

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - REGULAR SESSION

SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By CHAIRMAN DOROTHY BRADLEY, on February 20, 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: 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:

DEPARTMENT OF FAMILY SERVICES (DFS)

COMMUNITY SERVICES BENEFITS

Tape 1A

Sandra Whitney, Legislative Fiscal Analyst, distributed a budget summary for the Day-Care program. **EXHIBIT 1**

EXECUTIVE ACTION ON THE FOSTER-CARE PROGRAM (CONT.)

CHAIRMAN BRADLEY said the Foster-Care wage differential issue remains to be resolved. **Doug Matthies, Administrative Support Division Administrator,** reviewed cost comparisons of a reduction in the wage differential by half and by one-quarter. **EXHIBIT 2**

SEN. KEATING asked how a provider-rate increase impacts wages. **Mr. Matthies** said it can be done many different ways. DFS could increase the supervision rate or the treatment rate. DFS is considering an across-the-board increase of all components of the rate system.

John Wilkenson, Executive Director of Intermountain Deaconess Home for Children in Helena, said facilities' governing bodies determine how to apply rate increases. Seventy-five percent to 80

percent of Intermountain's budget is dedicated to personal services.

CHAIRMAN BRADLEY said the subcommittee should adopt a 5 percent provider-rate increase in each year of the biennium. If she had to drop one of her preferences, it would be the wage differential. The Foster-Care program's costs are not high, but when combined with Developmental Disabilities (DD), the subcommittee is dealing with a lot of money. She would rather present to the Appropriations Committee a budget that will remain intact as much as possible. The chairman of the Appropriations Committee isn't antagonized by a 5-and-5 increase. He knows how small providers have been struggling. If the additional catch-up is added, it may cause the budget to be suspect. A fair, uniform, inflationary-type increase is slightly more important.

SEN. KEATING asked if the subcommittee added the 5-and-5 provider-rate increase at the previous hearing. **CHAIRMAN BRADLEY** said yes. If future Legislatures continue this kind of commitment, at some point, private providers will catch up. Community services shouldn't hire people at cheaper rates than state institutions, but everything cannot be done in a single biennium. The subcommittee has to make choices. **SEN. KEATING** said the 5-and-5 addresses the wage differential somewhat. **CHAIRMAN BRADLEY** agreed.

SEN. NATHE asked if these workers were caught up as others were last session. **CHAIRMAN BRADLEY** said no. A specific effort wasn't made, as in DD, to provide a partial catch-up of the wage differential. But the Legislature committed itself to an overall catch-up. Information two years ago showed the rate was below 66 percent of cost in some cases. Programs were going to shut down if something wasn't done. The model rate scheme was developed. It is very tight and hasn't done everything it was supposed to. But the Legislature pledged to put it together. Having done that, the subcommittee is doing as much as it can this session by granting a provider-rate increase. She wants to preserve the 5-and-5 and is willing to forgo the wage differential. It won't cause too much hardship, even though it is not the best situation.

Jim Smith, Montana Residential Child Care Association (MRCCA) representative, said he agrees. To do more may jeopardize the entire budget. The 5 percent cost-of-living increase is the most important item to MRCCA. Between 1987 and 1989, four group after-care homes closed down. This group of providers has been starved for a decade. The 1989 Legislature stabilized the situation somewhat. The association hopes DFS will be cautious as it issues requests for proposals for new services. If new providers are fully reimbursed for costs and existing providers get only 70 percent, the association would consider that to be highly unfair and unproductive.

These providers are willing to live without the wage differential this biennium, but MRCCA wants continued commitment to

maintaining quality residential child-care facilities. A way to do that is to recognize inflation. The association will resist attempts to vary the cost-of-living increase to boost those at the low end more than those at the top. That would rebuild distortion into the rate system that was corrected in 1989.

SEN. WATERMAN asked how DFS can develop new programs when existing providers say they won't take on a new program at 70 percent reimbursement. It isn't fair to pay a higher rate to new providers than existing providers. **Mr. Smith** said DFS could establish in its proposals a priority for existing providers, or say reimbursement is 70 percent and see what happens. Some recognition or priority for in the request-for-proposal process for existing providers would be a step in the right direction.

SEN. KEATING said that if providers can hang on a little longer and show good results, then this fight shouldn't resurface next session. The Legislature should focus on stimulating the economy so that social programs can be better funded.

REP. JOHNSON said he will resist any attempt to erode the 5 percent provider-rate increase.

CHAIRMAN BRADLEY referred to the Foster-Care funding issue. She said the subcommittee took the executive base and added a 5-and-5 provider-rate increase. That increases the county amount above LFA figures by \$50,446 in fiscal year (FY) 92 and \$52,968 in FY 93. The rural share will increase, though it won't go up to the cap. This is a compromise.

SEN. KEATING said it's a kind of spending authority. No money is taken from the county unless services are provided to the county. **CHAIRMAN BRADLEY** said yes. This is a best estimate.

MOTION: **REP. JOHNSON** moved the executive budget, calculating the 5 percent provider-rate increase in each year of the biennium, which will increase county amounts above the LFA by \$50,446 in FY 92 and \$52,968 in FY 93.

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

CHAIRMAN BRADLEY said the Budget Office, LFA and DFS will calculate final figures. She asked the Department to report on computer needs. The subcommittee partially funded the system but still needs to know how much additional money is needed.

Jim Sheehy, Project Development Manager for the Information Services Division in the Department of Administration, said he is working with DFS to try to determine the total cost of the system. Funding approved by the subcommittee will finance an analysis of system requirements, construction of a working model to ensure that it is what DFS asked for, and initial development of the system. The first functions that would be developed are

financial support, referrals, foster-care data, adoption data and general construction of the system. The project could be completed in the next biennium.

REP. COBB asked how long it will take to have the system running. Mr. Sheehy said this portion will be ready to run on July 1, 1994. It will take another year for the rest of the system to be completed. REP. COBB asked for the total cost. Mr. Sheehy said \$900,000. Five of approximately 10 functions will be up and running on July 1, 1993. REP. COBB asked if the \$900,000 is needed now. Mr. Sheehy said the \$588,000 approved by the subcommittee will be fine for now, as long as it is understood that additional money will be needed next session. REP. COBB asked if a supplemental appropriation will be needed before next session. Mr. Sheehy said July 1, 1993, will be the start of the next biennium and the Legislature will be back before then. A supplemental shouldn't be needed.

SEN. KEATING asked if the system is being built in-house or under contract with an outside firm. Mr. Sheehy said it will be an in-house system.

SEN. KEATING asked if the system will be compatible or interface with other state systems. Mr. Sheehy said it will interface with all the state's accounting and warrant systems. No one has gotten into details about how it may have to interface into the Department of Social and Rehabilitation Services' (SRS) TEAMS project to determine eligibility. It will interface as much as possible. It will use the same software as other state computer systems.

SEN. WATERMAN asked how soon the system could be completed if all the money was granted now. Mr. Sheehy said it would take until Jan. 1, 1994.

SEN. WATERMAN said other states have a management system in place and she is concerned Montana is reinventing the wheel. She asked if a predesigned system is available and if the cost would be higher. Tom Olsen, DFS Director, said it would be very expensive. It seems that it would be easy to import a system from another state. But there is little standardization in equipment and system requirements. There are numerous computers and operating systems available. Montana is organized differently than other states. Many states don't have a Department of Family Services. They have a large umbrella agency that tiers off a huge system. Mr. Matthies said new federal requirements for foster care and adoption play a part in this. No states believe they can meet requirements with the systems they have in place.

REP. COBB asked if the state will be sanctioned. Mr. Matthies said sanctions don't start until federal FY 93. If Montana has its first five functions up and running, the state probably wouldn't get sanctioned. Sanctions for FY 93 would be \$50,000 if the system wasn't operating in time. That would be the maximum

liability. **Mr. Olsen** said the federal government probably wouldn't sanction the state if it shows a good faith commitment to develop the system.

CHAIRMAN BRADLEY said \$588,000 is in the budget now. If the system is to be completed by Jan. 1, 1994, the amount would need to be increased to \$900,000. She asked about operating costs and FTE requirements. **Mr. Sheehy** said operating costs would be about \$500,000 per year. That includes state network charges, and printer and programming support.

SEN. WATERMAN said she prefers to have the system on line as quickly as possible. In SRS, the subcommittee spent millions to finance two computer systems. The subcommittee is quibbling over \$400,000 here. It seems foolish to take four years to develop the system.

REP. JOHNSON said that adding \$400,000 now would shorten development time by six months. He asked if it is necessary for DFS to be on line in January rather than July. **Mr. Olsen** said no, but the Department is years behind already. Each month the system is not on line delays his ability to obtain good data for projections. He prefers to have data available sooner.

REP. COBB asked if DFS will need the extra six months to ensure the system works, even if it is granted all the money now. **Mr. Sheehy** said system developers will give it their best shot to have the system running by Jan. 1, 1994, if all the money is granted now. More people would have to work on the project to get it done by then.

CHAIRMAN BRADLEY asked how much of the appropriation would go toward services and FTEs provided by the Department of Administration. **Mr. Sheehy** said \$514,000 of the \$588,000 would go to the Department of Administration. The remaining \$74,000 would be used to buy hardware. Of the entire \$900,000, \$700,000 would go to the Department of Administration and \$200,000 would go toward hardware. Those costs cover Applications Services Bureau time, which is proprietary funded. Agencies are charged by the hour. An additional 2 FTEs would be needed in FY 92 and another 3 FTEs in FY 93, for a total of 5 FTEs.

SEN. NATHE asked if this is just a glorified accounting system and why it is needed. **Mr. Sheehy** said the computer system will provide data to county case workers and eliminate duplication of effort. Supervisors at county and regional levels will have an automated means of reviewing cases to ensure they are being handled according to policy. Regional offices will have a central source of data. The central office will be able to use data to respond to information requests, determine the outcome of services, meet federal reporting requirements, pay for services in a timely manner and meet legislative management-information requirements. It is far more than an accounting system. It is a tool to perform daily functions.

Tape 1B

SEN. NATHE said he wants to be sure the system will enable the state to maximize its use of federal money. Mr. Sheehy said that would be the case. Research would be needed to see if the system will interface with the TEAMS project to check client eligibility.

REP. COBB said most of the money goes toward program development. He asked where additional staff will come from and if cuts will have to be made elsewhere to finance them. Mr. Sheehy said that is a reason additional FTEs will be requested. The Department of Administration has a lot of customers. Information Services staff cannot stop serving other state agencies to work on this system. As projects are finished, others come up.

MOTION: SEN. NATHE moved to increase the appropriation to \$900,000 to get the computer system running.

DISCUSSION: SEN. KEATING said he thinks the subcommittee is being frivolous by spending additional money to gain six months, which is not essential. The job will get done. The computer could be used during the interim. He doesn't see any reason to accelerate the appropriation.

CHAIRMAN BRADLEY said she appreciates that the system is being developed internally, with Montana employees. It is more palatable than the millions of dollars being spent by SRS to contract outside expertise for TEAMS. Those people will be paid twice as much as state employees. She is glad DFS' system is being developed this way.

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

HEARING ON THE DAY-CARE PROGRAM

Ms. Whitney said Day-Care benefits are shown at the top of EXHIBIT 1. She said the subcommittee also deferred action on a \$50,000 grant until this hearing. Those two pieces must be addressed. There are no funding differences between the executive and LFA budgets. She reviewed child-care improvement grants, resource and referral, provider-rate increase, and child-care and development block grants.

She noted that provider-rate increase costs, which normally would be financed with General Fund, could be taken out of the child-care and development block grant. If increases are initially funded with General Fund money, federal money could not be used when the block grant arrives. That would be considered supplanting, which isn't allowed. It appears the block grant also could be used for the General Fund portion of SRS day-care increases. She reviewed proposed language on Page 2 of EXHIBIT 1.

REP. COBB asked for a further explanation about federal money being used in lieu of General Fund. Ms. Whitney said budgeted General Fund cannot be supplanted with federal funds. General Fund money for rate increases is not budgeted yet, so the federal block grant can be used. Technically, it is not supplanting. CHAIRMAN BRADLEY said federal dollars can be used for this now because federal rules are not out yet on the use of the \$2.5 million. The subcommittee can't use General Fund and switch it later. It can be done now because there is nothing to stop it. It would cost an additional \$80,000 per year if the same level is approved for SRS.

REP. COBB asked what DFS plans to do with the rest of the money. Mr. Olsen said he didn't know because rules aren't known yet. DFS wants to reduce the amount of time and FTEs needed for day-care licensing. If DFS can use the federal grant money to contract out that function, 10 FTEs may be freed up statewide to work with families and children. The federal government is going to require a lengthy day-care study. DFS staff will have to work on it.

Gary Walsh, Protective Services Division Administrator, said rules are not anticipated until late May. The application will probably have to be in by July or August. DFS plans to use an advisory group to develop a plan for use of the money. Once the plan is developed, it can be submitted to the Finance Committee to show what DFS intends. At this point, DFS has only general ideas.

PUBLIC COMMENT

Kate Cholewa, Montana Women's Lobby representative, testified in support of a one-time appropriation of \$100,000 to finance resource and referral services between July 1 and the time the federal money comes in, addition of an administrative position to administer the money and coordinate services, addition of 8 FTEs for licensing activities, and an increase in the infant and toddler day-care reimbursement rate from \$9.50 per day to \$15 per day. EXHIBIT 4

SEN. WATERMAN said she thought \$30,000 would cover the three-month gap between the beginning of the fiscal year and when the federal money is expected to come in. She asked where the \$100,000 figure comes from. Ms. Cholewa said the program was inadequately funded to begin with. She isn't sure of the breakdown.

Carrie Leu, Referral Coordinator for Child Care Connections in Bozeman, distributed fact sheets on resource and referral services, the federal child-care development block grant, and a progress report on child-care resource and referral services in Montana. EXHIBIT 3

She said the \$100,000 is being requested because there are 12 resource and referral agencies across the state. That is a six-

month funding need, not one quarter. Resource and referral agencies have already exceeded their budgets for this year in working with the JOBS Program. They try to help parents who can't finance the difference between the state rate and the rate charged by day-care providers. The money allocated for JOBS is already insufficient to meet needs through the end of the fiscal year.

She urged the subcommittee to appropriate the money being requested for resource and referral agencies and for JOBS. The Montana Alliance for Better Child Care, the Governor's Advisory Council on Child Care, and the child-care community want DFS to remain the lead agency, at least through the review process that will be mandated by federal legislation.

REP. COBB asked about billing. Ms. Leu said providers bill the state for services provided, not for referrals. If parents cannot afford the difference between the state rate and provider charges, they are turned away. She doesn't know how many parents are turned away, but some cannot participate in the JOBS Program because they can't secure child care. Typically the cost is compounded by lack of transportation to and from the child-care facility.

SEN. NATHE asked Ms. Leu what her agency does. Ms. Leu said Child Care Connections helps parents find child-care services. The organization contracts with the state. It provides enhanced referral services for people enrolled or considering enrolling in the JOBS Program. The organization also negotiates with child-care providers for people who cannot finance registration costs or the difference between the state rate and charges.

SEN. KEATING asked how much private money Child Care Connections receives. Ms. Leu said she doesn't know, but some funding comes from grants and the United Way. SEN. KEATING asked if people pay fees to have Child Care Connections help them find child-care services. Ms. Leu said parents are told Child Care Connections is a non-profit agency and are asked to pay a voluntary \$5 donation if possible.

CHAIRMAN BRADLEY asked DFS' position on the funding. The combination identified under Issue No. 2 would leave the budget at current level for the first quarter. Mr. Olsen said DFS supports the funding combination. CHAIRMAN BRADLEY asked if DFS supports that rather than benefitting from the better federal match. Mr. Olsen said DFS would be willing to benefit from a better federal match, but the proposed funding combination is a good example of how a federal match can be maximized.

Ms. Leu said that if the state contribution is decreased in an attempt to use federal funds, services stay the same or decrease. The resource and referral program is already inadequately funded, especially for the remainder of the fiscal year. There is no opportunity to increase services. Resource and referral agencies

also want the state to hire someone to coordinate services statewide. This person would work closely with DFS and be paid out of the resource and referral program budget.

Ms. Whitney said the state is reducing the General Fund amount and taking advantage of the increased federal match to keep the program budget the same at \$30,000 per quarter. Resource and referral agencies want the General Fund amount to be maintained with the increased federal match. That would increase the budget to \$53,000 for the first quarter.

Tape 2A

EXECUTIVE ACTION ON THE DAY-CARE PROGRAM

MOTION: **SEN. KEATING** moved approval of the \$50,000 Day-Care Grant. **EXHIBIT 1, Page 3, Feb. 14, 1991, minutes.**

VOTE: The motion **PASSED** unanimously.

MOTION: **SEN. KEATING** moved approval of child-care improvement grants estimated at \$136,400 in federal FY 92 and \$120,705 in federal FY 93.

VOTE: The motion **PASSED** unanimously.

CHAIRMAN BRADLEY said day-care network representatives want the subcommittee to retain the regularly matched money, which now has a more favorable federal match and would allow the resource and referral program to expand somewhat. The General Fund amount is \$8,487. It would increase to \$15,000. JOBS Program money from SRS would be raised to \$38,571. Current-level dollars identified at the top of **EXHIBIT 1** are higher than needed because more children were in foster care and the money wasn't used. The budget is would still be below current level if the subcommittee uses that money for resource and referral under Issue No. 1.

SEN. KEATING asked if the budget is set up for the \$8,000 or \$15,000. **Ms. Whitney** said resource and referral is not in the budget because it was a cat-and-dog item last session. Neither the Budget Office nor the LFA included it in budget figures, but there is enough General Fund in current level to commit to this.

MOTION: **SEN. KEATING** moved to put resource and referral into the base at the \$15,000 General Fund level.

DISCUSSION: **CHAIRMAN BRADLEY** said the motion means that the final dollar figures, instead of being \$120,000, would be \$214,284 both years.

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

SEN. WATERMAN asked if this will allow continuation of existing services until the federal money kicks in. **Mr. Olsen** said yes.

MOTION: **SEN. KEATING** moved approval of a provider-rate increase of \$1 per day each year, subject to receipt of the federal grant Oct. 1.

VOTE: The motion **PASSED** unanimously 5-0. **REP. COBB** was absent.

CHAIRMAN BRADLEY said figures have to be adjusted to reflect the subcommittee's action to increase General Fund dollars, while staying below current level. The main motion is to have the increase come from the grant. **SEN. NATHE** asked if this is the provider increase. **CHAIRMAN BRADLEY** said yes. It has to be done now.

MOTION: **SEN. KEATING** moved that the provider-rate increase of \$1 per day be funded from the federal grant.

VOTE: The motion **PASSED** unanimously 5-0. **REP. COBB** was absent.

CHAIRMAN BRADLEY said there is some question as to whether this grant should also cover the SRS increase. It would be appropriate to ask SRS if any other dollars are available to bring their day-care rates up accordingly. If not, it also would come from the federal grant.

SEN. KEATING asked for the cost. **Ms. Whitney** said it would cost \$86,000 per year, or approximately \$173,000 for the biennium, for a \$1-per-day increase.

MOTION: **SEN. KEATING** moved that the SRS day-rate increase for child care be taken from anticipated block grants.

DISCUSSION: **SEN. WATERMAN** said that will occur only if SRS can't come up with it somewhere else. **Bill Furois** said he and **Carroll South**, Legislative Fiscal Analyst for SRS, can determine how to fund this and bring the information to the subcommittee on the final wrap-up day for SRS and DFS. **CHAIRMAN BRADLEY** said OK. No action was taken.

CHAIRMAN BRADLEY said providers are requesting that the infant day-care rate be increased. The subcommittee's action increased this with regular day-care rates. **SEN. KEATING** asked if infant day-care rates would increase by \$2 over the biennium. **CHAIRMAN BRADLEY** said yes. **SEN. WATERMAN** said she would like the subcommittee to increase the rate above the \$2 because there is a broader disparity with infant day care. She doesn't know how to do that within the grant. **SEN. KEATING** said the subcommittee should wait to see how it washes out.

SEN. NATHE said the subcommittee funded day care in SRS and now in DFS. He asked why there are two separate day-care appropriations. **Mr. Walsh** said child care in SRS relates to the JOBS Program, and Transitional and Self-Initiated job training. Child care in DFS deals with child-protective services and cases of abuse and neglect. Day-care money is used to maintain the family. It is an alternative to placing the child in foster care.

SEN. WATERMAN asked what it would cost to increase the infant day-care rate by another dollar or two, and she asked if the subcommittee's last action was to direct how the federal grant will be expended, not to increase the General Fund appropriation. **CHAIRMAN BRADLEY** said yes. **Mr. Matthies** presented figures compiled by the Montana Alliance for Child Care. He said 42 percent of the children in day care are infants. DFS does not have a system to track children's ages. Each dollar added to the infant day-care rate would have to be multiplied by 42 percent.

CHAIRMAN BRADLEY said the question is whether infant day care is cost-effective, considering the expense. She asked if it isn't cheaper for a person to stay home at some point. **Cris Volinkaty, Developmental Disabilities Legislative Action Committee**, said she worked with infant day care through DFS. It is an effort to keep families together. She described a case in which a child was neglected and infant day care was used to remove the child to provide stimulation. Sometimes it is better to get a child into day care than leave them in an unhealthy home.

CHAIRMAN BRADLEY said that is not the norm. That can't be happening to 42 percent of the children. **Ms. Leu** said it isn't an option for some families to have one parent stay home with the child because they need two incomes to pay their bills. With a higher infant rate, the amount the parent would have to pay would be less and the provider would be better compensated for labor-intensive care.

CHAIRMAN BRADLEY asked if the Department has the flexibility, without subcommittee action, to use some of the federal money for this purpose if that is what the study says it should do. **Mr. Olsen** said yes. That would be a priority. He also has no problem with the subcommittee taking action on the issue. **CHAIRMAN BRADLEY** said she would rather leave the choice to DFS, as long as the Department has full leeway to do what is best. She asked if anyone on the subcommittee wished to take action. No one said yes. She asked if it were the consensus of the subcommittee to leave the decision to the Department. No one objected. She said the Department indicated infant day care funding is a high priority. She doesn't believe it will be ignored if need exists.

Someone in the audience, who did not identify himself, said a similar increase must be made for infant day-care rates in SRS, if one is granted in DFS. **CHAIRMAN BRADLEY** said yes.

CHAIRMAN BRADLEY referred to Page 2 of EXHIBIT 1, and asked if the subcommittee would accept the language with proper figures inserted.

MOTION: SEN. KEATING moved approval of the language.

VOTE: The motion PASSED unanimously 5-0. REP. COBB was absent.

CHAIRMAN BRADLEY said she will recommend DFS goes first during budget reviews next session. It is too agonizing to have such a difficult budget left until the end.

SEN. NATHE said it is important to rotate departments. Ms. Whitney said the reason DFS' budget was handled last was because the LFA assigned to DFS also handles the Department of Institutions, and the Institutions budget was presented during the first three weeks of the session. SEN. NATHE said the order in which budgets are presented should be rotated because the subcommittee is under a lot of pressure when it gets to the last budget.

ADJOURNMENT

Adjournment: 10:20 a.m.

Dorothy Bradley
REP. DOROTHY BRADLEY, Chairman

Faith Conroy
FAITH CONROY, Secretary

DB/fc

HOUSE OF REPRESENTATIVES
HUMAN SERVICES SUBCOMMITTEE

ROLL CALL

DATE

2/20/91

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	✓		

Exhibit # 1
2/20/91
Human Serv.
Subc

S COMMUNITY SERVICES
ogram 02 Benefits

NEFITS P. B-116	Difference				NOTES
	Executive Fiscal 1992	LFA Fiscal 1992	Difference Fiscal 1992	Executive Fiscal 1993	

Y Care - General Fund	\$397,072	\$397,072	\$0	\$397,072	\$0
Federal Funds	\$329,513	\$329,513	\$0	\$329,513	
Total	\$726,585	\$726,585	\$0	\$726,585	\$0

Also see \$50,000 Grant - Grants Page)

ISSUES:

Day Care - Child care improvement grants are anticipated through fiscal 1993 but are not included in either LFA or Exec. Federal fiscal 1991 grants - intended by HB 100 to revert to offset general fund - \$31,390 - (DFS reverted \$32,084 of FY 90 funds) Federal fiscal 1992 and 1993 grants estimated at \$120,705 each year are requested for state fiscal 1992 and 1993
\$136,400 and \$120,705
FY92 FY93

Resource and Referral -

- Continuation of program begun by House Bill 200, 1989 Legislature (\$120,000 general fund)
- Change from 50/50 general fund/federal funds to approx. 28/72 for first quarter FY 92.
- Last three quarters of FY 92 and all of FY 93 can be funded from new Block Grant discussed below.
- If this program is to be enacted for the 1993 biennium, funding could be as follows:

	FY 92	FY 93
General Fund	\$8,487	
Federal JOBS	\$21,513	
Federal Block	\$90,000	\$120,000
Total	\$120,000	\$120,000

Provider rate increases -

Child Care and Development Block Grants of approx. \$2.534 million in federal fiscal 1992 and \$2.856 million in federal fiscal 1993 have been approved for improving the availability and quality of day care.
These grants may be used for resource and referral noted above and day care rate increases as follows:

	FY 92	FY 93
Resource/Ref. Provider Inc.	\$90,000	\$120,000
OR	\$6,237	\$16,233
	\$24,720	\$53,200
		At \$0.50 a day incr. each year
		At \$1.00 a day incr. each year

General regulations are not yet available for use of this grant. Because the existence of the grant is known and it can be considered by this legislature, it will not qualify for the budget amendment procedures. Therefore, a broad appropriation authority for approximately \$2.4 million in fiscal 1992 and \$2.8 million in fiscal 1993 will be required.

One possible approach is as follows:

Line item Child Care and Development Block Grants for \$ _____ million in Fiscal 1992 and \$ _____ million in Fiscal 1993 and include the following language:

"The department is appropriated federal funds of \$ _____ in fiscal 1992 and \$ _____ in fiscal 1993 for improving the availability and quality of day care. The department shall issue a report to the 53rd Legislature detailing the numbers and types of services provided and the actual fiscal 1992 expenditures for those services."

Exhibit #2
2/20/91
Human Serv.
Sube.

FOSTER CARE PROVIDER
WAGE DIFFERENTIAL

MRCCA SURVEY

<u>TITLE</u>	<u>AVERAGE WAGE</u>	<u># POSITIONS</u>
Child Care Worker I	\$ 5.52	41
Child Care worker II	5.25	47
child Care Worker III	7.33	137
Lead Worker	6.65	10
Supervisor	9.59	<u>10</u>
		245
Weighted Average Wage		\$6.69

DFS STAFF

Cottage Life Attendant I	\$ 7.055	8.9
Cottage Life Attendant II	7.530	23.4
Cottage Life Attendant III	8.05	11.00
Supervisor	8.618	<u>8.00</u>
		51.30
Weighted Average Wage		\$7.73

Wage differential per hour \$1.04

245 positions X 1.04/hr X 2080 = \$529,984

50%	GF (74%)	196,094
	FED (26%)	<u>68,898</u>
		264,992
25%	GF (74%)	98,047
	FED (26%)	<u>34,449</u>
		132,496



Exhibit #3
2/20/91
Human Serv.
Subc -

1-800-388-5286
4105 Reserve Missoula, MT 59803

MONTANA CHILD CARE RESOURCE AND REFERRAL

The goal of Resource and Referral (R&R) is to promote the availability of quality child care to all Montana families.

WHY RESOURCE AND REFERRAL IS NEEDED:

The availability of reliable, quality child care is an important employment issue. There are 43,733 families in the Montana labor force with children under the age of six, with an estimated 40,000 children cared for outside the home every day. As of April, 1990, there are approximately 1,450 licensed or registered child care homes and centers in the state. For these families, locating quality child care services can be difficult since the majority of child care in Montana is provided in private day care homes who have no organized means for informing parents of their services.

SERVICES PROVIDED BY RESOURCE AND REFERRAL:

INFORMATION TO PARENTS:

- * up-to-date information on available child care options
- * information on how to recognize and select quality child care
- * information about assistance programs, vouchers
- * child care arranging for state paid care
- * evening and after-hours care lists

SUPPORT TO CHILD CARE PROVIDERS:

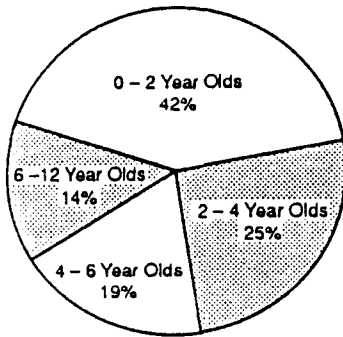
- * training and consultation to homes and centers
- * recruitment of new providers to fill gaps in existing services
- * substitute list, list for sick child care
- * sponsor Child Care Food Program
- * toy and resource lending library
- * assistance in filling vacancies

SERVICES TO THE COMMUNITY AND STATE

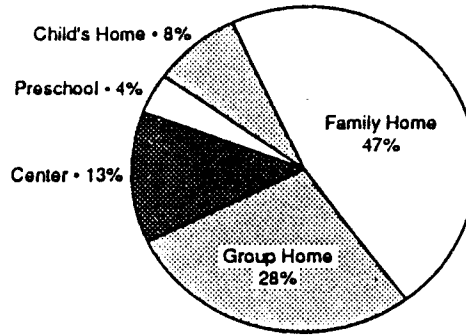
- * child care arranging for state paid care
- * referral of parents and providers to other agencies
- * public education
- * assistance to employers
- * child care arranging for state paid care

Child Care Needs of Montana Families

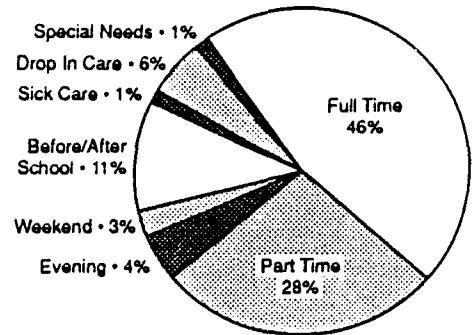
Ages of Children Served



Type of Provider Requested



Type of Care Needed



Source: Department of Family Services, Helena, Montana • 1990 1st & 2nd Quarter Reports

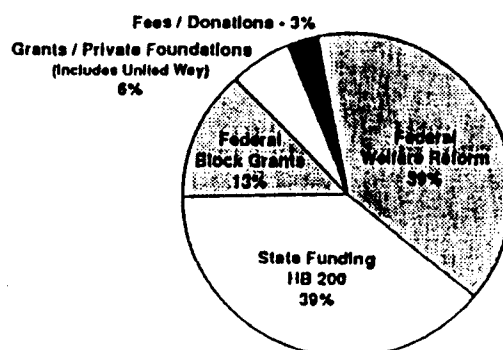
THE ROLE OF R&R IN THE FEDERAL WELFARE REFORM:

Resource and referral agencies provide a vital contribution in welfare reduction by assisting families on public assistance in their search for reliable quality child care and completion of the state application process. The search for child care is one of the first steps parents will need to take in the transition from welfare to work for without child care they will not be able to participate in training programs or employment. To provide the service state dollars have been used to match federal funds available through the Job Opportunity and Basic Skills Program (JOBS).

FUNDING FOR RESOURCE AND REFERRAL:

Since 1986 Montana resource and referrals have received \$20,000 statewide from federal dependent care development block grants to provide the service. In 1989, HB200 was passed, the "Montana Child Care Act" which designated the Department of Family Services as the lead agency for child care and appropriated \$120,000 for the biennium to provide resource and referral. The new federal Child Care & Development Block grant will be available in late 1991 to fund resource and referral. No state match will be required for these funds. In order to continue resource and referral until the federal funding is available state dollars will be needed on an interim basis. Continued funding for R&Rs to perform the child care arranging for JOBS participants would provide the necessary state match to continue that R&R function.

Projected Sources of Funding for Montana Resource and Referral 1990-91 Fiscal Year





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MONTANA AND FEDERAL CHILD CARE LEGISLATION FOR 1991

OVERVIEW OF THE CHILD CARE & DEVELOPMENT BLOCK GRANT:

Congress approved new federal child care legislation on October 27, 1990, which has appropriated a three year \$2.5 billion block grant program for states to assist families with child care needs. No state match is needed for this money.

The legislation provides:

- * Child care services and activities to assist eligible families in paying for child care.
- * Activities to improve quality and accessibility by providing grants and loans to child care providers, support for resource and referrals, and activities to improve enforcement of state standards and licensing.
- * State child care standards must be developed or reviewed unless a review has been conducted within the past 3 years.
- * Parents will have the right to utilize the provider of their choice as long as the facility meets state licensing requirements.

HOW MONTANA IS PREPARING:

To receive the Child Care & Development Block Grant money states are required to designate a lead agency and develop a plan demonstrating coordination with existing programs. The Montana Alliance for Better Child Care (MABC) would like to see the Department of Family Services continue as the lead agency. During the last session the Department was designated under HB200 as the lead agency for child care in the state. A steering committee of MABC met in November, 1990, and identified the following as child care needs in Montana:

- * A state child care coordinator to oversee licensing and registration.
- * Eight additional FTE's in the Department of Family Services to facilitate licensing and registration.
- * A state resource and referral network coordinator and funding for resource and referral programs across the state.
- * Grants and loans to assist child care centers, group homes and family homes to start-up, improve, or expand facilities.
- * A review of the state regulations for child care incorporating regulations for preschools, facilities for mildly ill children and drop-in care.

WHAT MABC IS ASKING OF THE 1991 MONTANA LEGISLATURE:

- * Continued appropriation of \$60,000/year to be matched with federal Welfare Reform monies enabling resource and referrals to continue child care arranging for state paid child care.

In 1989 the Montana Legislature passed HB200, the Montana Child Care Act, which appropriated \$120,000 for the biennium to fund resource and referral. In 1990 the federal Job Opportunity and Basic Skills (JOBS) program was implemented in the state. In order to provide funds for child care arranging of state paid child care, the HB200 money was used to match federal dollars. The funding to pay for the child care services of JOBS participants is separate from the new Child Care & Development Block Grant and continues to require a state match. Funding from the Child Care & Development Block Grant cannot be used to supplant existing funding.

- * A one-time \$50,000 appropriation to provide funding to the resource and referrals for the interim period between the time that the current state funding (HB200) funding ends and the federal money begins.
- * Interim funding to provide the Department of Family Service with 8 FTE's for child care licensing, registration, and regulation until federal money is available to provide these activities.

Many of the recommendations made by the Montana Alliance for Better Child Care reflect those made by the Governor's Child Care Advisory Council. For more information on state or federal child care legislation, contact the Montana Alliance for Better Child Care at 800-388-5286.



MONTANA CHILD CARE RESOURCE AND REFERRAL SERVICES

A PROGRESS REPORT 1986 - 1990



Child Care
Resource and Referral

Information
to Parents

Support and Training
for Providers

Services to State
and Community

Meeting the Child Care Needs of Montana Families

MONTANA WOMEN'S LOBBY

P.O. Box 1099

Helena, MT 59624

406/449-7917

Kate Cholewa

2/20/91

Exhibit # 4
2/20/91
Human Serv.
Stube

So that the child care service providers and the Department of Family Services may operate optimally, and so that the needs of child care services users are met, MWL requests that Joint Subcommittee on Human Services consider the following:

1. Resource and referral programs help a parent locate child care services appropriate to the parent and child's need. They also provide consumer education for parents, support and training of child care providers through start-up information on how to become registered, workshops, conferences, technical assistance, toy and resource libraries, and newsletters. This program was previously funded by HB 200. As of July 1st, it has no funding source. In October or November of '91, 2.7 million dollars will enter the state. This money comes to Montana as a result of the Child Care and Development Block Grant and Grants to States. A portion of this federal money may be used to fund the Montana Resource and Referral System for child care. Our request is for a one-time \$100,000 to keep the program operating until this federal money is available. If not funded during this period, the services will cease to operate and DFS will have to perform the services this already in-place program has been designed to do, including the recruitment and training of child care workers. DFS currently contracts services from R & R services. They have arranged, in conjunction with SRS, for \$30,000 to continue contracting services with R & R until the federal money arrives. However, if the operating base money for this service is not produced, DFS will have no one to contract from. We request that this funding become part of the DFS budget because the federal money may only be used to supplement programs, not supplant them. A commitment to child care services on behalf on the state must be evident for the full funding to be granted.

2. When the federal Child Care Grant enters the state, we request a portion of it go to fund positions to license day care services. We request language that allows for the hiring of 8 FTEs to be funded by the federal Child Care Grant. We also request money from the general fund to fund an administrative position within DFS. This leadership position, a Child Care Services Coordinator, will administer the federal money entering the state and provide a central person to oversee and coordinate all child care services attended to by DFS. We request this position needs to be filled by July 1.

3. State paid child care is currently paid with 70-30 match from the federal government. The level at which the feds will provide this match for infant and toddler care is currently \$9.50/day. However, care for infants and toddlers is most often more

MONTANA WOMEN'S LOBBY

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expensive than other child care for older children as more staff per child is required. Thus, women are attempting to make up a difference in cost as much as \$110/month. Women newly off of AFDC most frequently cannot afford this expense. As a result, they end up back on the welfare rolls. We request that the reimbursement rate is raised from \$9.50/day to \$15.00/day.

Raising the reimbursement rate will keep more women in the work force and off of AFDC. This need involves approximately 800 infants and toddlers per year. Infants can be difficult place; the inability to reimburse adequately makes the placement even more difficult.

These requests are made to permit the function and management of child care services. We are concerned that DFS is receiving additional responsibilities without the money and staff to adequately fulfill those responsibilities.

**HOUSE OF REPRESENTATIVES
VISITOR REGISTER**

Human Services SUBCOMMITTEE DATE 2/20/91
DEPARTMENT(S) DFS DIVISION _____

PLEASE PRINT

PLEASE PRINT

[illegible]

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