

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By CHAIRMAN DOROTHY BRADLEY, on February 13, 1991, at 8:05 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: Terri Perrigo, Associate Fiscal Analyst (LFA)
Sandra Whitney, Associate Fiscal Analyst (LFA)
Bill Furois, Budget Analyst (OBPP)
Faith Conroy, Secretary

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

Announcements/Discussion:

Tape 1A

Sandra Whitney, Legislative Fiscal Analyst, distributed budget summaries for the Department of Family Services' Management Support Division, Mountain View School and Pine Hills School.
EXHIBIT 1-3

Terri Perrigo, Legislative Fiscal Analyst, distributed proposed language for appropriating uninsured employer and subsequent injury benefits in the Department of Labor. **EXHIBIT 4**

DEPARTMENT OF LABOR AND INDUSTRY

CHAIRMAN BRADLEY said the subcommittee needs to determine whether language or a piece of legislation is needed to resolve the problem with uninsured employer and subsequent injury benefits in the Department of Labor.

Ms. Perrigo said the Department needs to appropriate the benefit amount. The LFA Office is trying to accomplish this with language rather than a committee bill.

CHAIRMAN BRADLEY asked what the language does. **Ms. Perrigo** said it will allow the Department up to \$1 million each year to pay benefits. The Department indicated the highest annual benefit

ceiling was \$780,000. The language will give the Department up to \$1 million each year. The amount will not show up in the Department's budget because it is appropriated through language.

SEN. KEATING asked if this is similar to a contingency fund. **Ms. Perrigo** said the Department won't pay benefits if it doesn't have to. The proposed amount is more than \$200,000 more than the highest level of benefit payments so far.

REP. COBB asked why the Department wants \$1 million. **Brian McCullough, Management Services Bureau Chief**, said the Department does not want to be in a position in which it cannot get a budget amendment. The only potential problem with a line-itemed amount would be if unforeseen high-level settlements occur in the first year of the biennium. The Legislature will be back in session during the second year of the biennium. **SEN. KEATING** said the subcommittee is appropriating money as a contingency and hopes nothing happens. **Mr. McCullough** said the Department will have a bill introduced early in the next session to establish this as a statutory appropriation so that this issue will not have to be dealt with again.

MOTION: **SEN. KEATING** moved approval of the language.

VOTE: The motion **PASSED** unanimously 5-0. **SEN. NATHE** was absent.

Mr. McCullough said the Department will bring additional information to the subcommittee regarding the discussion about budget inflexibility. **CHAIRMAN BRADLEY** said **Mike Micone, Labor Commissioner**, said he would put his thoughts on paper. If his ideas appear reasonable and logical, she would like to have some discussion during one of the subcommittee's wrap-up days to see if something can be done about it.

DEPARTMENT OF FAMILY SERVICES (DFS)

Tom Olsen, DFS Director, said DFS is charged with providing protective services to children and adults, correctional services, and services to elderly citizens. Responsibilities include case management for developmentally disabled individuals, licensing functions and foster care. The correctional system includes Mountain View School for girls in Helena and Pine Hills School for boys in Miles City. DFS is involved in after-care for children released from the correctional institutions. There are six after-care workers statewide. The state is split into five regions. Each region is split into 10 local districts. Each district has a youth advisory council. The role of the central office is to provide support to field offices so that operations work better and are more cost-effective.

DFS has a large mission but not a large budget or much staff to fulfill its mission. Over the years, regions have become agencies unto themselves. There has been no centralized mission or

guidance to unify them into a single agency. DFS will bring this together. It was due to lack of policy and policy implementation. Each region operates its own way. There is poor communication and morale statewide. DFS has 500 employees statewide but no way to link them through an information gathering or communications system. It is difficult to know what is going on in the field or central office.

The state's two youth correctional facilities are model juvenile justice institutions. They run well but lack correctional focus. Each school is responsible for its own budget. After-care workers have a lot of area to cover, but they don't have a focused mission on how to do it.

Montana lacks an effective service system for children in treatment. Many children are placed out of state because appropriate services are unavailable in Montana. DFS' goal is to develop an appropriate system of care so that children will be placed where their needs can be met, not just where a bed exists or where the agency might be able to obtain Medicaid for that child.

DFS is reorganizing, especially the central office. DFS began working with the University of Montana to develop the Family Services Institute for staff training. DFS is implementing a system of public-private advisory councils statewide. The first one will be charged with developing a continuum of care. Permanency planning for children is a high priority. The state has permanent custody over a number of children who qualify or should be placed in permanent foster or adopted homes. If DFS can place a child in subsidized adoption, instead of foster care, the state will save a lot of money and the child will be better served. These are kids that have been lost in the system.

HEARING ON THE MANAGEMENT SUPPORT PROGRAM

Jesse Munro, DFS Deputy Director, distributed a Department organizational chart, EXHIBIT 5, and overview materials for the Management Support Program, EXHIBIT 6.

Mr. Olsen referred to Page 3 of the agency's budget narrative for a description of the agency's previous organization. He read EXHIBIT 6. He said he would like the Indian Child Welfare Specialist to be a full-time position. It is now a half-time slot. The state has not given legally and morally mandated support and services to its Indian tribes. He wants to be more responsive to tribes, and provide the same services and care for Indian children.

He noted high populations at the two juvenile institutions, particularly at Pine Hills. Pine Hills is rated for 120 beds and the population is approximately 184. Some are on leave or trial home visits. The state needs to look at its corrections program and philosophy. DFS would like to develop community alternatives

to incarceration.

Hank Hudson, Coordinator of the Governor's Office on Aging, said six people staff the Governor's Office on Aging. They are responsible for administering \$9 million in federal, state and local money. The Office contracts with 11 area agencies to provide comprehensive services for people over age 60 whose independence is threatened by illness or frailty.

Gov. Stan Stephens consolidated senior citizen services into the Governor's Office on Aging. The Office on Aging also operates the state's ombudsman program, which provides advocates for nursing home clients. Advocates help resolve issues involving quality of care and residents' rights.

REP. COBB asked if DFS would be more centralized as a result of its reorganization. **Mr. Olsen** said yes. Centralization is the best way to improve accountability of the regions. DFS will provide more guidance in budget and personnel matters. Regional administrators will be managers of social services and case managers, rather than directors.

REP. COBB asked if DFS has enough money in its budget for adequate staff training. **Mr. Olsen** said most of the agency's training money comes from federal grants. DFS has about \$300,000 for training. By reorganizing the way training is provided, the agency can better match the money. Everybody can be trained with the budgeted amount.

SEN. KEATING asked if the Protective Services Division overlaps the Department of Social and Rehabilitation Services (SRS). **Mr. Olsen** said yes, in some areas. The Developmental Disabilities Program is a good example. DFS is charged with providing case management for developmentally disabled individuals and shares responsibility with SRS. There is some overlap in day care. DFS is working closely with SRS to determine day-care responsibilities. New federal money for day care will enable a study of how services are provided.

SEN. WATERMAN asked if SRS' effort to develop wrap-around services for children fits into DFS' reorganization. **Mr. Olsen** said yes. Children cannot be helped without the family and community being involved in treatment and care alternatives. Removal of children from their homes is the only option now. In a lot of cases, children are put into foster care or residential care. That is not the way it should work. These children should be identified at birth, if possible. Families at risk of abusing their children should be targeted. The only way to get a handle on the problem is to fix the families.

Ms. Whitney reviewed **EXHIBIT 1**. She said there is a small difference in Personal Services, mostly due to additional insurance added to the executive budget. To get the correct number in this program, the subcommittee may want to consider the

LFA base.

CHAIRMAN BRADLEY asked if the Department had anything to add. It was determined the Department agreed with **Ms. Whitney**.

EXECUTIVE ACTION ON THE MANAGEMENT SUPPORT PROGRAM

Votes were taken on issues in **EXHIBIT 1**.

MOTION: **SEN. WATERMAN** moved approval of the LFA budget for Personal Services.

VOTE: The motion **PASSED** unanimously.

Ms. Whitney said the LFA current level for Operating Expenses includes rent at 1990 expenditures. The LFA budget doesn't include any increases for the contracts. The executive budget includes increases of \$10,900 for fiscal year (FY) 1992 and \$13,300 in FY 93.

CHAIRMAN BRADLEY said this inflation is separate from standard LFA inflation. **Ms. Whitney** said that is right.

SEN. WATERMAN asked if this money will cover costs of the Department's move. **Mr. Olsen** said no. DFS is in a five-year lease. The landlord has agreed to remodel the building for a \$45,000 increase to rent each year. The \$45,000 isn't included in the executive budget, but costs can be absorbed internally by cutting central office travel, printing, etc.

SEN. KEATING asked if the rent difference is in a contract. **Doug Matthies**, Administrative Support Division Administrator, said yes.

MOTION: **SEN. KEATING** moved approval of the executive budget for rent.

VOTE: The motion **PASSED** unanimously.

Ms. Whitney said the Department received money last session to upgrade its information system. The previous director used the money for part of the reversion. Less than \$2,000 was spent. The LFA carried forward into the current level only the \$2,000, not the extra amount intended for the system. The executive budget includes the extra amount and a modified request. **Mr. Matthies** said that is correct. Last session, DFS anticipated being able to separate its data-base system from SRS. It was determined during the last biennium that it may not be possible to separate the system and it may need to be run the way it is.

CHAIRMAN BRADLEY asked why the money wasn't spent and why the amount in the budget modification isn't enough for the

information system. Mr. Matthies said it wasn't spent because of the reversion. DFS didn't have enough money to start it last year. The intent last biennium was to separate and duplicate what existed with SRS, which was just a payment system. The budget modification is for a total management information system. The estimated cost would be \$900,000 for the biennium. The system would integrate activities DFS has to track. DFS didn't feel it was efficient to spend \$48,000 to \$50,000 to duplicate a system that wasn't going to benefit the Department.

SEN. WATERMAN asked if proposed funding for the management system is about \$200,000 for the biennium, including the budget modification. Mr. Olsen said yes. SEN. WATERMAN asked if that is enough to put a system in place that will meet DFS' needs. Mr. Olsen said no. It is enough to begin planning the system. Development will cost about \$900,000 for the biennium.

MOTION: SEN. WATERMAN moved approval of computer system development as specified in Issue No. 2 under Operating Expenses.

VOTE: The motion PASSED 4-2, with CHAIRMAN BRADLEY and REP. COBB voting no.

Ms. Whitney reviewed remaining issues under Operating Expenses.

Tape 1B

SEN. KEATING asked if the LFA budget includes less money for audit costs than the executive budget, and which budget the Department needs. CHAIRMAN BRADLEY said the executive budget.

MOTION: SEN. KEATING moved approval of the executive budget for audit costs.

VOTE: The motion PASSED unanimously.

SEN. KEATING asked if the LFA budget includes more money for computer processing than the executive budget. Ms. Whitney said yes. The General Government Subcommittee accepted executive costs, which are less than what is in the LFA current level.

MOTION: SEN. KEATING moved approval of the executive budget for computer processing costs.

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

Ms. Whitney said base and inflation differences in No. 5 and No. 6 exist because the LFA went off FY 90 and the executive went off FY 91. They also used different inflation factors.

CHAIRMAN BRADLEY said the subcommittee generally has been taking the LFA base. SEN. KEATING asked if doing that will exceed the

executive budget. He did not wait for an answer.

MOTION: SEN. KEATING moved approval of the executive base level.

DISCUSSION: CHAIRMAN BRADLEY asked if SEN. KEATING was saying the executive budget was lower than the LFA and if he wanted to go with the lower base. SEN. KEATING said he was confused.

SUBSTITUTE MOTION: SEN. WATERMAN moved to adopt the LFA base and inflation figures.

DISCUSSION: CHAIRMAN BRADLEY said this is consistent with other action the subcommittee has taken.

VOTE: The motion PASSED 4-2, with REP. COBB and SEN. NATHE voting no.

Mr. Munro reviewed the executive budget modification. He said the Department is seeking additional central office staff. The agency has requested approval of a full-time program administrator, who is already on board at grade 19 and is being financed with portions of other FTEs; a bureau chief, grade 16; an administrative officer for field staff, grade 17; and another two positions, which will be financed with federal IVE money.

SEN. KEATING asked if these positions are in the executive budget. Mr. Munro said yes. CHAIRMAN BRADLEY said this is an executive proposal that would expand the budget.

MOTION: SEN. KEATING moved approval of the budget modification for staff increases.

VOTE: The motion PASSED 5-1, with SEN. NATHE voting no.

PUBLIC COMMENT

Kathy McGowan, Montana Residential Child Care Association representative, testified in support of adequate funding for DFS.
EXHIBIT 7

SUBCOMMITTEE QUESTIONS

SEN. WATERMAN asked how much funding is needed for the management information system and if the money for it will come from somewhere else in the budget. She said she senses the matter has not been addressed fully. Mr. Olsen said the request made in the executive budget includes money for study costs. DFS learned after the budget request was made that the federal government requires states to keep significant records on children in state custody. States will be sanctioned if such information systems are not on line in a couple of years. The Department of Administration said it would cost \$452,000 each year of the

biennium to bring the system on line. **SEN. WATERMAN** said that isn't the executive recommendation. **Mr. Olsen** said that is correct.

SEN. WATERMAN said the subcommittee just approved \$100,000 per year, but the Department needs \$900,000 to develop the system. DFS will spend two years planning, and a system won't be in place. Federal requirements say the state must have it. **Mr. Olsen** said that is basically right. DFS will do the best it can with the money that is available.

SEN. WATERMAN asked why a modification wasn't submitted for the additional money needed to meet federal standards. **Bill Furois, Office of Budget and Program Planning**, said federal requirements were not known when the executive budget was developed. The executive put \$100,000 into the budget to determine what kind of system is needed. The subcommittee also added \$44,000 per year, which was a base difference in the executive budget. Altogether, DFS has about \$188,000 of the amount needed. The \$100,000 was for a study, not to buy a complete system.

SEN. WATERMAN said she is concerned the Department will spend two years studying needs. Field staff are trained social workers who have to spend their time pushing paper. She is concerned that staff are not being used very well and that children are being placed improperly.

REP. COBB asked when sanctions would begin. **Mr. Olsen** said federal FY 94. **Mr. Matthies** said federal regulations require the system to be on line by October 1991. If the system doesn't meet reporting accuracy or timeliness requirements by federal FY 94, then sanctions go into effect. FY 94 sanctions would be half of the maximum. Full sanctions go into effect in FY 95. **REP. COBB** asked how costly sanctions would be. **Mr. Matthies** said \$50,000 the first year and \$100,000 the second year.

CHAIRMAN BRADLEY said DFS is being put in a bind. She asked **Ms. McGowan** what would be achieved with the \$650,000 investment being recommended by the association. **Ms. McGowan** said the HB 100 study recommended that amount because there is a need. No one has a firm grasp on the number of children served, the kind of services they receive or their needs. The subcommittee can put this off for another two years; but if DFS is to move forward as a viable department, it needs to have this system in place.

REP. COBB said everything can't be done overnight. **CHAIRMAN BRADLEY** asked if federal money is available to finance the system. **Mr. Olsen** said the federal government will pay 10 percent of the administrative cost. **Mr. Matthies** said federal money is for IVE administrative costs and is based on the IVE caseload. The system DFS is presenting will meet the agency's needs. Only a portion of that is to meet federal requirements. DFS will receive 10 percent to 15 percent in federal money at the most.

CHAIRMAN BRADLEY asked if a biennial appropriation would be better for the Department to get the system on line and pay for maintenance. It will take time to get the system going. The Department may not want to be held to strict timeliness on when to spend money and for what. **Mr. Olsen** said a biennial appropriation would be better.

SEN. NATHE asked how many children are being served. **Mr. Olsen** said about 2,000 children are in foster care. DFS serves about 3,100. Exact numbers are not available. **SEN. WATERMAN** asked what the Department would have to do to provide exact numbers. **Mr. Olsen** said social workers would have to count files in case boxes. The correctional institution population is about 200 individuals. The remainder of the 3,100 are in community-based services. **Mr. Matthies** corrected figures. He said there are about 3,100 children in residential services, not including the 200 in correctional institutions. **Mr. Olsen** said DFS works with approximately 10,000 children total. Last year, DFS investigated 10,256 cases of child abuse and neglect. About 5,000 cases were substantiated. He had been referring to residential care.

CHAIRMAN BRADLEY said the subcommittee approved almost \$90,000 and another \$100,000 in the budget modification. She asked the subcommittee to consider an amendment to add \$400,000, 10 percent of which would be federal funding. If any funds beyond that are identified, it would proportionately reduce the General Fund amount. That would provide a cap in spending authority. The total would be at approximately the level recommended by the Montana Residential Child Care Association.

SEN. NATHE asked for the percentage of federal funds in the budget. **Mr. Olsen** said 25 percent. **Mr. Matthies** said the total is about \$10 million of a \$37 million budget.

SEN. NATHE asked if the federal government mandates criteria be met in the \$10 million worth of services it funds. **Mr. Matthies** said foster care services must be the same for IVE-eligible children and non-IVE-eligible children. The IVE caseload is about 35 percent of the total number of cases.

SEN. NATHE asked if DFS would be able to use the money right away if it were appropriated now, or if it would be better to grant half the money for development and come back later with the other half. **Mr. Olsen** said DFS has been developing a plan with the Department of Administration to get the system running. System development can begin immediately. DFS would spend \$452,000 in the first year of the biennium to get the system designed and begin to hook up regional offices. County DFS offices would be hooked up in the second year of the biennium.

SEN. NATHE asked if DFS' system will tie into county offices through the TEAMS computer system. **Mr. Olsen** said no. TEAMS is a different type of system. DFS will be hooking into local DFS offices.

MOTION: REP. COBB moved to add the \$400,000.

DISCUSSION: REP. COBB said he wanted to warn the subcommittee, however. There hasn't been one computer system in state government that has worked the way it was supposed to. Millions of dollars have been spent to fix them afterward.

REP. JOHNSON asked if DFS will be able to bring the system on line by the 1993 biennium if the subcommittee approves the motion. Mr. Olsen said yes.

CHAIRMAN BRADLEY clarified the motion. She said it will be easiest, so it can be line-itemed, to combine into a biennial appropriation approximately \$90,000 from Page 1 of EXHIBIT 1, the \$100,000 budget modification on Page 2 and an additional \$400,000, with language that states that 10 percent of the total will be federal dollars. If additional federal dollars are available beyond that, the federal money will replace a corresponding amount in General Fund dollars. She asked if that will work. Mr. Olsen said yes. CHAIRMAN BRADLEY said it would all be under a line item titled Management Information System.

SEN. NATHE asked if DFS would receive a \$590,000 appropriation that could be spent during either year of the biennium. CHAIRMAN BRADLEY said yes. The amount would be combined.

Tape 2A

SEN. WATERMAN said there has been a lot of discussion about the need to strengthen families. During discussion on the Department of Labor and Industry's budget, the subcommittee talked about giving agencies flexibility to do what they need to do. She wants to see that happen. This is the place for the Legislature to make an effort to strengthen families and develop family policy. The agency's mission should be to strengthen families and this is the way to do it. Agency staff are depressed and discouraged because they have been inadequately funded, and they feel there has been no cohesive leadership. She is willing to give the Department the money, but it better do the job.

VOTE: The motion PASSED unanimously.

REP. COBB asked DFS to review its figures to ensure the subcommittee granted enough money to accomplish this task. Mr. Olsen provided REP. COBB with a copy of estimated costs.

EXECUTIVE ACTION ON MOUNTAIN VIEW SCHOOL

Votes were taken on issues in EXHIBIT 2.

Mr. Olsen said Mountain View School evaluates, diagnoses and treats delinquent youth that have been committed to the school. The school emphasizes treatment and rehabilitation.

Bill Unger, Superintendent of Mountain View School, thanked the subcommittee for funding the school's athletic program, which he said was tremendously successful and helped improve the girls' self-esteem.

MOTION: **REP. JOHNSON** moved approval of the LFA base for Personal Services.

VOTE: The motion **PASSED** unanimously.

Mr. Unger said the primary difference in Operating Expenses for contracted services is due to the LFA calculating its figures on base-year spending. The chaplain position funded last session was not filled for six months in the base year. Inflation increases for the doctor and dentist are not included in the budget but are needed secure new contracts with them in July.

MOTION: **SEN. KEATING** moved approval of the executive budget for contracted services and computer processing under Operating Expenses.

VOTE: The motion **PASSED** unanimously. **SEN. NATHE** was absent but was recorded as voting aye.

SEN. KEATING said **SEN. NATHE** wanted to be recorded as voting yes on the executive budget for all items on Mountain View.

MOTION: **SEN. WATERMAN** moved approval of the LFA budget for base and inflation differences.

VOTE: The motion **PASSED** 4-2, with **REP. COBB** voting no. **SEN. NATHE** was absent, but his vote was recorded as no.

CHAIRMAN BRADLEY said **SEN. NATHE** would probably vote no. **SEN. KEATING** said to record **SEN. NATHE** as a no because he wanted the executive budget.

Ms. Whitney said the LFA budget for equipment includes a car in the first year of the biennium. The executive budget split it between both years. The net difference is about \$2,000.

MOTION: **SEN. KEATING** moved approval of the executive budget for equipment.

VOTE: The motion **PASSED** unanimously. **SEN. NATHE** was absent but recorded as voting aye.

Ms. Whitney explained differences in boarder reimbursements. She said the school receives payments for girls who come from outside state jurisdiction. Federal boarder payments are estimated higher

in the LFA budget. It isn't known exactly how many boarders there will be in the next biennium.

Mr. Unger said Mountain View is forced to recruit children for juvenile correctional facilities to come up with needed money. Referrals are not turned away. The potential is that he will have to call agencies and ask them to send girls to Mountain View.

SEN. WATERMAN asked if girls from other states go to Mountain View. **Mr. Unger** said the girls primarily come from tribal affiliation, through tribal courts. Mountain View has taken in girls from out of state through federal jurisdiction, but only a couple in 10 years. Six of the seven Indian reservations in Montana contract with Mountain View.

SEN. WATERMAN asked where these girls would go if they didn't go to Mountain View, if Mountain View is an appropriate placement for them or if Mountain View is encouraged to fill a bed to meet its financial requirements. **Mr. Unger** said Mountain View hasn't had to recruit children. The institution takes only appropriate placements. They have to meet Youth Court Act criteria. In some tribal jurisdictions, children are sent to jail. Mountain View charges tribes \$80 per day per placement. If Mountain View doesn't get one referral per year, then the institution has to make up the funding with General Fund money.

CHAIRMAN BRADLEY said she would ask **Ms. Whitney** to calculate the figures so the subcommittee does not unintentionally force Mountain View to seek federal boarders to maintain its budget. A motion is needed to accept the executive budget for this and for it to be funded with General Fund dollars.

SEN. KEATING asked if Mountain View needs authority to spend federal boarder reimbursement money. **Mr. Unger** said the federal money offsets Mountain View's General Fund appropriation.

SEN. KEATING said he doesn't see how the reimbursement forces Mountain View to have to go out and recruit clients. **Ms. Whitney** said the executive put \$15,000 into the budget each year for federal reimbursement, based on the FY 91 appropriation. The LFA put in \$18,560, based on what Mountain View actually collected in boarder revenue. These amounts reduce the amount of General Fund money being used to fund this budget. If Mountain View does not get the anticipated number of boarders, the budget ends up short.

CHAIRMAN BRADLEY said the figure of approximately \$3,500 per year represents the additional amount Mountain View received, but the institution doesn't want to be trapped into a position where it has to get that many federally reimbursed boarders. The subcommittee should stick with the executive budget because that federal reimbursement amount is assured. If more boarders come in, Mountain View said it would take them.

MOTION: SEN. KEATING moved approval of the executive budget for boarder reimbursements.

DISCUSSION: SEN. WATERMAN asked if it would be better to appropriate the amount needed to operate. If Mountain View collects federal money, it can go into the General Fund to offset General Fund expenditures. Mr. Matthies said that is the way it should work, but General Accounting Principles require the state to keep federal money separate from state funding. In the last three years, Mountain View has reverted \$86,000 to the General Fund. The institution doesn't expand if it gets more money. But if it doesn't get the money it anticipates, it may have to make cuts.

SEN. WATERMAN asked why the subcommittee doesn't just fund the institution and add language stating that each federal dollar will offset a dollar of General Fund. Ms. Whitney said the proper procedure would be to spend federal dollars first, then revert General Fund. CHAIRMAN BRADLEY asked if intent language would be appropriate. Mr. Furois said General Accounting Principles say how this should be done. Mr. Unger wasn't saying he was going to have a problem. He was saying he might have a problem. That hasn't happened yet. If the subcommittee adopts the executive budget for \$15,000, Mountain View will have the authority to spend that money. In FY 90, Mountain View collected more than was budgeted. The Department offset General Fund. HB 100 language can be tailored to say that General Fund money can be offset with additional revenues, if those revenues are for the same program. If the subcommittee estimates \$15,000 and \$18,000 comes in, the Department will offset the additional amount.

VOTE: The motion PASSED unanimously. SEN. NATHE was absent but recorded as voting aye.

Mr. Munro explained the executive budget modification for an additional cottage life attendant, additional security and a foreign language teacher at Mountain View.

MOTION: SEN. KEATING moved the executive budget modification for staff increases.

DISCUSSION: CHAIRMAN BRADLEY asked why additional security is needed. Mr. Unger said 26 FTEs are needed to properly staff the institution seven days per week, three shifts per day. Mountain View has 23 FTEs.

SEN. WATERMAN said 1 FTE won't satisfy staffing needs. Mr. Unger said no, but it will help. SEN. WATERMAN asked how the institution can manage without the other 2 FTEs. Mr. Unger said Mountain View either pays overtime or is understaffed. He distributed a staff analysis. EXHIBIT 8. He said there have been some incidents because of inadequate staffing. Mountain View has had to live with inadequate staffing for 10 years. This is an

attempt to get staff levels up to where they ought to be.

SUBSTITUTE MOTION: SEN. WATERMAN moved to add an additional 1.0 FTE for staff at Mountain View School.

VOTE: The motion FAILED 1-4, with SEN. WATERMAN voting aye. SEN. NATHE was absent.

VOTE ON THE ORIGINAL MOTION: The motion PASSED unanimously. SEN. NATHE was absent but recorded as voting aye.

HEARING ON PINE HILLS SCHOOL

Mr. Olsen said Pine Hills School is a medium security facility in Miles City. It is rated for 100 beds. Maximum capacity is 128 beds. The average daily population is 131. It is frequently higher than that. Pine Hills provides evaluation and treatment services to male youths up to 19 years old. Referrals come from youth courts, the Bureau of Prisons and Indian reservations.

Al Davis, former Superintendent of Pine Hills and Administrator for the Juvenile Corrections Division, said problems identified in the adult prison system are the same or worse in the juvenile correction system. The need for beds is increasing, but the number of beds has not. He predicted proposals will be brought to the next legislative session to increase juvenile corrections system funding. He would like to say juvenile correction programs at Pine Hills and in communities are great, but he can't. They're not.

Mountain View School is not dealing with an overpopulation problem. Mountain View provides a real service to kids. That is an exception. The juvenile corrections system in Montana is not good. Administrators have been making do with what they have. Pine Hills is overcrowded. There is no clinical program. Pine Hills deals with numbers. Nine kids come in per week with needs ranging from evaluation to high-security requirements. Four-hundred youth are committed to the facility each year.

There is a good program in place. Pine Hills has one of the best treatment programs in a juvenile correctional facility in the nation. But demands from overcrowding don't allow the program to operate. The facility can't continue to operate in a crisis intervention mode. He plans to bring recommendations to the 1993 Legislature and to develop programs that will be coordinated with other programs.

Tape 2B

SEN. KEATING asked if inappropriate placements exist at Pine Hills. Mr. Davis said yes, but he doesn't know how many or what they are. That must be determined before options can be developed. SEN. KEATING asked if courts send youths to Pine Hills

and the facility has to take them. **Mr. Davis** said yes.

SEN. KEATING asked if inappropriate placements would be reduced if these children were evaluated before courts directed them to Pine Hills. **Mr. Davis** said most of the larger states have such a process. Youth are referred to a diagnostic center and it is determined to which state facility they will go. In Montana, this determination can be made through the existing institutions diagnostic and evaluation program. Pine Hills has a program to determine youths' needs. The key is to determine where the kids should go.

SEN. KEATING said Pine Hills used to be a reform school. He asked what the mission is now. **Mr. Davis** said the mission has remained the same. Deviants in the community are referred to the facility. The problem is, society is creating more kids in need and more are being identified as being in need. The juvenile sex offender is an example. Four to five years ago, only one juvenile sex offender was on campus. Today, there are probably 30. Society is becoming less tolerant of these kids.

SEN. KEATING asked if Pine Hills has enough staff to accomplish its mission. **Mr. Davis** said yes, if the subcommittee approves additional staff requested in the budget modification and if a population matching capacity can be maintained.

REP. COBB asked if Pine Hills provides alcohol and chemical abuse counseling. **Mr. Davis** said yes. **REP. COBB** asked if the program includes follow-up. **Mr. Davis** said work is needed in that area. There are holes in after-care services. **REP. COBB** asked if there are things that need to be done and could be done if funding were available. **Mr. Davis** said he is not in a position to say whether additional staff will solve the facility's problems. The main concern now is population size. Much of the impact can be handled through cooperative services, by upgrading or redirecting the emphasis of after care, or by redirecting youth to community-based programs. If the number of youths coming into juvenile correctional institutions continues to increase, staff, the number of beds and the size of existing facilities will have to increase, and new facilities will have to be built.

SEN. WATERMAN asked about the institution's involvement with Youth Court. **Mr. Davis** said Youth Court workers are ready to participate in a cooperative delivery system with DFS. The agency isn't ready to recommend that Youth Court be within DFS' authority. **SEN. WATERMAN** asked if DFS feels confident the cooperative relationship can be established. **Mr. Davis** said yes.

SEN. WATERMAN asked what kind of sex offender treatment program is available at Pine Hills. **Mr. Davis** said it is one of the only residential sex offender programs in this part of the country. It is working. But it won't be known for a number of years whether the impact is what everyone hopes it will be. There are problems with the program. It is lengthy and ties up beds for years at a

time. There is no transition for juvenile sex offenders to return to their communities. They often can't return to their homes. Group and foster homes aren't geared to handle these youth.

SEN. WATERMAN expressed concern about the time it takes for planning. She would like to see sufficient funding and flexibility in the budget to meet needs within the next two years, and for the Department to do something. **Mr. Olsen** said he doesn't anticipate two years of planning. DFS knows what needs to be done. Focus and coordination is needed. DFS can make the system work with existing staff. New administrative structures don't solve anything. It is how you manage, not what you manage. If DFS can get Juvenile Probation to do the work that DFS after-care workers are doing now, that will free them up to become family developers and resource specialists.

CHAIRMAN BRADLEY suggested **Mr. Davis** and **Mr. Olsen** review the a House community corrections bill to see if it would be appropriate to include juvenile corrections. The bill provides the forum for that type of system in the future and allows local groups interested in promoting this sort of thing to put together proposals for community alternatives.

EXECUTIVE ACTION ON PINE HILLS SCHOOL

Votes were taken on issues in **EXHIBIT 3**.

Ms. Whitney reviewed Personal Services issues. She noted the LFA deleted two positions, an accounting clerk and a maintenance worker. The positions had been vacant for more than six months.

MOTION: **SEN. KEATING** moved the executive budget for the positions under Personal Services.

VOTE: The motion **PASSED** 5-1, with **REP. COBB** voting no. **SEN. NATHE** was absent but recorded as voting aye.

SEN. KEATING said **SEN. NATHE** asked to be recorded as voting yes on the executive budget for all items on Pine Hills School.

CHAIRMAN BRADLEY said the subcommittee may want to approve the LFA budget for item No. 2 under Personal Services. The LFA budgeted for what actually took place.

MOTION: **SEN. KEATING** moved the LFA budget for base differences in overtime, holidays and hourly wages, and differences in longevity.

DISCUSSION: **CHAIRMAN BRADLEY** said **SEN. NATHE** will not be recorded as voting on this motion. She doesn't think he would want to vote for the executive budget on this issue.

VOTE: The motion **PASSED** unanimously 5-0. **SEN. NATHE** was absent.

Ms. Whitney said the executive budget is lower than the LFA budget for contracted services under Operating Expenses. She referred the subcommittee to the Budget Office for an explanation.

Mr. Furois said the Budget Office and DFS did not think a high medical cost at Pine Hills would repeat itself, but it did. The correct thing for the subcommittee to do is to accept LFA figures.

MOTION: **SEN. KEATING** moved approval of the LFA budget for contracted services.

VOTE: The motion PASSED 4-1, with **REP. COBB** voting no. **SEN. NATHE** was absent.

MOTION: **SEN. KEATING** moved the executive budget for computer processing.

VOTE: The motion PASSED unanimously. **SEN. NATHE** was absent but recorded as voting aye.

MOTION: **SEN. WATERMAN** moved approval of the LFA budget in base and inflation differences.

VOTE: The motion PASSED 4-1, with **REP. COBB** voting no. **SEN. NATHE** was absent.

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

DISCUSSION: **SEN. WATERMAN** asked what causes the difference in FY 93. **Ms. Whitney** said the LFA took the agency's request. **SEN. WATERMAN** said she thought the executive took the agency's request. **Mr. Furois** said the Budget Office told DFS what to request. Apparently the agency requested more.

SUBSTITUTE MOTION: **SEN. WATERMAN** moved approval of the LFA budget for equipment.

DISCUSSION: **SEN. KEATING** said he thought the Department's request was based on specific needs. If equipment is going to be purchased on the average of what is purchased from year to year, it should be included in operating expenses and not be segregated. He presumed the executive budget reflected requests for specific things and that the LFA used an inflationary sum. **SEN. WATERMAN** said it is exactly the opposite in this budget. That's how it was in others.

VOTE: The motion PASSED 4-1, with **REP. COBB** voting no. **SEN. NATHE** was absent.

Ms. Whitney reviewed Funding Issues. She said the difference between the executive and LFA budgets in No. 2 are in interest and income. The LFA estimate is higher than the executive. The executive had \$273,000 in FY 92 and \$279,000 in FY 93. The LFA had \$276,000 in FY 92 and \$283,000 in FY 93. Those are updated estimates. The supplemental showed estimates from two years ago were insufficient. The difference between the LFA and executive budgets is \$2,800 and \$3,600. **Mr. Furois** said the executive estimate is more conservative than the LFA.

SEN. KEATING asked if part of this is spending authority. **Ms. Whitney** said it offsets General Fund money. Figures reflect the latest estimate of income the agency will get. **SEN. WATERMAN** asked if the executive estimated the agency would get more income. **Ms. Whitney** said the executive estimated the agency would get less. **SEN. KEATING** said DFS and the LFA believe the agency will get more. **Ms. Whitney** said figures from the last biennium and the supplemental budget show the agency got less.

MOTION: **SEN. KEATING** moved approval of the executive budget for funding.

DISCUSSION: **CHAIRMAN BRADLEY** asked if the motion is to have \$273,000 and \$279,000, instead of \$276,000 and \$283,000. **SEN. KEATING** said yes.

CHAIRMAN BRADLEY expressed concern about using estimates. She said the amount of income that did not come in this biennium had to be covered by General Fund. **Mr. Matthies** said yes.

SEN. KEATING said that by taking the executive budget, the subcommittee is actually increasing the General Fund. **Ms. Whitney** said yes.

VOTE: The motion PASSED 4-2, with **CHAIRMAN BRADLEY** and **REP. COBB** voting no. **SEN. NATHE** was absent but recorded as voting aye.

Ms. Whitney said the LFA and executive estimated boarder reimbursements at \$88,000 per year. The question is whether those boarders will be there. **Mr. Davis** said Pine Hills is overcrowded and has been turning away out-of-state youth to provide services to Montana's youth. Pine Hills' federal boarders usually come from out of state. This year, Pine Hills will have difficulty estimating revenues because the facility cannot bring in federal boarders.

SEN. WATERMAN asked why Pine Hills would be asked to recruit federal boarders to pay part of the budget if the facility is already overcrowded. **Mr. Davis** said it is extremely difficult to plan and project program and fiscal issues when the revenue estimate actually reduces the appropriation.

HOUSE HUMAN SERVICES & AGING SUBCOMMITTEE

February 13, 1991

Page 19 of 19

CHAIRMAN BRADLEY said that since there is no difference in boarder reimbursements, the subcommittee would not have to take action. DFS knows it can come back for a supplemental, as was done this session for interest and income.

MOTION: SEN. KEATING moved the executive budget for boarder reimbursements, and to let the Department handle it the way it wants to.

VOTE: The motion **PASSED** 5-1, with **SEN. WATERMAN** voting no. **SEN. NATHE** was absent but recorded as voting aye.

MOTION: SEN. KEATING moved approval of the executive budget modification for cottage life attendants and operating expenses.

VOTE: The motion **PASSED** unanimously. **SEN. NATHE** was absent but recorded as voting aye.

SEN. KEATING asked for the source of the state special revenue for Pine Hills Industries. **Ms. Whitney** said it comes from the sale of the products that are made.

MOTION: SEN. KEATING moved approval of the executive budget modification for Pine Hills Industries.

VOTE: The motion **PASSED** unanimously. **SEN. NATHE** was absent but recorded as voting aye.

MOTION: SEN. KEATING moved to adopt the LFA budget with modifications made by the subcommittee.


VOTE: The motion **PASSED** 4-1, with **REP. COBB** voting no. **SEN. NATHE** was absent.

ADJOURNMENT

Adjournment: 10:50 a.m.



REP. DOROTHY BRADLEY, Chairman



FAITH CONROY, Secretary

HOUSE OF REPRESENTATIVES
HUMAN SERVICES SUBCOMMITTEE

ROLL CALL

DATE

2/13/91

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB	✓		
SEN. TOM KEATING	✓		
REP. JOHN JOHNSON	✓		
SEN. DENNIS NATHE	LATE	(missed 1st vote)	
SEN. MIGNON WATERMAN, VICE-CHAIR	✓		
REP. DOROTHY BRADLEY, CHAIR	✓		

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FIE	43.50	45.50	45.50	.00	45.50	45.50	.00
Personal Services	1,245,008	1,466,620	1,465,908	712	1,464,322	1,463,617	705
Operating Expenses	721,221	802,771	793,774	8,997	798,789	781,805	16,984
Equipment	8,295	10,166	10,166	0	10,166	10,166	0
Total Expend.	\$1,974,524	\$2,279,557	\$2,269,848	\$9,709	\$2,273,277	\$2,255,588	\$17,689
<u>Fund Sources</u>							
General Fund	1,465,727	1,712,017	1,704,482	7,535	1,714,044	1,698,376	15,668
State Revenue Fund	6,075	15,000	15,000	0	15,000	15,000	0
Federal Revenue Fund	502,722	552,540	550,366	2,174	544,233	542,212	2,021
Total Funds	\$1,974,524	\$2,279,557	\$2,269,848	\$9,709	\$2,273,277	\$2,255,588	\$17,689

CURRENT LEVEL DIFFERENCES

-----Executive Action-----

-----Exec over (Under) LFA-----
FY 92 FY 93

Personal Services
1. Differences in longevity and insurance calculations

\$712 \$705

Operating Expenses

1. Rent differences in office and storage space
2. Computer System Development - D of A -
3. Differences in audit costs - Executive audit costs adopted by Gen. Gov. Subcommittee
4. Differences in computer processing - Exec. costs adopted by Gen. Govt. Subcommittee
5. Base differences
6. Inflation differences - primarily in other services and travel

\$10,961 \$13,292
\$44,465 \$44,465
\$3,927 \$3,928
(\$24,928) (\$24,928)
(\$23,036) (\$23,075)
(\$2,392) \$3,302

Total Operating differences

\$8,997 \$16,984

Funding

1. General Fund
2. State Revenue - Adoption Services
3. Federal Revenue

\$7,535 \$15,668
\$0 \$0
\$2,174 \$2,021

Total Funds

\$9,709 \$17,689

ISSUES

1. Committee Issues

Exhibit #1
2/13/91
Human Serv
Subc.

EXHIBIT 1
2-13-91

EXECUTIVE BUDGET MODIFICATIONS

1. Management Staff Increases - P. B-112

1.0 FTE Grade 19/2; 1.0 FTE Grade 16/2; 1.0 FTE Grade 17/2; 1.0 FTE grade 12/2; 1.0 FTE Grade 15/2

\$256,333

\$219,716

FY 92 FY 93

Personal Services
Management Information System
Other Operating Expenses
Equipment

\$164,216
\$25,000
\$17,500
\$13,000

\$163,833
\$75,000
\$17,500
\$0

Total Request

\$219,716

\$256,333

General Fund
Federal Funds

\$133,483
\$86,233

\$169,972
\$86,361

Total Funds

\$219,716

\$256,333

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	65.77	65.77	65.77	.00	65.77	65.77	.00
Personal Services	1,564,214	1,770,082	1,770,195	113-	1,772,285	1,771,955	330
Operating Expenses	510,746	342,500	322,372	20,128	348,756	329,150	19,606
Equipment	5,223	3,236	13,736	10,500-	11,379	2,714	8,665
Total Expend.	\$1,880,183	\$2,115,818	\$2,106,303	\$9,515	\$2,132,420	\$2,103,819	\$28,601
Fund Sources							
General Fund	1,787,642	2,005,741	1,994,031	11,710	2,022,381	1,991,491	30,890
State Revenue Fund	2,076	3,213	3,180	33	3,213	3,180	33
Federal Revenue Fund	90,465	106,864	109,092	2,228-	106,826	109,148	2,322-
Total Funds	\$1,880,183	\$2,115,818	\$2,106,303	\$9,515	\$2,132,420	\$2,103,819	\$28,601

CURRENT LEVEL DIFFERENCES

---Executive Action----

-----Exec over (Under) LFA-----
FY 92 FY 93

- Personal Services
- Base differences in overtime, holidays, and hourly wages
- Operating Expenses
- Differences in contracted services (chaplain, doctor, dentist, cosmetologist)
 - Differences in computer processing - Exec. costs adopted by Gen. Govt. Subcommittee
 - Base differences
 - Inflation differences - primarily in supplies & materials and utilities

Total Operating differences

Equipment differences

Funding

- General Fund
- State Revenue - Canteen & Donations - Base differences in donations
- Federal Revenue - Base Differences

School foods
Chapter I
Boarder Reimbursements

Total Funds

ISSUES

- Committee Issues

2
2-13-91

Exhibit #2
2/13/91
Human Servi.
Subce.

FY 92 FY 93
\$1,290 \$1,290
\$42 (\$52)
(\$3,560) (\$3,560)

(FY 92) (FY 93)
(\$113) \$330
\$8,284 \$8,742
\$2,760 \$2,760
\$20,493 \$24,713
(\$11,409) (\$16,609)
\$20,128 \$19,606
(\$10,500) \$8,665
\$11,710 \$30,890
\$33 \$33
(\$2,228) (\$2,322)

\$9,515 \$28,601

EXECUTIVE BUDGET MODIFICATIONS

**1. Mountain View Staff Increases - General Fund - P. B-124
1.36 FTE: 1.0 FTE Grade 9/2; 0.36 FTE Teacher Grade 6/2**

	FY 92	FY 92
Personal Services	\$33,851	\$33,823
Other Operating Expenses	\$528	\$528
Equipment	\$1,200	\$0
Total Request	\$35,579	\$34,351

\$35,579

\$34,351

Budget Item	Actual Fiscal 1990	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	LFA Fiscal 1993	Difference Fiscal 1993
FTE	118.77	117.77	115.77	2.00	117.77	115.77	2.00
Personal Services	2,904,241	3,142,105	3,108,760	33,345	3,145,039	3,112,001	33,038
Operating Expenses	703,413	678,240	724,305	46,065-	690,123	740,270	50,147-
Equipment	15,743	10,215	10,215	0	10,215	12,015	1,800-
Total Expend.	\$3,623,397	\$3,830,560	\$3,843,280	\$12,720-	\$3,845,377	\$3,864,286	\$18,909-
<u>Fund Sources</u>							
General Fund	3,033,439	3,197,515	3,211,739	14,224-	3,206,254	3,225,905	19,651-
State Revenue Fund	313,850	320,122	323,000	2,878-	326,378	330,000	3,622-
Federal Revenue Fund	276,100	312,923	308,541	4,382	312,745	308,381	4,364
Total Funds	\$3,623,397	\$3,830,560	\$3,843,280	\$12,720-	\$3,845,377	\$3,864,286	\$18,909-

CURRENT LEVEL DIFFERENCES

-----Exec over (Under) LFA-----
FY 92 FY 93

---Executive Action----

- Personal Services
- Deleted Vacant Positions: 1.0 FTE accounting clerk grade 7/2 @ \$17,785 & \$17,746
1.0 FTE Maintenance worker grade 10/2 @ \$21,756 and \$21,737
 - Base differences in overtime, holidays, and hourly wages, and differences in longevity
- Total Personal Services Differences

	\$39,541	\$39,483
	(\$6,196)	(\$6,445)
	\$33,345	\$33,038

Operating Expenses

- Differences in contracted services
- Differences in computer processing - Exec. costs adopted by Gen. Govt. Subcommittee
- Base differences
- Inflation differences - primarily in other services, supplies/materials and utilities

	(\$16,936)	(\$16,936)
	\$2,891	\$2,891
	(\$3,943)	\$7,524
	(\$28,077)	(\$43,626)

Total Operating differences

	(\$46,065)	(\$50,147)
--	------------	------------

Equipment differences

	\$0	(\$1,800)
--	-----	-----------

Funding

- General Fund
- State Revenue - Canteen & Interest & Income - differences in interest & income
Updated LFA I & I estimates are \$276,000 and \$283,000
- Federal Revenue - Base Differences

	FY 92	FY 93
School foods	\$3,000	\$3,000
Chapter I	\$1,382	\$1,364
Boarder Reimbursements	\$0	\$0

Total Federal Funds

	\$4,382	\$4,364
	(\$12,720)	(\$18,909)

Exhibit #3
2/13/91
Human Service
Subcommittee

3
2-13-91

ISSUES

1. Committee Issues

EXECUTIVE BUDGET MODIFICATIONS

1. Pine Hills Cottage Life Attendants & Operating Expenses - General Fund - P. B-126			
	FY 92	FY 93	
Personal Services 3.0 FTE Grade 9/2	\$61,401	\$61,350	
Other Operating Expenses	\$1,584	\$1,584	
Equipment	\$0	\$0	
Total Request	\$62,985	\$62,934	\$62,934

2. Pine Hills Industries - State Special - P. B-126
Operating \$4,000; Allowances \$2,000 each year

\$6,000 \$6,000

Exhibit #4
2/13/91
Human Serv.
Subc.

4
2-13-91

**Department of Labor & Industry
Employment Relations Division**

**PROPOSED LANGUAGE FOR APPROPRIATING
UNINSURED EMPLOYER AND SUBSEQUENT INJURY BENEFITS**

The department is appropriated up to \$1 million each year out of the accounts established in 39-71-502 and 39-71-901 MCA for uninsured employer and subsequent injury benefit payments as required by sections 39-71-503, 39-71-505, and 39-71-903, 39-71-907 MCA..

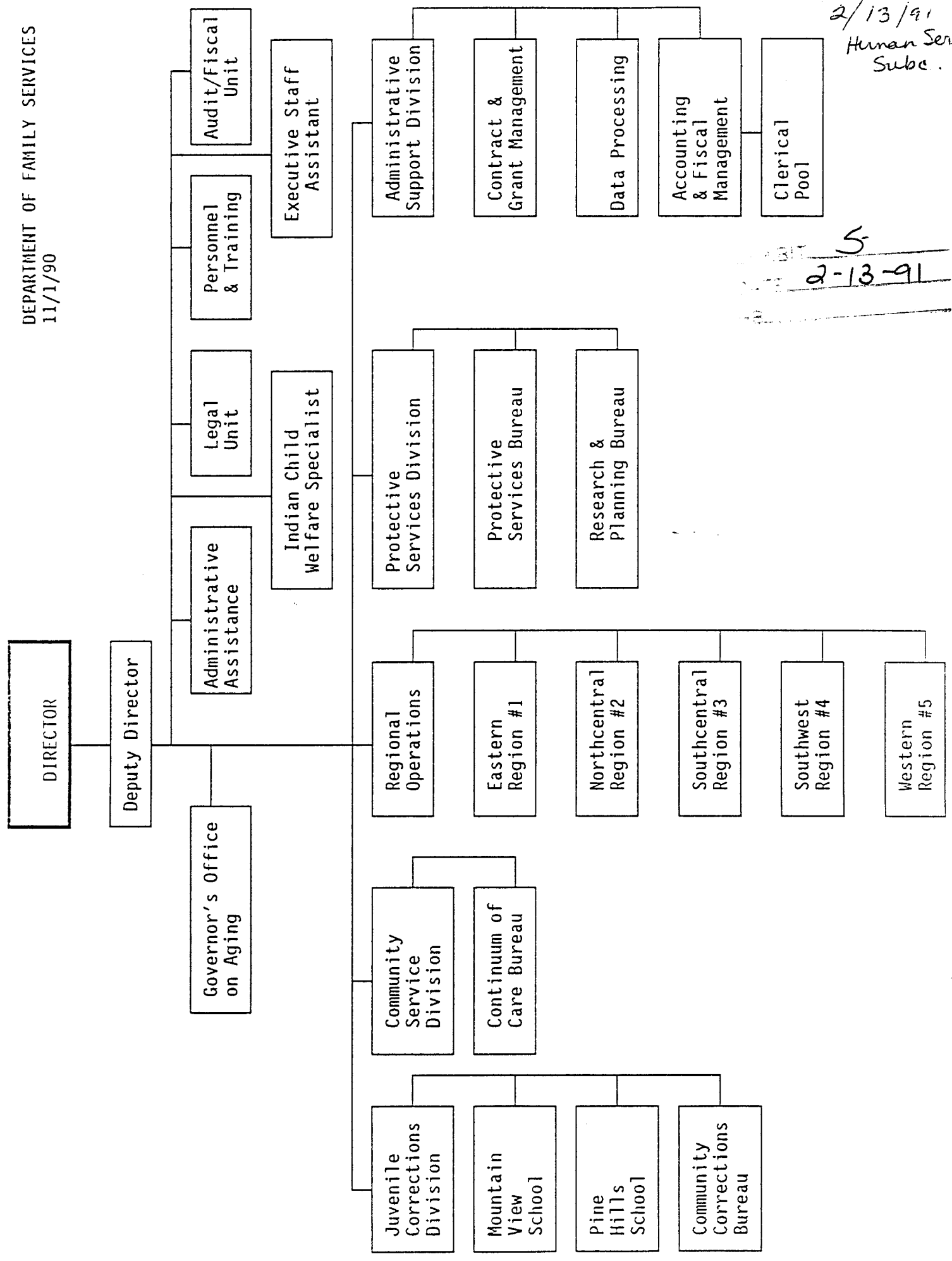


Exhibit #5
2/13/91
Human Services Subc.

2-13-91

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2-13-91 Human Serv
Sube.PROGRAM 01
MANAGEMENT SUPPORT

The management support program provides for the overall administrative and program/policy activities of the department. The organizational chart on page 3 of the narrative shows the structure in place when the budget request was prepared. Subsequent to this, we are proceeding to phase in a new organization plan for the state office. (New chart) Exhibit

This new structure will enhance the capabilities of the state office to provide the leadership and support needed for the regional and institutional programs to effectively provide services to the children of this state.

The state office will be composed of the following functions:

1. Director's Office - including legal, personnel, training, audit and Indian Child Welfare Specialist;
2. Juvenile Corrections Division - including Mountain View School, Pine Hills School, and Aftercare programs;
3. Community Services Division - responsible for system of care development;
4. Protective Services Division - responsible for rules, policies and procedures;
5. Administrative Support Division - responsible for policies, procedures and practices regarding fiscal activity; and
6. Governor's Office on Aging - responsible for managing and coordinating activities regarding services to Montana's elderly population.

The staffing increases (5.00 FTE) and transfers (2.00 FTE) presented in the Governor's budget request were prepared anticipating the new structure.

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Director's Office

Director's Office

Legal

Personnel Activity

Recruitment
Equal Employment Activity
Union Contracts
Payroll Travel Coding
Training Staff and Provider

Indian Child Welfare
Specialist

Liaison with Tribal Activity
Out-of-Home Care on Reservations
Tribal Agreements
Indian Child Welfare Act

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Administrative Support Division

6
2-13-91
HE *Hum. Serv. Div.*

Fiscal Activity	Payment and Receipt Recording Contractor and Out-of-Home Care Payments Compliance Review on Payments Budget/Cost Reporting Federal Grant Reporting Children Trust Accounts Technical Assistance to Regions and Institutions
Funding Monitoring	Track Funding Activity Cost Allocation/Random Moment Time Study Funding Transfers Maximize use of Federal Funds
Budget	Biennium Budget Preparation and Justification Operational Plan Review and Approval Program/Regional/Institutional Review
Data Processing	Support Local Area Networks and PC's Department Data Plan Data Management Reporting Out-of-Home Care Reporting Accuracy Planning and/or Development of Management Information System Technical Assistance to Regions and Institutions
Clerical Support	Clerical Pool Case File Maintenance Licensing Processing Systems Input
General Service Activity	Purchasing Mail Maintenance Lease Coordination

DM/jl

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Protective Services Division

Development of statewide
rules, policies & procedures

Child Protective Services
Adult Protective Services
Case Management for DD
Day Care
Foster Care
Adoption & Adoption Assistance
Licensing
Interstate Compacts
SSI State Supplement

Consultation & Technical
Assistance to Regions

Program Policy & Procedures
Licensing Policy & Standards

Management of grant funds

Grant Applications
Grant Management
Contract Monitoring

Administer Interstate Compacts

Children's Compact
Juvenile Justice

Develop State Plans

Child Welfare Services (IV-B)
Child Care
Youth Services State Plan

Conduct Investigations

Internal Investigations
YCF/Institutions
Assistance to Regions

Maximize Medicaid Funding for
Services Utilized by DFS

Targeted Case Management
- Adults with DD
- Youth with SED
Therapeutic Foster Care
Kids Count Well Child Program

Management of Inpatient
Psychiatric Services for
Individuals Under Age 21

Placement Issues
IPA
Third Party Funding
Fiscal/Program Reports

Client & Services Data

Caseload Activity Report
Caseload/Workload Standards
Surveys & Questionnaires
Specialized Reports

Quality Control of Case Record
Management for Regions

In-service Training &
Technical Assistance
Case Reviews of Statewide
Sample

Good morning, Madam Chairman and members of the Human Services Subcommittee. My name is Kathy McGowan. I appear before you as a representative of the Montana Residential Child Care Association.

The Montana Residential Child Care Association, better known as MRCCA, is an organization representing twenty-three residential child care facilities scattered all across the state of Montana. They vary tremendously in size and sophistication and they provide services ranging from shelter care to group home care to residential treatment. You will hear more about residential child care next Monday as you consider that portion of the Department of Family Services budget.

My purpose in appearing before you today is to reiterate the message we sent to you in late December. At that time we emphasized that our legislative priorities were divided into four separate categories of basic needs:

- 1) Children and their families.
- 2) Residential care facilities.
- 3) The Department of Family Services; and
- 4) Human services in general.

The third priority noted, that which addresses the basic needs of the Department of Family Services, has received a great deal of time and attention from my colleague, Jim Smith, and myself, since we began a formal working relationship with MRCCA one and one half years ago. The organization readily recognized that a strong and viable Department of Family Services was critical to everyone: to the providers and to the employees of the department most certainly, but to the families and the children first and foremost. I am here today to emphasize strongly that the Montana Residential Child Care Association wholeheartedly supports careful consideration and adequate funding of the needs of the Department of Family Services.

• Our first directive from MRCCA was to work with the Department of Family Services in implementing House Bill 100. The House Bill 100 report, as you will recall, was requested by this Subcommittee during the 1989 legislative session. In the most general terms, the finished report accomplishes two important purposes:

- 1) It establishes the Department's current priorities; and
- 2) It plans for the future.

The task was a painful one, and I will better explain why in a few moments. The important point to emphasize now is that the result is both positive and credible.

A number of people who care a great deal about the future of Montana's kids---the Department itself, Jim and I, and members of the Local and State Youth Advisory Councils--- worked together to produce a good product. We looked at such things as:

- Numbers and kinds of kids in the system.
- The level of care they were receiving.
- Whether or not that level of care was "adequate."
- What gaps exist in the existing continuum of care.

You all have received a copy of the House Bill 100 study, entitled "**Building an Adequate Child and Family Services System: Montana's Opportunity to Effectively Protect Children and Strengthen Families**." It contains some very good, very useful information and I expect that it will be referenced often within the next several days. The Department of Family Services is to be complimented for a job well done. I suggested that this Subcommittee request from the Department a detailed presentation of the study.

•MRCCA strongly advocates that the Department be funded to hire at least 35 additional Child Protective Workers, along with adequate support staff. It became woefully obvious when we tackled the House Bill 100 study that staffing at all levels is a serious problem. Then department director, Bob Mullen, was at a loss as to whose time he could free up to direct a study, not to mention the major revolt he thought he might face from "the field" from overburdened staff at that level.

I might point out that the House Bill 100 study noted that 108 additional child protection social workers were needed to reach nationally recommended caseload standards per workers. The Department requested authorization to fund some 60+ additional staff. The Executive Budget recommends 10.75 FTE, 8.00 of which would address caseload concerns.

•MRCCA recommends that the Department be authorized to proceed with the development of a Management Information System, and that the dollars necessary to accomplish that development be appropriated. I point again to the House Bill 100 study. The system the Department had available for collecting and analyzing the necessary information was primitive at best. Hand counting kids and the kinds of services they are receiving is an insult to the social worker who should be spending his or her time delivering services to those children and their families; it is an insult to central office staff; it is an insult to you and I as taxpayers; and worse, it is an insult to the children for whom the state of Montana is responsible.

Again, as a point of information, the House Bill 100 study concluded that the Department required \$75,000 for a one-time cost of transferring SRS data processing to DFS; \$423, 886 in FY 92 for development and maintenance of the DFS system,

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including purchase of MIS equipment and support systems and resources at the local and state level; and \$223,886 in FY 93 for maintenance of the DFS system. The Executive Budget recommends a total of \$100,000 toward that effort.

•You have been offered the opportunity to visit the site of the Department of Family Services. I strongly suggest you do so. I think you will agree that the environment, from the office space itself to the condition and inadequacy of the furniture and other basic necessities, are appalling. While you are there, visit with the employees. Ask them about morale and about their equipment needs. Our organization urges you to address this very basic and very important need of the Department. Rest assured that the central office is representative of the situation statewide. Perhaps you have heard the song, "She Got the Gold Mine, I Got the Shaft." In the song, the singer laments that the husband did not get the better deal in the divorce settlement. I submit to you that the Department of Family Services definitely did not get the gold mine.

•We commend this Subcommittee for its action last week in transferring the \$3.5 million General Fund match monies for residential treatment services from the Department of Social and Rehabilitation Services to the Department of Family Services. We strongly advocate that you encourage the Department to move expeditiously to develop community based, alternative programs with these general fund dollars.

•You have yet to resolve the issue of the proposed transfer of the general fund matching portion for the federal Medicaid funding for inpatient psychiatric hospitalization. MRCCA recommends that you consider the following before you make such a decision:

--The unresolved issues between Rivendell of Billings and the Department of Social and Rehabilitation.

--Is such a transfer compatible with the mission of the Department of Family Services?

--Are you confident that the Department of Family Services has the capacity to manage and administer the program?

--Do the Departments of Family Services, Social and Rehabilitation Services and Institutions have a firm plan for Family Services, and how does the transfer fit into the plan?

In further addressing the latter point, Senator Waterman asked the question a few days ago about where the Department of Institutions fit into the scheme of things. I suggest this Subcommittee invite the three department directors to share their plans.

You do not have an easy task ahead of you. What you do have is hundreds of people from across this state who are interested in what happens to Montana's kids. Their interest was evidenced this summer when Governor Stephens convened his Conference on Children and Families. I think their sentiment for bolstering the Department of Family Services and for filling the gaps in the continuum of care was almost universal. I wish you luck in pursuit of that goal and I offer the assistance of Jim, myself, and the members of the Montana Residential Child Care Association. We are anxious to help in whatever way we can.

POST ANALYSIS

CLA'S

	12 AM - 8 AM Shift 1	8 AM - 4 PM Shift 2	4 PM - 12 PM Shift 3	
7-Day Post				
CLA Aspen	1	1	1	
CLA Spruce	2	1	2	
CLA Cottonwood	$\frac{2}{5}$	$\frac{1}{3}$	$\frac{3}{6}$	(14)

14 (7-day) Posts X 365 Man-Days = 5110 Man-Days

5-Day Post

Cottage Service Supervisor 1
1 (5-Day) Post X 260 Man-Days = 260 Man-Days

2-Day Post

CLA Aspen	1
Spruce	1
Cottonwood	$\frac{2}{4}$

4 (2-Day) Posts X 104 Man-Days = 416 Man-Days

7-Day Post	5110 Man-Days
5-Day Post	260 Man-Days
2-Day Post	<u>416 Man-Days</u>
	5786 Man-Days

1 FTE provides 223 Days available to work each year.

365	Man-Days
-104	(Days off/year) (2 days a week X 52 weeks = 104 days)
<u>261</u>	
-12	Sick Leave
<u>249</u>	
-15	Annual Leave
<u>234</u>	
-11	Holidays
<u>*223</u>	Days Available for Work

* Note - This formula does not take into consideration staff training, military, maternity leave or jury duty.

FTE Needed for Basic Coverage

5786/223 days = 25.95 or 26 FTE's

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Human Services SUBCOMMITTEE DATE 2/13/91
DEPARTMENT(S) DFS DIVISION _____

PLEASE PRINT

PLEASE PRINT

NAME	REPRESENTING	
Tom Olsen	DFS	
JESSE MUNRO	DFS	
Doug Matthews	DFS	
Gary Walsh	DFS	
Bill Unger	DFS	
KAREN MILLER-TUNWELL	SELF	
Lisa Smith	DFS	
Ann Gilkey	DFS	
Sharon Wilcox	DFS	
Kathy McDouan	MRCCA	

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