compared to budget by funding type

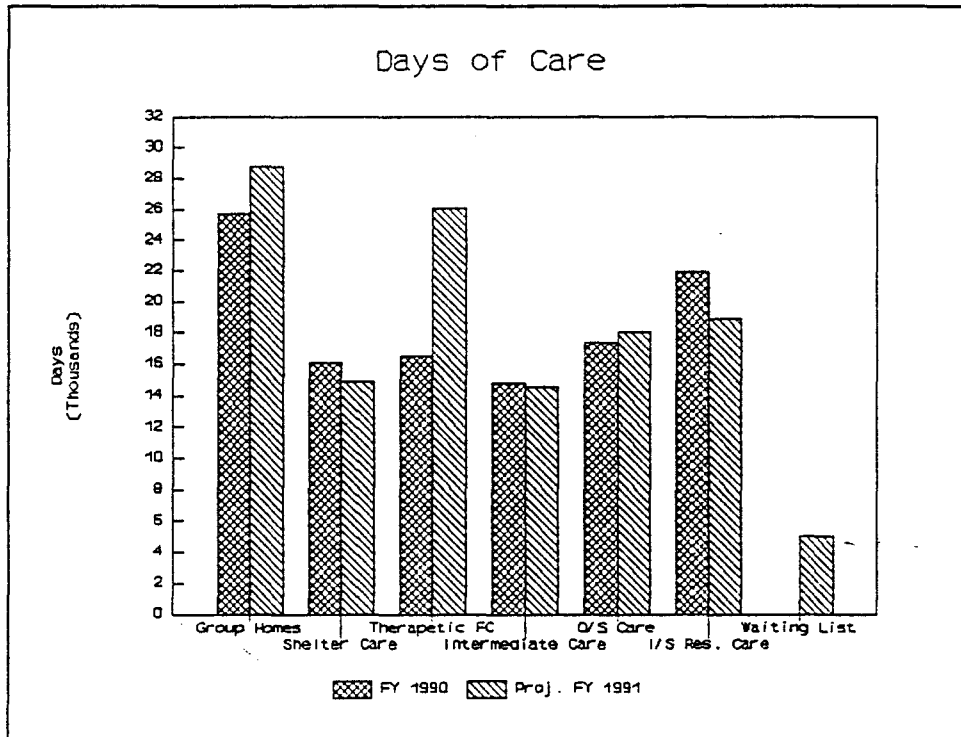
	Budget	Projection	Difference
General Fund	7,497,077	8,190,641	(693,564)
County	1,139,650	1,005,567	134,083
Federal	2,449,075	2,543,741	(94,666)
Total	11,085,802	11,739,949	(654,147)

### *Comments:*

Estimated days of care for Fiscal year 1991 are projected at an increase from FY 1990 as shown on the next page.

There are 41 children on the current waiting list pending funding for appropriate placement.

DEPARTMENT OF FAMILY SERVICES  
Page 2



Note: Family Foster care days are not shown.  
They have increased from 327,704 days in FY 1990 to  
a projected 359,594 days in FY 1991.



EXHIBIT 5  
2-8-91

EXHIBIT 115  
2/8/91  
Human Serv.  
Sub c.

PINE HILLS SUMMARY

Medical Costs	35,883
Local Detention - holds	2,500
Escapee Travel	1,500
Repairs & Maintenance	8,700
Interest & Income Shortage	<u>23,600</u>
TOTAL	72,183

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Exhibit 6 consists of a 22 page study. The original is available at the Montana Historical Society, 225 N. Roberts, Helena, MT. 59601. (Phone 406-444-4775).

EXHIBIT 6

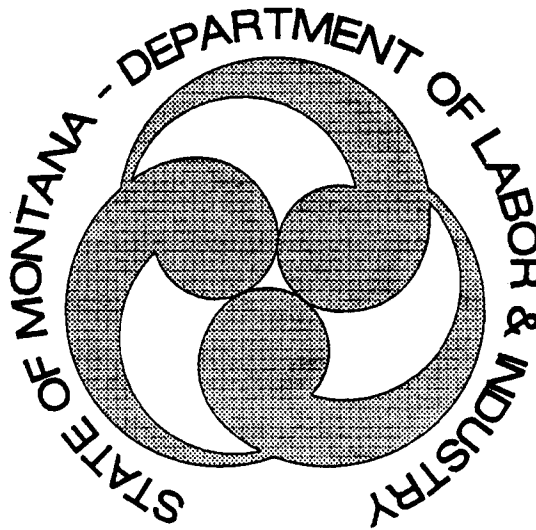
DATE 2-8-91

HB                     

Exhibit # 6

2/8/91

Human Services  
Subc.



# **REPORT TO THE GOVERNOR & CITIZENS**

**STATE OF MONTANA**

**DEPARTMENT OF LABOR AND INDUSTRY**

**JANUARY 1991**

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	315.60	314.85	314.85	.00	314.85	314.85	.00
Personal Services	7,759,153	8,581,137	8,568,525	12,612	8,571,833	8,559,222	12,611
Operating Expenses	3,142,662	3,031,911	3,080,284	48,373-	2,993,752	3,083,344	89,592-
Equipment	88,172	81,759	81,759	0	82,419	82,419	0
Total Expend.	\$10,989,987	\$11,694,807	\$11,730,568	\$35,761-	\$11,648,004	\$11,724,985	\$76,981-
<u>Fund Sources</u>							
State Revenue Fund	87,011	91,046	90,491	555	91,556	90,491	1,065
Federal Revenue Fund	10,902,976	11,603,761	11,640,077	36,316-	11,556,448	11,634,494	78,046-
Total Funds	\$10,989,987	\$11,694,807	\$11,730,568	\$35,761-	\$11,648,004	\$11,724,985	\$76,981-

LFA Current Level Analysis Reference: page B-49  
Executive Budget Summary Reference: page 118  
Executive Budget Narrative Reference: page 5

Current Level Issues	FTE	Amount
-----		
A. Reorganization Issues		
NONE		
B. Appropriation Policy Issues		
1. Difference in the Funding Base		(\$64,294) (\$100,097)
2. Difference in Computer Network Charges		\$69,921 \$69,921
3. Difference in Inflation		(\$24,174) (\$29,590)
C. Program Issues		
1. Executive Budget does not include one-time only costs associated with telephone add/move to new building (federal funds)		(\$29,826) (\$29,826)
2. Executive Budget includes more personal services than LFA: 10,900 for overtime, 1200 for differential pay, 445/443 for longevity, and 67/68 for benefits (federal funds)		\$12,612 \$12,611
TOTAL		----- (\$35,761) (\$76,981) =====

EXHIBIT 7  
DATE 2-8-91  
Human Services  
Srbc.

Exhibit #7

2/8/91

# Executive Budget Modifications

## A. EDHAA/TAA

(Economic Dislocated Worker Adjustment & Assistance/Trade Adjustment Assistance

This modification would add staff and funds to provide services to potentially laid off employees before a business shuts down. The program was begun in fiscal 1991 through a budget amendment is 100% federally funded

6.0 6.0 \$253,869 \$253,520

	1992	1993
Personal Services	149,999	149,650
Operating Expenses	103,870	103,870
	-----	
Total	253,869	253,520

### Funds:

Federal JTPA funds	217,312	214,764
L & I Federal Funds	36,557	38,756

## B. Jobs for Montana's Graduates

This modification would add staff, operating expenses, and grants to provide services to high school students at-risk for dropping out. It was begun through a budget amendment in fiscal 1991, and is funded with Unemployment Insurance Administrative Tax funds.

1.0 1.0 \$126,517 \$124,485

	1992	1993
Personal Services	35,217	35,135
Operating Expenses	31,300	29,350
Grants	60,000	60,000
	-----	
Total	126,517	124,485

### Funds:

UI Admin Tax	126,517	124,485
--------------	---------	---------

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	64.50	64.50	64.50	.00	64.50	64.50	.00
Personal Services	1,794,061	1,891,127	1,888,992	2,135	1,888,694	1,886,558	2,136
Operating Expenses	860,680	896,481	790,097	106,384	901,336	792,888	108,448
Equipment	40,311	56,138	19,138	37,000	19,107	19,107	0
Total Expend.	\$2,695,052	\$2,843,746	\$2,698,227	\$145,519	\$2,809,137	\$2,698,553	\$110,584
Fund Sources							
State Revenue Fund	86,687	0	0	0	0	0	0
Federal Revenue Fund	314,650	0	0	0	0	0	0
Proprietary Fund	2,293,715	2,843,746	2,698,227	145,519	2,809,137	2,698,553	110,584
Total Funds	\$2,695,052	\$2,843,746	\$2,698,227	\$145,519	\$2,809,137	\$2,698,553	\$110,584

LFA Current Level Analysis Reference: page B-52  
Executive Budget Summary Reference: page 118  
Executive Budget Narrative Reference: page 21

--Executive Over (Under) LFA--

Current Level Issues	FTE	Amount
A. Reorganization Issues		
NONE		
B. Appropriation Policy Issues		
1. Difference in the Funding Base		\$39,768
2. Difference in Computer Network Charges		\$18,910
3. Difference in Inflation		(\$13,163)
C. Program Issues (all proprietary funds--approx 1% general fund)		
1. Executive Budget includes \$26,290 more than LFA for microfilm svcs for Workers Compensation regulation files.		\$17,645
2. Executive Budget includes \$22,931 more than LFA for DOLI data processing indirect costs		\$11,477
3. Executive Budget includes \$37,000 more than LFA for computer and duplicating equipment		\$37,000
4. Executive Budget includes \$20,000 more than LFA for specialized training for DP staff		\$10,000
5. Executive Budget includes \$3,676 more than LFA for increased ICESA dues		\$1,838
6. Executive Budget includes \$27,846 more than LFA for supplies for Workers Compensation duties brought in through reorganization.		\$13,923
7. Executive Budget includes \$16,242 more than LFA for Statewide Cost Allocation Plan charges		\$8,121
TOTAL		\$145,519

EXHIBIT #8  
DATE 2-8-91

EXHIBIT #8  
2/8/91  
Human Serv.  
Subc.

**HOUSE OF REPRESENTATIVES  
VISITOR REGISTER**

Human Services SUBCOMMITTEE      DATE 2/8/91  
DEPARTMENT(S) Dept of Labor      DIVISION \_\_\_\_\_

**PLEASE PRINT**

**PLEASE PRINT**

NAME	REPRESENTING	
<i>Mike McCune</i>	DLI	
<i>Brian McElroy</i>	DLI	
<i>Rod Ager</i>	DLI	
<i>Kirsten Graham</i>	DLI	
<i>Jim Hill</i>	DLI - Job Service	
<i>GARY CURTIS</i>	DLI Job Service	
<i>Joan Miller</i>	DLI - CSD	
<i>Loree Robinson</i>	Jobs for Montana's Graduates	
<i>Cathi Neff</i>	Jobs for MT's Graduates, Butte	
<i>Jamey McDaniel</i>	Jobs for MT's Graduates, Butte	
<i>Brenda Salazar</i>	Jobs for MT's Graduates, Butte	
<i>Bob Mullen</i>	DLI	
<i>Anne MacIntyre</i>	Human Rights Comm / DLI	
<i>Dan Gengler</i>	OBPP	

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.