

MINUTES

MONTANA SENATE 52nd LEGISLATURE - REGULAR SESSION

COMMITTEE ON FINANCE & CLAIMS

Call to Order: By Senator Judy Jacobson, Chairman, on April 4, 1991, at 7:00 a.m.

ROLL CALL

Members Present:

Judy Jacobson, Chairman (D)
Greg Jergeson, Vice Chairman (D)
Gary Aklestad (R)
Thomas Beck (R)
Esther Bengtson (D)
Don Bianchi (D)
Gerry Devlin (R)
Eve Franklin (D)
Harry Fritz (D)
H.W. Hammond (R)
Ethel Harding (R)
Bob Hockett (D)
Thomas Keating (R)
Dennis Nathe (R)
Lawrence Stimatz (D)
Larry Tveit (R)
Eleanor Vaughn (D)
Mignon Waterman (D)
Cecil Weeding (D)

Members Excused: Senator Manning

Staff Present: Teresa Olcott Cohea(LFA).

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

Announcements/Discussion: None

HEARING ON HOUSE BILL 786

Presentation and Opening Statement by Sponsor:

Representative Quilici, District 71, Butte, sponsor said HB 786 is a bill that would raise the per diem for medicaid recipients that have to go out of state for medical treatment. He noted that there are some medicaid recipients that have the

type of diseases that cannot be treated in the state. HB 786 would raise their per diem comparable to what State employees would get if they had to go out of town to do their job. He added HB 786 would cost approximately \$92,000 a year of general fund money with an additional approximate \$400,000 coming from federal funds. He noted the current rate of \$22.40 per day received now for needed hospital treatment is not satisfactory reimbursement. He concluded that the Department of Social and Rehabilitation Services can change this by rule but do not have the necessary funds to do it.

Proponents' Testimony:

None

Opponents' Testimony:

None

Questions From Committee Members:

Senator Beck questioned if the room rate per day was \$22.40 and if meals were in addition to that. Representative Quilici said \$22.40 is the total amount received.

Closing by Sponsor:

Representative Quilici closed. He noted there was a bill introduced in the House that would raise the per diem of State employees and suggested that the committee would want to hear that bill before executive action was taken on HB 786.

HEARING ON HOUSE BILLS 489, 491

Presentation and Opening Statement by Sponsor:

Representative O'Keefe, District 45, Helena, sponsor, said HB 489 and HB 491 are bills dealing with relief for foster parents around the state. HB 489 appropriates \$266,186 for the biennium for clothing expenditures of up to \$300 per year per child for children placed in foster homes. The current rate is \$100 per year per child. HB 491 would provide funds to pay for respite care for children in foster homes who have special needs. It also would provide for recruitment, training and monitoring of respite care providers.

Proponents' Testimony:

Ken Luraas, representing Montana State Foster Adoptive Parent Association, stated his support of House Bills 489 and 491. (See Exhibit 1)

Bobbie Curtis, Great Falls, a foster parent for over 21

years in the state noted her support of House Bills 489, 491. She noted \$100 per year per child for clothing allowance is not enough. She demonstrated to the committee a bag of clothing worth \$100 and stated that amount of money does not go very far. Ms. Curtis noted that is not normal parenting. These children's childhood has been shattered and it is her job to put it together. She said she is not making it on the amount she receives and is actually going in the hole and probably won't last much longer. She added foster parents need a respite, a break away from the children for a period of time.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Hammond asked if there is a difference in the schedule of allowances according to the degree of handicap. Tom Olsen, Director, Department of Family Services said the amount of money paid for foster parenting is a flat rate for all parents. He said there is a difference in rate according to age. Children under 12 are paid approximately \$9 and over 12 is approximately \$11. He noted the cost of raising a normal child in a normal family setting as determined by the U. S. Department of Agriculture in this part of the country is approximately \$16 a day. When questioned by Senator Hammond regarding food stamps being made available to foster parents, Mr. Olsen said he doesn't know the technicalities of making food stamps available. Senator Hammond noted there is five million dollars in subsidies from the Department of Agriculture for food stamps and stated he would like to see it used more productively.

Senator Keating questioned the formula used on the fiscal note. Mr. Doug Matthies said 41 percent is the caseload, and noted that those clients would be eligible for the 71 percent/29 percent match; the remainder would be general fund; 41 percent of their clothing would be paid for by federal money. When questioned by Senator Keating if the average stay entered into the formula, Mr. Matthies said if they weren't in care for a full year, it would be prorated.

When asked by Senator Keating regarding a child transferring from one foster care family to another and incurring another clothing appropriation, Mr. Matthies said the administrative rules would have to be changed in that regard.

Senator Beck questioned why they are only covering 41.5 percent with federal expenditures. Mr. Matthies said that is the percentage of caseload eligible for the money. He added he would obtain further information on that point.

Senator Waterman indicated there was a shortage of respite care and questioned what factors were entering into this. Mr.

Luraas said a main factor was burn-out by the foster parents.

Senator Aklestad asked regarding group homes, how many clients are we talking about in those homes. Mr. Matthies said there are approximately 2,100 children in family foster care and approximately 900 of them got clothing allowances in 1990. He noted there are about 1,000 children a year in group homes where the rules don't allow for a clothing allowance except in exceptional cases. Senator Aklestad noted that if the federal funds aren't available, those would have to be picked up with an additional general fund. Mr. Matthies said federal funds should be about 30 percent and that it would be about double if clothing allowances were provided to all children going into group homes. Senator Jacobson indicated it was her feeling that group homes were not covered in the bill.

When Senator Waterman asked why group home clothing allowances were not covered, Mr. Matthies said when the model rate system for group homes was implemented in the last biennium, the USDA rate cost of raising a child was used as the basis.

Closing by Sponsor:

Representative O'Keefe closed by saying the rate of \$9.54 per day that is being paid to the foster care parents is not sufficient.

HEARING ON HOUSE BILL 569

Presentation and Opening Statement by Sponsor:

Representative Jim Rice, House District 43, Helena, sponsor, said a comprehensive study of the Department of Family Services was completed which indicated that DFS did not have an adequate management information system which impeded their ability to carry out their functions and that HB 569 would develop an appropriation to develop a system that could keep track of federal dollars spent as is required by the federal government. He added there is a penalty of \$103,000 per year that DFS could be assessed if federal requirements are not met and this information is not provided as required. He added there is in SRS an unreconciled state special revenue fund and this appropriation is contingent upon the deposit of funds in the general fund. He concluded it is one time money for a one time function. He presented an amendment prepared by the Legislative Fiscal Analyst (See Exhibit 2).

Proponents' Testimony:

Judy Carlson, speaking on behalf of the social workers that would be using the management information system, said it is a valuable tool for the social workers being able to use the computer to place children in the correct homes at a much faster

rate. She concluded it would be a real benefit to the children being placed.

Jim Smith, representing the Montana residential child care association, stated his support of HB 569 and said the management information system is essential for the sake of the children and the Department of Family Services and urged the adoption of the bill.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Weeding asked Mr. Matthies regarding the unreconciled state special revenue fund, where would the money go if it is not spent for the computer system. Mr. Matthies said it was his understanding that the way the federal programs work that it takes some time before there is a settlement of costs for the program. The money comes back and is put in the fund until they can reconcile with the federal government how much money goes to the state. He said the account is reconciled every few years.

Senator Waterman said it was her understanding there was no way of tracking the children to come up with the studies and she questioned if this would help develop a continuum of care to hopefully provide less expensive treatment in the end. Mr. Matthies said they anticipate the new system would help with the tracking of children.

Closing by Sponsor:

Representative Rice closed.

HEARING ON HOUSE BILL 371

Presentation and Opening Statement by Sponsor:

Representative Red Menahan, Anaconda, sponsor, said HB 371 would appropriate \$200,000 for the delivery of in-home aging services.

Proponents' Testimony:

LaDean Lewis, American Association of Retired Persons, stated her support of HB 371. (See Exhibit 3)

John Delano, Montana Medical Association, indicated their support of HB 371.

Judith Carlson, Montana Senior Citizens Association, stated their support of HB 371. (See Exhibit 4)

John C. Bower, Bozeman, Area IV Agency on Aging, noted their support of HB 371. He indicated his wife has been in a nursing home in Bozeman for 10 years and added he has much appreciation of what HB 371 proposes to do and urged support.

Opponents' Testimony:

None

Questions From Committee Members:

Senator Hammond questioned if this is a pilot program or money that has been given to Department of Family Services. Ms. Judy Carlson said it is not really a pilot program; there is now some federal money and a little state money so they are providing some in-home services. She concluded that the program has been proven.

Closing by Sponsor:

Representative Menahan closed.

HEARING ON HOUSE BILL 927

Presentation and Opening Statement by Sponsor:

Representative Dan Harrington, District 68, Butte, sponsor, stated HB 927 requires a vocational specialist to conduct a reassessment to determine the employability of general relief applicants.

In a question regarding fiscal impact of this bill, Rod Sundsted, Budget Director, said there is a new fiscal note for HB 927 which would eliminate most of the fiscal impact of the bill as a result of amendments that have taken place.

Proponents' Testimony:

Judith Carlson, representing HRDC Directors Association, stated her support and added they are in support of the changes this makes to the law which will help general assistance people.

Marsha Dias, Montana Low Income Coalition, stated her support of HB 927. (See Exhibit 5)

Barbara Barnard stated her support of HB 927. (See Exhibit 6)

Opponents' Testimony:

None

Questions From Committee Members:

In a question from Senator Waterman regarding changes that were made to the bill, Ms. Carlson noted it was language on pages 6 and 7 which would ensure if a person had a barrier to employment other than alcohol and drug problems that that person would be eligible for extended benefits. Ms. Dias added that the amendment leaves intact the three month extension for drug and alcohol problems which was previously in the law.

Closing by Sponsor:

Representative Harrington closed.

EXECUTIVE ACTION ON HOUSE BILL 300Discussion:

Senator Aklestad questioned whether, under this program, the Department of State Lands is going to be paid off in full and asked who would pay them off and how the payment scenario would be entered into. Dave Lewis, Board of Investments, said the way this would work is if someone wanted to buy a cabin space, they would go to the bank and borrow money and they would pay Department of State Lands for the cabin spot. That money is put in the trust and landscape account. Then the bank would sell us that contract for deed or mortgage; we would buy that from the bank and would pay them back their percentage from the trust and legacy account. The asset has been converted into a mortgage or contract for deed. The cash balance of the trust and legacy account really has not changed. As that mortgage pays off, the cash balance of the trust and legacy account would grow by the value of the land that is sold. Mr. Lewis added they would like to make a change in the language in the offered amendment in Section 2 to read, "The board of investments may purchase for the trust and legacy fund from approved lenders contracts for deed or mortgages for cabin sites on state trust land."

Senator Aklestad asked if the Board of Investments would be guaranteeing the bank 100 percent of their money. Mr. Lewis said the way he understands the program, they require 10 percent down and the person would be borrowing 90 percent of the value. Mr. Aklestad noted his concern with the Board of Investments getting into a situation where there is a default and there is only 10 percent. He questioned if the value is based on the land itself or the cabin and the land. Mr. Lewis said most of them are sold on land values and that the improvements are not part of it. Senator Aklestad asked regarding a repossession if the Board would get back structures. Mr. Lewis said they currently own about 3,000 mortgages in the state and they get repossessions on a regular basis, and he added their loan officers are working through the service. He noted they maintain insurance until the property is disposed of.

Senator Weeding asked if this program would be run through a housing program. Mr. Lewis said the Board of Housing is a separate entity that purchases mortgages from the banks. He said the money will come from the trust and legacy account.

In a question from Senator Hammond regarding the contract for deed, Mr. Lewis said they want the market rate of interest and added in effect it is a contract for deed because their collateral is the land.

Senator Hammond questioned the interest rate on state lands. Mr. Dennis Casey, Department of State Lands, said the interest rate for installment sales is established on a yearly basis by the Board of Land Commissioners. The present rate for this year is 12.05 percent and in November or December there will be an adjustment made to that. Senator Beck questioned if that is a fixed rate or a variable rate over the term of the loan. Mr. Casey said it is the rate for the term of the sale, the rate that is in effect at that time. Senator Beck questioned the incentive for the banks to sell the loan back to the Board of Investments. Mr. Lewis said their incentive is the bank will get an origination fee, so there is fee income involved for the banks doing this. Also, the incentive in selling it back to the state is if there is a default, the bank is out of the risk. Regarding improvements on the loan and who would assume the improvements if there was a mortgage against them, Mr. Lewis said that has not been discussed with Mr. Casey but added they are willing to work with Department of State Lands on that.

In a question from Senator Aklestad as to how many years the Board of Investments is going to have on this contract for deed, Mr. Lewis said it is normally 20 to 25 years depending on bank terms with the borrower. He added it depends on the size and what the person can afford. Senator Aklestad noted we are taking one segment out of state government to get out of real estate and putting another segment in the real estate business as far as transactions. Mr. Lewis said that was right.

HEARING ON SENATE BILL 471

Presentation and Opening Statement by Sponsor:

Senator Greg Jergeson, District 8, sponsor, stated SB 471 came out of the education and cultural resources subcommittee of appropriations. He noted the bill proposes to have each agency, as they make their budget request, they will prioritize their equipment purchase request that they are going to be making in the next biennium. Those in excess of \$25,000 will be separated essentially from the agency request that goes to the appropriate subcommittee. The budget office will provide a priority list on equipment purchases and that special list will then be presented to the legislature with the priority for what equipment they want purchased and how to fund the equipment purchases that they

propose should be made.

Senator Jergeson distributed to the committee a fiscal note prepared by the budget office relative to SB 471. (See exhibit 7) He added he refused to sign the fiscal note but rather will have his own note prepared. He indicated his opinion that two FTE's would not be required as is shown on Exhibit 7 if the Office of Budget and Program Planning was doing the work expected of them.

Proponents' Testimony:

None

Opponents' Testimony:

Bob Marks, representing the Department of Administration and the Governor's office noted his opposition to SB 471. (See exhibit 8)

Mike Trevor, Administrator, Information Services Division, said regarding the growth in automated systems, he takes exception to it being considered that there is a problem with compatibility. He said the Department of Administration has responsibility for approving all equipment acquisition for the purposes of assuring that we are building a statewide system that has compatibility. He added they have achieved compatibility with the university system. That area of compatibility is addressed rigorously. He said he feels the legislature is troubled about what is being approved. He said the Department of Administration is not responsible for saying what an agency should be implementing. He noted his concern about the \$25,000 limitation. He said there is a growth of personal computers of about 1,000 a year and they are an integral part of each agency. He concluded it is questionable to think that computer equipment and software belongs in the same category as buildings as far as making long range plans.

Bill Salisbury, Department of Highways, said they view this as a planning process and a compliance process. He noted he did not really disagree with Senator Jergeson on the planning process and noted that their department did long range planning. He added their biggest problem was in the compliance of the bill in Section 5, page 4 and noted their department would have many exceptions to this. He agreed this is an increased process but concluded there would be problems with this.

Rod Sundsted, representing the Office of Budget and Program Planning, stated his opposition to SB 471. He noted there is currently information available and they do receive budget requests for equipment. The documents detailing what was requested along with the amounts are available in his office. He noted their office doesn't do all the work that would be required with SB 471 but there is a good deal available. He stated there

would be a significant impact on the workload in his office. He said in SB 471 you can't purchase equipment unless approved by the legislature except in emergency situations and this would create a real hardship.

Leroy Schramm, legal counsel for the Board of Regents and the University system, said SB 471 would affect the university system adversely in that items would have to be approved by the legislature, and concluded there should be additional thought in the kind of detail we are getting into in reviewing this.

Questions From Committee Members:

Senator Jacobson questioned Mr. Marks regarding a concern as to some of these requests at the present time going to long range building and some through subcommittee action. Maybe this would pull that together better so that legislators could have a better idea of what equipment purchases are being handled. Mr. Marks said those in long range are in good standing because they go through the long range building committee. On other equipment, he noted he could see no distinction between the university system and anybody else as far as the equipment, and he felt the information was already available. He concluded his thought that the bill was well meaning but thinks it is already being done and he concluded by questioning if the effort is worth the product.

Senator Jacobson asked Mr. Sundsted if he could give a ballpark figure of the number of equipment purchases done by budget amendment in the interim. Mr. Sundsted said he couldn't at the present time give a figure, but would be able to provide that information later.

Senator Jacobson stated recalling a van disapproved for the school for the Deaf and Blind and then approved in the interim by budget amendment. She noted that is one example of why it might be a good idea to have a plan in process for equipment so legislators could be more aware of what is actually happening before they came back two years later.

Closing by Sponsor:

Senator Jergeson closed by stating rules would have to be suspended to accept SB 471 if it passed and added some time could be had to work on some of the details of the bill. He indicated he is amenable to have some changes in the \$25,000 level and perhaps we would want to look at the effort to put it in the aggregate. He concluded that over the next week this could possibly be made a better bill than what we have before us so that the House could readily suspend the rules to accept it. He concluded there is much frustration when agencies come in with these kind of equipment requests.

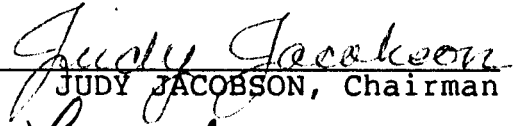
SENATE FINANCE & CLAIMS COMMITTEE

April 4, 1991

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ADJOURNMENT

Adjournment At: 9:05 a.m.



JUDY JACOBSON, Chairman



LYNN STALEY, Secretary

JJ/ljs

ROLL CALL

FINANCE & CLAIMS COMMITTEE

DATE 4/4

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR JACOBSON CHAIRMAN	✓		
SENATOR JERGSON, VICE CHAIRMAN	✓		
SENATOR AKLESTAD	✓		
SENATOR BECK	✓		
SENATOR BENGTON	✓		
SENATOR BIANCHI	✓		
SENATOR DEVLIN	✓		
SENATOR FRITZ	✓		
SENATOR HAMMOND	✓		
SENATOR HARDING	✓		
SENATOR HOCKETT	✓		
SENATOR KEATING	✓		
SENATOR MANNING			✓
SENATOR NATHE	✓		
SENATOR STIMATZ	✓		

Each day attach to minutes.

ROLL CALL

FINANCE & CLAIMS COMMITTEE, CONTINUED

DATE _____

LEGISLATIVE SESSION

NAME	PRESENT	ABSENT	EXCUSED
SENATOR TVEIT	✓		
SENATOR VAUGHN	✓		
SENATOR WATERMAN	✓		
SENATOR WEEDING	✓		
Senator Franklin	✓		

Each day attach to minutes.

Testimony of Ken Luraas
Montana State Foster Adoptive Parent Association

Madam Chair, members of the Committee, for the record my name is Ken Luraas. I represent the Montana State Foster Adoptive Parent Association.

Once upon a time a typical foster home was a traditional "Leave it to Beaver" situation with a mother, a father and children who lived in a house along with a dog named Spot. Once upon a time the children placed in foster care usually had no where else to go or their parents had problems preventing a "normal" family. That was once upon a time and things have changed. Today there is no typical foster parent, no typical foster child and no typical situation.

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 1
DATE 4-4-91
BILL NO. HB 489, 491

Foster parents are volunteers who place high value on children. There are 1200 volunteers in the State of Montana providing twenty four hour care to over 3,000 troubled children and youth.

The current reimbursement rate for twenty four hour care is \$9.66 a day for a child under twelve years of age and \$12.10 a day for a child over the age of twelve.

Reimbursement rate is not a salary nor compensation for services, it is to provide food, shelter and recreation for young Montanans in foster care.

A clothing allowance is not included in the basic rate. Currently the clothing allowance for a children in care is \$100.00 a year. When children are put in foster care their lives are at risk. Every attempt is made to obtain the child's clothes but most often the children

come into care with the clothes on their back and what can be stuffed in a plastic grocery bag. To receive any allowance the child or youth must be in care for at least thirty days. Seasons change and children grow making a reasonable clothing allowance imperative to clothe foster children adequately and humanely. Currently the youth and children in care wear "hand-me-downs" and second hand clothing. Foster parents shop at the Salvation Army clothing store looking for bargains . They have organized clothing banks and share resources. But a pair of shoes and a winter coat on at a discount store, on sale, for a youth or child costs over \$100.00. HB 489 seeks to raise the clothing allowance for children in care from a \$100.00 a year to ^{300.00} ~~\$500.00~~ a year.

The pool of potential foster parents is

changing and the foster care population is increasing. The problems in caring for the children entering the system are more complex. As homelessness, domestic violence, poverty, alcohol and drug abuse impact families, foster children of the 90's will require foster families capable of meeting their challenging and specialized needs.

HB 491 is a respite bill to fund a program to provide respite to foster care providers that responds to the needs of children in care. Specifically, the bill will provide time away from the twenty four hour a day seven day a week of intense care provided by foster families. The appropriation is \$100,000 to prevent the burn out of experienced, qualified foster parents. Categories of children to be served are developmentally disabled, emotionally disturbed, autistic, hyperactive,

disturbed and "acting out" youth, and medically demanding children. Because of the categories of children a planned system of respite care must be designed and funded.

"It has been increasingly difficult to provide quality foster care. More needs to be done to recruit, train and sustain new and existing foster families. There is a need to expand the number of homes, increase compensation and enhance the quality of this basic substitute care for Montana's troubled and troubling children." The Report to the Governor and the Human Services Subcabinet published July 1990 articulates HB 489 and 491. Members of the committee, I urge support your support of foster care.

Amendments to House Bill No. 569
Third Reading Copy

For the Senate Finance and Claims Committee

Prepared by Sandy Whitney
April 2, 1991

1. Page 2, line 18.

Strike: "DEPARTMENT'S"

Insert: "department of social and rehabilitation services'"

2. Page 3, lines 3 and 4.

Strike: "\$67,000"

Insert: "\$138,312"

Strike: "THE FEDERAL STATE REVENUE FUND"

Insert: "federal special funds"

3. Page 3, lines 5 and 6.

Strike: "67,000"

Insert: "138,312"

Strike: "THE FEDERAL STATE REVENUE FUND"

Insert: "federal special funds"

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 2

DATE 4-4-91

BILL NO. HB 569



Bringing lifetimes of experience and leadership to serve all generations.

MONTANA STATE LEGISLATIVE COMMITTEE

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Mrs. Dorothy Fitzpatrick
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April 4, 1991

TO: The Senate Finance and Claims Committee

FROM: Le Dean Lewis, American Association of Retired Persons

RE: House Bill No. 371
Appropriating Money For In-Home Services

In-home services enable older persons who need some assistance, but do not require extensive medical supervision, to maintain their independence with pride.

It is a preventative program, which can delay the need for nursing home care. Because of current funding for hospital care, elderly people are leaving the hospital needing additional care in their home. The state's population is growing older causing an increased demand for these in-home services.

I do not believe that anyone questions the value of these services. It is difficult to attach a dollar amount to this care, because it is cost-effective not only in dollars, but human dignity!

The in-home services we are asking you to fund, will reduce the number of persons placed in nursing homes, and in turn will reduce state-costs for this care. These services are invaluable to our older citizens. Such funds must come from a stable source of revenue.

The concept, of in-home health care services -- the care of choice, to remain in your own home, with a better quality of life, as long as possible -- has the full support of the American Association of Retired Persons. We strongly urge your passage of HB-371.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 3

DATE 4-4-91

BILL NO. HB 371

SUBMITTED BY
JUDITH CARLSON
MSEN
4/4/91

IN-HOME SERVICES VS NURSING HOME CARE

Conservatively estimated, an investment of \$50,000 in in-home services could prevent the higher cost of \$2,372,500.

COST OF NURSING HOME CARE IN MONTANA: (Based upon information from the Department of SRS-Medicaid Bureau)

The average expenditure for a days stay in a long-term care facility (nursing home) for the Medicaid Program is estimated to be \$27.95 per day or \$10,200 per year. The average total cost (State Medicaid, Social Security, personal resources) is estimated to be \$50 or \$18,250 per year.

IN-HOME SERVICES POPULATION SERVED:

The "at risk" elderly population, have one or more of these characteristics:

Advanced age (75 and older).

Living alone.

Lacking transportation.

Moderate to low income.

One or more chronic diseases that cause some limitation in the performance of daily living.

In 1986 the Aging Services Network surveyed the various contractors to estimate the number of clients are at risk of early institutionalization without access to in-home services. This survey and national surveys conducted on the risk of institutionalization estimated that between 20 to 25% of the 65 plus population were at risk. A conservative estimate is that 24,000 of Montana's 120,000 elderly population are at risk of early institutionalization.

COST COMPARISONS BETWEEN IN-HOME SERVICES AND NURSING HOME CARE:

Based upon current data on the provision of in-home services, the average cost per client is \$364. More than 7,000 senior citizens are now being served. Of these 7,000 seniors, we estimate that over one third receive two or more services in their home. This is consistent with national trends which indicate that the aging population being served in their homes is older and sicker than in previous years, and in need of a greater mix of services to maintain their independence.

An additional investment in in-home services of \$50,000 can serve approximately 130 senior citizens at the FY88 rate of \$364 per client. If these same seniors were to require nursing home care, the cost to the state Medicaid Program would be at least \$1,326,000, based upon the average expenditure of \$10,200 per year. The cost to the senior citizen, family, and Social Security could be an additional \$22.05 per day or an additional \$1,046,500 per year.

Conservatively estimated, an investment of \$50,000 could prevent the higher cost of \$2,372,500.

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 4

DATE 4-4-91

11/13/91

HB 927

GENERAL RELIEF

A Vocational Specialist, in addition to medical professionals, would now be allowed to determine "employability/unemployability" and "serious employment barriers". This is necessary because it's inappropriate for doctors to determine illiteracy and lack of skills/education.

Furthermore, this bill provides for a 3 month extension for drug/alcohol addictions, on a case-by-case basis. The statute currently provide for this, but because it hasn't been implemented, this would serve as a reinforcement.

As reported by SRS in House Appropriations - The cost would be negliable, and therefore a fiscal note is not necessary. Previous notes are outdated by ammendments.

MLIC
449-8801

SENATE FINANCE AND CLAIMS
EXHIBIT NO. 5
DATE 4-4-91
BILL NO. HB 927

HANDICAPPED AND LOW-INCOME

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 6

DATE 4-4-91

BILL NO. NB 927

This is my feeling about several issues concerning handicapped and low-income life. It is one of the hardest to live because so many people discriminate against you just because you are trying to come out of a tough situation, whatever that may be.

I, myself am handicapped, minority, and low-income! I have applied for SSI, SSDI, Welfare, and JTPA Programs and am told I do not qualify for any of them. I am either over qualified, underqualified, over paid or underpaid! What is a person to do under these circumstances.

Welfare is the pits because it takes away from those who try to better themselves. When we get our Tax Refund we will **not** get our GR next month, especially those with children. It is ridiculous because some of us get only \$400.00 from the Refund, then we are docked the next month after paying off our bills. Our children then starve and people then tell us to go get a job. We do just that and pay for a sitter with half of our pay and the other half for rent, food, clothes, medication, etc. for that month. If we do not pay rent we are thrown out into the streets with no where to go and cannot get any other assistance. Take myself for instance, I would love to have my kids come visit me for the summer, but I cannot because I have no money or place to keep or support them.

The Social Security is the pits, too because they only take out a portion of what you write on the paper to explain the overall problem. For instance I wrote: Hearing Handicap, Bronchitis and Emotional Problems. The Social Security looked only at Hearing Handicap and Emotional Problems. They did not even attempt to find out why I had to quit working. I quit under doctor's orders. It was affecting my health! I then received Social Security Income (SSI) for 3 months and then was cut off and was told to return to my past job!!!!

I have not been able to hold down a full time work for 2 years!! I have not been able to get full time work due to the fact that I have no money for gas to go and look. GR has not given me any money so far this month. I have not heard whether I am qualified yet, just because Voc. Rehab. aided a helpless individual last month!!

I know that once I get on GR I will be cut off and am **not** sure I'll even find full time work in 6 months even as I work real hard at looking. The people at PWP say there are jobs out there, but they know nothing about how to approach a handicapped individual or even where to look for them. There needs to be a program to deal with the handicapped people who are on the GR system. It is the pits to be cut off when you can't find work, then be cut off just because people prefer hiring non handicapped.

It is like trying to get to know and ride a wild horse. You walk up to him and he runs away from you. The handicapped and low-income people walk up to you and you all run away from them!! Think back to when you were unemployed and couldn't find work!!

Now you rope the horse and tie him to the post. It is the same way with handicapped and low-income people, they have to rope you and tie you to the post to make you all listen to our complaints. The wild horse kicks and bucks while being tied to the posts. You kick and buck being tied by your ears to the post and made to listen to the handicapped and low-income.

HANDICAPPED AND LOW-INCOME

The horse then gets a bit put in his mouth! The bit is another name for brakes. This is where the handicapped and low-income people would like to get you so that you will listen to them hollering for help!!

Now it is time to approach the horse and get on him to ride. What do you think the handicapped and low-income people are saying at this time? They are yelling help and no one in your organization hears their cries. The Legislation Committee should go down and see where the low-income people and the handicapped people live. See if you would like to live that way? If not, then could I suggest you think of ways to help these people instead of taking away things that aid them!!

Barbara J. Bernard
Y. W. C. A.
501 N. Park #214
Helena, MT 59601

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0471, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act establishing a planning and review process for the purchase of capital equipment by state agencies effective July 1, 1991.

ASSUMPTIONS:

1. All equipment with a useful life of more than one year, including computer hardware and software, that costs more than \$25,000, individually or in the aggregate of like property during a fiscal year, will be submitted by each state agency as part of its six-year capital equipment acquisition program to the budget director as part of the budget preparation process.
2. The Office of Budget and Program Planning (OBPP) will require 2.00 FTE (grade 16 and 13) to examine the six-year equipment acquisition programs of each agency, gather additional information, conduct necessary surveys, and prepare reports for the Governor and the Legislature on the purpose of recommended items, the cost of each item, need for, methods of financing, and changes in the law necessary to ensure an effective capital equipment acquisition program for the state. The FTE will be hired at step one for the first six months.
3. Operating expenses will include \$3,150 per year for contracted secretarial work, \$3,000 per year for communications, and \$1,328 per year for travel costs. Printing of instructions, forms and executive planning process reports will cost approximately \$800 in the even-numbered years and printing of the capital equipment requests and long-range plan will cost approximately \$5,000 in the odd-numbered years, derived from capital projects experience at the Department of Administration.
4. One-time FY92 equipment costs will be \$14,776 for the staff and include PS/2, desk, chair, calculator, file cabinet, bookcase, and table.
5. Current law is the OBPP budget currently in HB0002, third reading copy.


FISCAL IMPACT:OBPP

	Current Law	Proposed Law	Difference
FTE	19.00	21.00	2.00
Personal Services	692,755	753,074	60,319
Operating Costs	134,818	143,318	8,500
Equipment	15,609	30,385	14,776
Total	843,182	926,777	83,595
Funding:			
General Fund	843,182	926,777	83,595

General Fund Impact (decrease)

(83,595)

(76,469)


 ROD SUNDSTED, BUDGET DIRECTOR

Office of Budget and Program Planning

DATE

4-3-91

GREG JERGESON, PRIMARY SPONSOR

DATE

4/3/91

Fiscal Note for SB0471, as introduced

	Current Law	Proposed Law	Difference
	19.00	21.00	2.00
	691,852	755,621	63,769
	150,170	162,870	12,700
	15,076	15,076	0
	857,098	933,567	76,469
	857,098	933,567	76,469

 SENATE FINANCE AND CLAIMS
 EXHIBIT NO. 7

DATE

4-4-91

BILL NO.

SB 471

Madam Chairperson, I speak in opposition to Senate Bill 471, "An Act Establishing a Planning and Review Process for the Purchase of Capital Equipment by State Agencies."

In general, this bill would increase the workload of the appropriation subcommittees by effectively line iteming equipment appropriations. Subcommittees would be presented with all agency requests under this bill rather than just those that have been included in the governor's budget. It would be costly to administer. It is doubtful that a meaningful review and prioritization process would result.

We have some specific concerns with the bill as well.

* Under Section 1, "equipment" includes all equipment costs over \$25,000 with a useful life in excess of a year. The committee should be aware that the legislature approves equipment requests as part of the long range building program. For example, HB 5 currently includes \$1.3 million in equipment for the Engineering and Physical Sciences Building at MSU and \$1.7 million for equipment at the Business Administration Building at the University of Montana. Will these equipment purchases be subject to this bill? If so, it will entail confusion between two legislative approval process.

* Under Section 1, "equipment" also includes computer hardware and software. We have numerous concerns in this area.

1) Agencies will have difficulties determining what constitutes "like property" subject to the \$25,000 limit under Section 1. The sheer volume of activity in this area will be unmanageable.

2) Note that under Section 4, agencies must submit "detailed recommendations" for the next three bienniums. Agencies would have to look harder into their crystal balls and project exactly what will be purchased one to nearly seven years down the road. It is extremely difficult to identify the specific hardware product,

SENATE FINANCE AND CLAIMS

EXHIBIT NO. 8

DATE 4-4-91

5-8-91

Software & hardware is being changed & upgraded so rapidly it is difficult to estimate needs. Does not reflect needs caused by action

software package, etc. that will be needed during the next biennium due to the changing nature of this business and the amount of lead time involved when preparing budgets. In addition, because agencies' budgets are also being prepared at the same time, capital equipment expenditure plans would have to completely be in synch with many other aspects of their budgets.

3) In the computer/software area, the purchase of \$25,000 of equipment throughout the biennium to react to agency requests or unanticipated technical needs is not unusual. Under this legislation, this flexibility would be removed. This would hamstring us in a severe way. Agencies would be affected in a similar way.

4) Computer software and hardware that we will buy over the next six years is not known, and shouldn't be. As our systems migrate and change with growth and workload modifications, our management teams need the flexibility to react with the best solution, within overall budget constraints, at the appropriate time. This is true for other agencies also.

5) The Committee should be aware of a technical point: software is rarely purchased--it is normally acquired under a perpetual lease agreement concept, and applications are acquired the same way or else developed at the state's expense either in-house or by contract with the private sector.

6) The process outlined in Section 3 will require executive prioritization and legislative review of numerous capital equipment requests (probably in the thousands). Last fiscal year the Purchasing Bureau processed 300 requisitions above \$25,000. OBPP estimates that only one of three equipment requests are included in the Governor's budget. We are not able to estimate the additional number of capital items that would fall within the definition of Section 1 ("or that in the aggregate of like property purchased in one fiscal year costs more than \$25,000"). We suspect that the number would be several times more than those capital equipment purchases exceeding \$25,000. However, there is sure to

1-10 PC 3

be agency confusion and noncompliance regarding "like property" that cumulatively cost more than \$25,000.

*Although not a serious flaw with the bill, I would like to draw your attention to Page 4, line 14. This subsection asks agencies to estimate the increased operating costs related to capital equipment acquisition. I would suggest that typically operating costs are REDUCED when equipment is purchased.

Thank you for your consideration.

computer systems
running a
business
on spt whether its computers or tractors
or
you cant forecast 3 years ahead

WITNESS STATEMENT

DATE 4-4-91BILL NO. HB 489, HB 491

To be completed by a person testifying or a person who wants their testimony entered into the record.

Dated this 4 day of April, 1991.

Name: Bobbie Jean Curtis

Address: Morony Loop # 20
Great Falls, Montana 59404

Telephone Number: 453-1129

Representing whom?

Foster Parents State wide

Appearing on which proposal?

HB 489 + HB 491

Do you: Support? ☒ Amend? ☐ Oppose? ☐

Comments:

I have been foster parenting for over 21 years now - for your children. I have been coming to Helena for over 12 years doing my best to be a resource to you in the area of Foster Care - The clothing allowance of \$100 for a year is extremely underfunded. The cost of care is high & clothing even at the K-Mart level is expensive. The childrens needs are NOT being met in this state. We can not continue to find foster parents, when you do not meet the childrens basic needs, & ask them to continue to cloth the children from their own pockets - what will you do when we start quitting & their isn't replacements -

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY

COMMITTEE ON

VISITORS' REGISTER

HB 299, 371, 489
HB 491, 569, 786, 927

(Please leave prepared statement with Secretary)