

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 53rd LEGISLATURE - REGULAR SESSION**

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

**Call to Order:** By CHAIRMAN JOHN COBB, on January 25, 1993, at 8:00 A.M.

#### **ROLL CALL**

**Members Present:**

Rep. John Cobb, Chairman (R)  
Sen. Mignon Waterman, Vice Chairman (D)  
Sen. Chris Christiaens (D)  
Rep. Betty Lou Kasten (R)  
Sen. Tom Keating (R)  
Rep. David Wanzenried (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Lisa Smith, Legislative Fiscal Analyst  
Lois Steinbeck, Legislative Fiscal Analyst  
Connie Huckins, Office of Budget & Program Planning  
John Huth, Office of Budget & Program Planning  
Billie Jean Hill, Committee Secretary

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

**Committee Business Summary:**

Hearing: NONE  
Executive Action: NONE

#### **DISCUSSION OF HEALTH AND ENVIRONMENTAL SCIENCES SUPPLEMENTALS**

Mr. Bob Robinson, Administrator, Department of Health and Environmental Sciences, addressed the committee. EXHIBIT 1

#### **DISCUSSION OF DEPARTMENT OF LABOR SUPPLEMENTALS**

Mr. Brian McCullough, Management Services Bureau Chief, Department of Labor, spoke to this item. EXHIBIT 1

#### **DISCUSSION OF SOCIAL AND REHABILITATION SERVICES**

Dr. Peter Blouke, Administrator, Department of Social and Rehabilitation Services, addressed the committee. EXHIBIT 1

DISCUSSION OF FAMILY SERVICES SUPPLEMENTALS

Mr. Hank Hudson, Administrator, Department of Family Services, addressed the DFS supplemental requests. EXHIBIT 1

BUDGET ITEM HUMAN SERVICE CUTS

Tape No. 1:Side 1

Ms. Judith Carlson, HRDC Directors Association and Montana Chapter National Association of Social Workers, EXHIBIT 2, and Paulette Kohman, Montana Council for Maternal and Child Health, EXHIBIT 3, addressed the committee.

DISCUSSION DRAFT OF DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES BUDGET ITEMS

The following budget items were discussed with the committee. EXHIBIT 4

Family Assistance

Eligibility Determination Program

Administrative and Support Services Division

Child Support Enforcement

State Assumed County Administration

Medicaid Services

Audit and Program Compliance Division

Office of Management, Compliance and Systems

Vocational Rehabilitation Program

Disability Determination Program

Visual Services Program

Developmental Disability Program

Developmental Disability Advisory Council

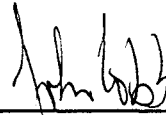
HOUSE HUMAN SERVICES & AGING SUBCOMMITTEE

January 25, 1993

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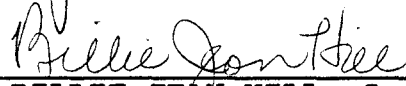
ADJOURNMENT

Adjournment: 11:45 A:M



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JOHN COBB, Chairman



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BILLIE JEAN HILL, Secretary

JC/bjh

# HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL

DATE

11-25-88

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB, CHAIRMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SEN. MIGNON WATERMAN, VICE CHAIR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SEN. CHRIS CHRISTIAENS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
SEN. TOM KEATING	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REP. BETTY LOU KASTEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
REP. DAVID WANZENRIED	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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**SUPPLEMENTALS - FISCAL 1993**  
**HOUSE BILL 3**  
**Human Services Subcommittee**

**EXHIBIT**

**DATE 1-25-93**

**SB**

**EXHIBIT**  
**DATE** \_\_\_\_\_  
**SB** \_\_\_\_\_

Agency	Supplemental	LFA Page Ref.	House Bill 3			Requested Amendments			-----Total-----				Committee Action
			Gen. Fund	Other Funds	Gen. Fund	Gen. Fund	Other Funds	Other Funds	Gen. Fund	Other Funds	Other Funds	Other Funds	
Health*	Water Quality - Subdivisions	**	\$145,962						\$145,962			\$0	
Labor	Employment Relations	B-32		\$125,000						0		125,000	
SRS**	Medicaid Primary Care	B-54	8,415,196	20,538,058					8,415,196	20,538,058			
	Reduced Savings - Passport to Health												
	Nursing Home Nursing Home Increase					1,000,692	2,464,308						
	FY92 Primary Care	B-54	1,008,795	2,604,779		231,948	2,829,589						
	AFDC Benefits	B-54	1,069,723	1,094,074					1,069,723	1,094,074			
	General Assistance Benefits	B-54	368,072	0					368,072	0			
	TEAMS - Data Processing	B-54	175,000	325,000					175,000	325,000			
	TEAMS - Postage	B-55	77,279	119,721					77,279	119,721			
	AFDC Day-Care Benefits	B-55	84,585	145,543					84,585	145,543			
	Nurse Aide Registry	B-55	82,721	82,721					82,721	82,721			
	MEDS Contract	B-55	65,000	65,000					65,000	65,000			
	Vocational Rehabilitation	B-55	71,219	(71,219)					71,219	(71,219)			
	SRS Support Services Division	**							0	0			
	Correct Fund Mix					213,200			213,200	0		0	
DFS***	Partially Restore Special Session II Reductic					75,300			75,300	0		0	
	Nursing Home Reimbursement	**				749,309	0		749,309	0		0	
	Pine Hills School	B-90	189,244						189,244	0		0	
	Mountain View School	B-90	15,000						15,000	0		0	
	Foster Care	B-90	1,218,171						2,218,171	0		0	
TOTAL	Inpatient Youth Psychiatric****	B-90	1,437,411			1,000,000			2,027,411	0		0	
	Residential Youth Psychiatric****	B-90	379,252	0		2,211,000	0		2,590,252	0		0	
			\$14,802,630	\$25,028,677		\$6,071,449	\$5,293,897		\$19,641,439	\$25,028,677			

\*See Attachment.

\*\*See Attachment 2 for an explanation of amendments requested to the supplemental bill.

\*\*\*See Attachment 3 for an explanation of amendments requested to the supplemental bill.

\*\*\*\*The federal match for these funds is budgeted in SRS and not included in the supplemental request.

Attachment 1

EXHIBIT 1  
DATE 1-25-93  
SB                     

**DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES**

Water Quality Bureau - a \$145,962 general fund appropriation is requested for increases in subdivision activity which result in application fees deposited to the general fund, with the appropriation contingent upon deposit of dollar-for-dollar fee revenue to the general fund.

**DEPARTMENT OF LABOR AND INDUSTRY**

Employment Relations Division - a \$125,000 proprietary fund appropriation is requested for benefit payments from the subsequent injury fund and the uninsured employer fund. The 1991 Legislature authorized by language up to \$1.0 million per year from these accounts. Fiscal 1992 expenditures from these accounts were \$971,988.

# DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

DATE 1-28-93

SB

PETER S. BLOUKE, M.  
DIRECTORMARC RACICOT  
GOVERNORTO: Lois Steinbeck NO. OF PAGES: 7

DEPT: \_\_\_\_\_ FAX #: ( ) \_\_\_\_\_

FROM: Blouke CO: SRS

FAX #: ( ) \_\_\_\_\_ PHONE: ( ) \_\_\_\_\_

**eSeetac** Fax Memo DMFX14P.O. BOX 4210  
HELENA, MONTANA 59604-4210  
(406) 444-5622  
FAX (406) 444-1970

January 15, 1993

To: Dave Lewis, Director  
Office of Budget and Program PlanningFrom: Peter Blouke *PB*  
DirectorSubject: Revisions to Supplemental Request for FY93;  
Increases to Primary Care Appropriations Requests  
for FY94 and FY95I. Supplemental Appropriation for FY93

As we have discussed, the Department of Social and Rehabilitation Services (SRS) will require additional supplemental funding for FY93 above what is requested in the Executive Budget. The additional requirements are as follows:

SRS Operations: We are requesting additional general fund authority in the amount of \$288,500 to (1) offset the impact of underfunding in our support services program due to use of an unrealistically low general fund matching rate in preparation of the 1991 Executive Budget (\$213,200); and (2) partially restore personal services funding lost through across the board cuts in the SRS operations budget made in the last minutes of the second special session. With respect to item (2), some explanation is in order: An extensive effort to properly classify SRS field staff was initiated in FY91; at that time sufficient general fund authority existed to accommodate all upgrades expected to result from the reclassification effort. The possible outcome of the effort was anticipated in the preparation of the Executive Budget for FY92 and FY93, and sufficient funding was provided by the 1991 Legislature to accommodate upgrades that might occur. The process was completed in the spring of FY92, and resulting upgrades were implemented beginning in April 1992.

Not only was the SRS FY93 budget sufficient to accommodate the upgrades that had been awarded and implemented, but in addition, we were able to propose \$295,929 in general fund

Dave Lewis  
January 15, 1993  
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reductions in operations budget to Special Session 2. The last minute action by the special session to cut an additional \$141,948 in general fund operations authority (over and above the \$295,929) has put us at risk of not being able to sustain the current FTE level which, for your information, is already 30 FTE's below the legislatively authorized level.

Nursing Home Reimbursement: In accordance with an agreement reached through negotiations with the Montana Health Care Association to head off a "Boren Amendment" lawsuit, the Department will require an additional \$749,309 general fund authority for FY93. No additional federal authority beyond that appropriated in HB2 is required for FY93.

Primary Care, FY93: The primary care supplemental request for FY93 contained in the Executive Budget presupposed that the Department would have successfully implemented the Passport to Health Managed Care program for AFDC clients. This has not materialized as planned. The Department has encountered an unexpected lack of willingness on the part of physicians to participate in the program, to such an extent that it now appears that at most, 25 percent of the original estimated \$4,620,000 savings will be realized in FY93. Therefore, we are requesting an increase to the primary care supplemental of \$1,000,692 in general fund authority and \$2,464,308 in federal authority to restore 75% of the amounts by which the primary care supplemental was reduced for projected Passport savings.

In addition, in preparation of the Executive Budget supplemental request, excess nursing home appropriation authority of \$231,948 general fund and \$2,829,589 federal were used to reduce the primary care supplemental requirement. These funds are now required to pay for the negotiated nursing home increase for FY93, and are no longer available to offset primary care costs.

Therefore, we are requesting that the primary care supplemental be increased by the \$231,948 general fund and \$2,829,585 federal authority that now must be used for nursing home costs per the negotiated agreements. This means that we are requesting a net increase in the primary care appropriations of \$6,506,537, of which \$1,232,640 is general fund and \$5,293,897 is federal funding to cover both the reduced savings anticipated of Passport and the nursing home costs.

## II. Primary Care Estimates for FY94 and FY95 - Early Warning

Based on expenditure data not available in November 1992, it now appears likely that the estimated costs of primary care for FY94 and FY95 were low. While we are reluctant to hazard

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January 15, 1993  
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a revised estimate at this time, preferring to wait until February or March when we will have two or three more months of actual expenditure data, the likelihood at this point is that we may be increasing our estimates by at least an additional \$2 million general fund (\$7+ million total) for FY94 and \$6.5 million general fund (\$22 million total) for FY95.

### III. Extended Impact of FY93 Nursing Home Increase

The negotiated increase in nursing home reimbursement rates that generates the need for the FY93 nursing home supplemental appropriation has cost ramifications for FY94 and FY95 that were neither contemplated in the Racicot budget nor contemplated in the negotiated bed fee increase. That is, no funds were included in the Executive Budget or in the Racicot Executive Budget amendments for the nursing home increases just negotiated. Furthermore, the negotiated bed fees do not generate enough general fund revenue to, when matched, produce enough total revenue to pay for the extension of the negotiated settlement into FY94 and FY95.

Two practical options exist to deal with this issue:

Option 1. The nursing home appropriation requests for FY94 and FY95 could be increased by the following amounts:

FY94: \$983,654 general fund; \$2,410,597 federal fund  
FY95: \$1,001,304 general fund; \$2,392,947 federal fund

Option 2. The nursing home bed fee could be increased by enough to generate sufficient state and federal revenue to pay the increases plus reimburse the nursing homes for the Medicaid share of the fee (as negotiated). The amount of additional bed fee required to do this would be 55¢ per bed day in each FY94 and FY95.

### IV. MMIS Enhancement Funding in HB145

If the Health Care for Montanans initiative bill, HB145, is killed, then to implement certain cost effective recommendations of the ABT Company hospital rate increase study will require about \$75,000 general fund and \$225,000 federal spending authority to make essential modifications to MMIS. These enhancements should be made even in the absence of legislative authorization for an increase in hospital rates.

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V. Erroneous Match Rate Used for FY95 Nursing Home Budget

In the Executive Budget, the amount of funding for nursing homes for FY95 was miscalculated because the FY94 state match rate (.2898) was used instead of the FY95 state match rate (.2950). This error shorted the nursing home general fund appropriation by \$382,990 in FY95, and over-stated the federal fund requirement by the same amount. We are therefore requesting that the amount of general fund appropriation for the nursing home base program (as contemplated in the Executive Budget) be increased by \$382,990.

Please contact me with questions.

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EXHIBIT 1DATE 1-25-93SB                     

## Department of Social & Rehabilitation Services Revisions to FY93 Supplemental Request

The following increases are requested to be added to the FY93 Supplemental Budget request to the 1993 Legislature:

Purpose	General Fund	Federal Funds	Total Funds
<u>SRS Operations:</u>			
Correct Fund Mix -- Support Services	213,200	0	213,200
Partially Restore Spec Session II reductions	75,300	0	75,300
TOTAL	\$288,500	\$0	\$288,500
<u>Nursing Home Reimbursement</u>	\$749,309	\$0	\$749,309
<u>Primary Care:</u>			
Reduced Passport to Health Savings	1,000,692	2,464,308	3,465,000
Nursing Home Increase / No Offset	231,948	2,829,589	3,061,537
TOTAL	\$1,232,640	\$5,293,897	\$6,526,537
<b>TOTAL SUPPLEMENTAL INCREASE:</b>	<b>\$2,270,449</b>	<b>\$5,293,897</b>	<b>\$7,564,346</b>

LY93

EXHIBIT 1  
DATE 1/25/93  
#1

## ADMINISTRATIVE SUPPLEMENTAL

[illegible]

\$12,530,000

Albuquerque	\$12,000,000	\$600,113	\$31,343,082	\$47,702,074	\$13,000,032	009,010	\$38,400,413	\$49,917,054	\$1,009,723	\$20,007	\$1,004,406	\$2,104,000
Central National America	\$2,070,000			\$2,070,000	\$3,343,127		\$2,004,023	\$3,043,127	\$300,072	\$0	\$0	\$300,072
Citico	\$600,410		\$1,040,000	\$2,034,300	\$770,000		\$2,004,023	\$2,004,023	\$04,000	\$0	\$140,043	\$230,12
Hugh Hennessey	\$21,000,000	\$0	\$00,040,003	\$70,030,430	\$24,032,004	\$0	\$03,703,233	\$70,000,004	\$700,500	\$0	\$103,000	\$000,000
Mary Cassady	\$20,000,772	\$7,070,404	\$110,347,270	\$101,123,644	\$40,422,070	\$0,013,404	\$100,403,200	\$100,020,770	\$10,021,200	\$1,030,000	\$20,140,020	\$37,403,22
United Savings Institution									\$073,402		\$001,074	\$1,020,43
Windsor Bank	\$003,334	\$020,044	\$0,410,303	\$7,003,001	\$1,024,003	\$023,044	\$0,340,104	\$7,003,001	\$71,210	\$0	\$71,210	\$0
ALBANY	\$00,030,037	\$0,400,001	\$210,003,470	\$207,010,004	\$01,002,243	\$11,130,440	\$200,104,000	\$220,240,230	\$11,000,744	\$1,007,007	\$20,140,000	\$30,007,700

[illegible]

ALL REQUEST	\$60,427.500	\$17,084,223	\$317,103,798	\$433,078,230	\$114,000,004	\$10,770,001	\$340,438,013	\$470,302,708	\$13,007,000	\$1,004,868	\$20,310,340	\$45,702,10
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For details behind the Primary Care projection, visit [www.aap.org](http://www.aap.org).

**PRIMARY CARE**EXHIBIT 1  
DATE 1-25-93  
SB \_\_\_\_\_

19-Jan-93

02:58 PM

**FY93 EXPENDITURE PROJECTIONS**

Revised January 15, 1993

dated Jan 19

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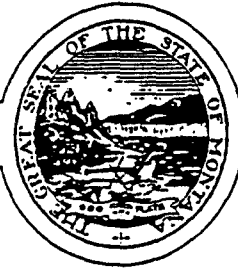
	GEN. FUND	ST SPEC	FEDERAL	TOTAL
APPROPRIATION	\$29,800,772	\$7,975,494	\$113,347,278	\$151,123,544
PROJECTED EXPENDITURES				
Youth Psych - In Pat	\$3,501,725		\$8,623,361	\$12,125,086
Youth Psych - Res	\$1,299,600		\$3,200,400	\$4,500,000
DD Casemgmt	\$782,373		\$1,926,674	\$2,709,047
TCM-MI	\$619,262		\$1,524,996	\$2,144,258
Remaining PC	\$43,736,554	\$7,975,494	\$127,346,291	\$179,058,339
TOTAL PRIMARY CARE	\$49,939,514	\$7,975,494	\$142,621,722	\$200,536,730
ADJUSTMENTS:				
Match for Yth psych	(\$6,202,960)			(\$6,202,960)
DD Csmgmt & TCM MI				
PASSPORT SVNGS	(\$333,564)		(\$821,436)	(\$1,155,000)
Settlements	(\$577,600)		(\$1,422,400)	(\$2,000,000)
Drug Rebates	(\$808,640)		(\$1,991,360)	(\$2,800,000)
Increased Co. \$	(\$1,638,000)	\$1,638,000		\$0
State Med Trans	\$43,320		\$106,680	\$150,000
TOTAL SRS PC	\$40,422,070	\$9,613,494	\$133,493,206	\$188,528,770
SUPPLEMENTAL	\$10,621,298	\$1,638,000	\$25,145,928	\$37,405,226

**PLEASE NOTE:**

Total Primary Care projected expenses & the appropriation DO NOT include DOI Transfer.

The PASSPORT SAVINGS originally anticipated was \$1,334,256 Gen Fund & 3,285,744 Federal Funds. This has been reduced to 25% of the original estimate to reflect current data.

# DEPARTMENT OF FAMILY SERVICES



MARC RACICOT, GOVERNOR

EXHIBIT 1

DATE 1-25-93

(406) 444-5900

FAX (406) 444-5900

STATE OF MONTANA

HANK HUDSON, DIRECTOR  
JESSE MUNRO, DEPUTY DIRECTOR

PO BOX 8005  
HELENA, MONTANA 59604-8005

January 22, 1993

TO: Representative Tom Zook, Chairman  
House Appropriations Committee

Dave Lewis, Director  
Office of Budget and Program Planning

FR: *[Signature]* Hank Hudson, Director

RE: HB 3

In order to provide up to date information regarding the general fund match for the medicaid inpatient psychiatric and residential treatment services programs, we surveyed the providers on their current placements. In reviewing the current placement information, along with the year to date expenditures, it is apparent that the current supplemental request for these services is not adequate to pay for the current case load through FY 93.

Our review showed that there are currently 44 medicaid clients in inpatient hospital programs in Montana. Continuing the 44 placements through the end of FY 93 will require an additional general fund supplemental of \$590,000. Although we are aware of three new out-of-state providers that have enrolled as Montana medicaid providers for this service, they currently have not reported Montana placements and therefore are not considered in this projection.

Currently there are 145 clients reported in the eight residential treatment programs currently enrolled as medicaid providers. Continuing these placements through FY 93 will require an additional general fund supplemental of \$2,211,000. Again of the eight enrolled providers, six (one in-state and five out-of-state) have recently been receiving Montana placements. Currently of the 145 clients, 47 are in the newly enrolled programs. This projection continues only the current 47 placements.

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SB

Due to the entitlement provision of these programs, the Department does not have the means to reduce the number of placements or to even control them at these levels. We request the committee's consideration of the additional amounts.

Please let me know if additional information is needed.

c: Representative John Cobb  
Connie Huckins, OBPP  
Lois Steinbeck, LFA

## DEPARTMENT OF FAMILY SERVICES

EXHIBIT 1DATE 1-25-93

SB

(406) 444-596  
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MARC RACICOT, GOVERNOR

STATE OF MONTANA

HANK HUDSON, DIRECTOR  
JESSE MUNRO, DEPUTY DIRECTORPO BOX 8005  
HELENA, MONTANA 59604-8005

January 23, 1993

TO: Representative Tom Zook, Chairman  
House Appropriations Committee

FR: Hank Hudson, Director

RE: Supplemental Appropriations

The Department currently has the following general fund supplemental appropriation requests in HB 3:

Pine Hills School	\$ 189,244
Mountain View School	15,000
Foster Care	1,218,171
Inpatient Youth Psychiatric	1,437,411
Residential Youth Psychiatric	379,252
	-----
	\$ 3,239,078

We have recently requested the following additional amounts; due to increased case loads:

Foster Care	\$ 1,000,000
Inpatient Youth Psychiatric	590,000
Residential Youth Psychiatric	2,211,000
	-----
	\$ 3,801,000

The consequences of not receiving the supplementals, or only 50%, would be very severe to the Department and it's clients. The requests for Pine Hills And Mountain View Schools are the results of revenue short falls in interest and income collections and federal boarder reimbursements. These are sources that historically have been "plugged" amounts in the schools budgets to fund the general operations of the facilities. They are not tied to an individual program that could be reduced to accommodate the shortage. A reduction of this amount in the FY 93 Corrections Division budget at this time could only be accomplished by closing a community program intended for the

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DATE 1-25-93  
SB                     

Representative Tom Zook  
January 23, 1993  
Page 2

transition of youth out of the schools and back to their communities and laying off approximately 21 staff at the schools as of March 1, 1993. This would be 15% of the schools administrative and direct care positions.

Reductions in the foster care could only be accomplished by removing children from out of home care or reducing rates paid to providers. To make up the \$ 2.2 million general fund shortage by June 30, 1993 we would have to make provisions to return 33% of "all" foster care placements, or reduce "all" payment rates 33% by March 1, 1993.

The increased costs in the inpatient and residential psychiatric program are the direct result of increases in providers and placements. As DFS placements are about 30% of the total, we currently do not have an effective means of controlling or reducing these costs.

There are no other source of funds, either general fund or federal, that could offset the supplementals. The only other substantial source of general funds is in field staff costs. These could not be reduced enough to affect the supplementals.

We have, or will be, presenting options to the Human services Subcommittee regarding these programs. These include reorganization of youth corrections services; refinancing projects and initiatives and services to ED and SED youth.

c: Representative John Cobb  
Connie Huckins, OBPP  
Lois Steinbeck, LFA

EXHIBIT \_\_\_\_\_  
DATE 1-25-93  
SB \_\_\_\_\_

25 January 1993

To: Joint Subcommittee on Human Services  
From: Judith H. Carlson, Lobbyist  
HRDC Directors Assn and MT Chapter NASW

RE: Human Services CUTS

There are three compelling reasons to scorn the SRS suggestions for \$22 million in general fund cuts:

1. **Many of the cuts are fictitious.** Though proposed as a cut in a certain program, they would most certainly pop out as an increased expense somewhere else. No one said it better than Governor Racicot in his budget amendment document:

**We have to be honest with the taxpayers and with ourselves as we go through this critical budget year. No more games. We should either honestly fund programs or cut services. The use of artificially low estimates for program costs may make everyone feel good at the time, but two years later we all wake up with a hangover as the bills come due.**

Example: cutting the services of private practice licensed social workers appears to save money but most certainly will result in a switch from paying \$34/hour to the private social worker to paying up to \$94 for a clinic or hospital social worker; or paying an M.D., drugs, and hospitalization.

Example: deassumption of state assumed counties appears to save money. \$9 million state funds, no federal funds! Does anyone wonder where the counties will get the \$9 million when they are strapped into an I-105 limit? And if they're removed from that limit, do you remember that counties can come to the state for a grant in aid if they exceed their 13.5 mill poor fund levy? Do you remember why the state assumption was put into place originally?

2. **The economic impact of these cuts on an already depressed economy is horrendous.** Most of the cuts involve the loss of federal dollars in a ratio of 71/29. Much as we don't like to think of human services as economic development, it is clear that federal dollars coming into our state are a big boost to our economy. Of the top ten private employers in Montana, 5 of them are hospitals. A good share of their income comes from the federal government. We don't have a welfare program **just** to get federal dollars; but we have to realize the return is great.

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SB                     

Example: the AFDC mom with two children now receives \$390 per month. That is approximately \$113 state general fund and \$277 federal dollars which is spent right on Main Street - buying necessities from Nana Nickleberry and Joe Sixpack. The 3.2 economic multiplier means those \$277 dollars turn into \$886. If Nana and Joe pay income taxes at 8 percent, that's \$71 dollars back into the state coffers. And if we have a sales tax of 4%, they'll pay another \$35, or a total of \$106! That's just about the state general fund required. So we may save money - but we lose about the same amount in revenue!

3. **The emphasis on cuts in human services is mean-spirited.**  
Consider this: it costs

- over \$8000 per year to keep one student at one of our University units;

- \$4664 to keep one child in grade school 9 a.m. - 3 p.m. for 9 months;

- but a mother with two children on AFDC gets **only \$4680** for a full twelve months, 24 hours a day, to pay rent, heat bills, school expenses, clothing, transportation and whatever else she must have to keep her family together.

And now, as far as I know, she is the only person in the state budget who is being asked to take a **cut** in their everyday living expenses. I've attached a chart which shows how static AFDC grants have been over the past twenty years, not coming even close to keeping up with inflation. Yet, now they're recommended for a **cut**??

**RECOMMENDATION:** make whatever cuts can be made in the budget through efficiencies, through additional child support collections, through changes in methods. Then pass to the full Committee a budget you can all support - one that does not play games, one that makes full use of federal dollars, and one that supports the dignity of our people.

# Montana Council for Maternal and Child Health

54 N. Last Chance Gulch • Helena, MT 59601 • 443-1674

## Testimony before the Joint Human Services Subcommittee January 24, 1993

As we have seen over the past few weeks, there are no easy budget cuts in the Department of Social and Health Services. There are no nonessential services offered there. Programs providing the barest basics of the social safety net have already been cut to the bone.

Furthermore, much of human services funding is so interrelated, that wherever cuts are made, costs will squeeze out elsewhere. Cut mental health and costs will eventually spring up in institutions; cut corners on health care and costs will appear later in special education, or in long term care for the disabled.

The one thing we can probably agree with is that everything we have heard points out the overwhelming need for health care reform: establishing a system of accessible, affordable, effective and efficient care for everyone. Unfortunately, this still just a vision, years from fruition.

Nevertheless, there are modest, realizable savings to be made in prevention. The Montana Council for Maternal and Child Health has several suggestions to shift intervention funding to prevention, without increasing short term costs. In the SRS Family assistance and Medicaid Budget, they are as follows:

1. Reserve \$264,000 from Medicaid General Fund, for expansion of the MIAMI project in the Department of Health and Environmental Sciences. According to calculations based on MIAMI successes to date, the General Fund will actually come out \$200,000 ahead.

2. Reserve \$100,000 from AFDC or Medicaid General Fund, to restore funding deleted from the DHES Family Planning budget. A significant number of young, childless, low income women can be effectively prevented from becoming pregnant before they are ready to support a family, thus preventing additional AFDC and Medicaid expenditures.

3. Initiate outpatient substance abuse treatment as a Medicaid service for pregnant women. The estimated cost of this added service is a mere \$17,000. Although the number of women expected to take advantage of this service is low (40 per year), the savings from preventing one FAS/FAE or drug-affected birth would pay for the program a hundred times over.

4. Institute case management for Medicaid children, to increase EPSDT preventive health screening and treatment services. Cost savings are not easily computed, but a SRS study of

Medicaid children in Montana in 1990 show that the 29% of children screened with EPSDT services accounted for only 19% of the total Medicaid costs, while the 71% not screened accounted for 81% of the total.

5. Institute wholesale Medicaid purchase of vaccine, using the discounted federal Centers for Disease Control and Prevention contract, to reduce the cost of vaccine for Medicaid children by up to 1/2, and spend \$ 242,666 of the savings on outreach and nursing support within the state public health department, to reach more of the 50% of children under two years of age in Montana who are still underimmunized. Most studies estimate that immunization saves as much as \$10.00 for each dollar invested in vaccine and its effective delivery.

6. Extend Medicaid to pregnant minors living at home, utilizing a simple state plan amendment under section 1902(r)(2). This is especially important if the option of denying AFDC to minors living outside the parental home is adopted. This very modest Medicaid expansion can be paid for with some of the savings from the AFDC change.

Incidentally, the subcommittee should be aware that requiring pregnant or parenting minors to live in their parental homes may not be desirable. According to a study of over 500 pregnant minors in the Seattle area, about 2/3 are the victims of physical or sexual abuse. MIAMI records also show a similar trend. Forcing these vulnerable victims to return to the control of the perpetrator could endanger both the minor and her baby. The policy, if adopted, should clearly specify that a history of abuse in the family home is good grounds for an exception.

7. Thoroughly research common factors among Medicaid's "high cost infants", and target those factors with appropriate preventive programs. The attached letter indicates which statistics are needed, and that cooperative data analysis is available.

*One appropriate response may be to adjust reimbursement rates for in-state prenatal transport to encourage cost-effective in-state treatment.*

The Montana Council for Maternal and Child Health commends you for your efforts to find efficiencies among the service programs of the Department of SRS. We hope you will explore these ideas before resorting to more significant program cuts. We offer you the expertise of our varied membership to answer any questions you may have.

Thank you for your attention.

*Paulette Kohman*

Paulette Kohman  
Executive Director

DATE 1-25-93

SB

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## DEPT SOCIAL &amp; REHAB SERVICES

## Family Assistance

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	38.00	37.25	35.75	38.00	(2.25)	35.75	38.00	(2.25)
Personal Services	1,290,179	1,212,672	1,300,881	1,377,286	(76,405)	1,304,363	1,380,833	(76,470)
Operating Expenses	2,187,243	1,975,661	2,306,740	2,387,728	(80,988)	2,294,363	2,428,880	(134,517)
Equipment	40,983	72,195	52,738	52,895	(157)	52,738	53,046	(308)
Benefits and Claims	64,662,851	68,198,992	71,718,696	73,005,993	(1,287,297)	73,143,299	74,410,595	(1,267,296)
Transfers	685,175	777,897	914,428	823,143	91,285	914,428	823,143	91,285
Total Costs	\$68,866,433	\$72,237,417	\$76,293,483	\$77,647,045	(\$1,353,562)	\$77,709,191	\$79,096,497	(\$1,387,306)
<b>Fund Sources</b>								
General Fund	17,450,368	17,953,753	18,830,479	20,035,221	(1,204,742)	19,452,941	20,665,600	(1,212,659)
State Revenue Fund	835,331	878,656	934,855	934,855	0	953,354	953,354	0
Federal Revenue Fund	50,580,734	53,405,008	56,528,149	56,676,969	(148,820)	57,302,896	57,477,543	(174,647)
Total Funds	\$68,866,433	\$72,237,417	\$76,293,483	\$77,647,045	(\$1,353,562)	\$77,709,191	\$79,096,497	(\$1,387,306)

Page References

LFA Budget Analysis (Vol. II) pp. B-63 to B-66  
 Stephens' Executive Budget pp. B-27, B-32 to B-34  
 Racicot Executive Budget pp. 13 to 21

Current Level Differences

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees removed 2.25 FTE and associated personal services costs.

(77,957) (77,965)

CONTRACTED SERVICES—The executive includes lower contracted services costs than the LFA current level by the amounts shown. This difference results because the executive transfers administration costs for the Community Services Block grant to the regular program administration budget, while the LFA maintained the administration costs for CSBG at the current level in grant administration. The LFA double counts contracted services costs.

(82,120) (135,648)

## MINOR DIFFERENCES IN OPERATING COSTS, EQUIPMENT, AND INFLATION

2,531 2,325

EMERGENCY ASSISTANCE—The Racicot budget includes an initiative to reduce emergency assistance by \$25,000 general fund each year of the biennium to reflect cost reductions expected due to a rule adopted by the department in December 1992. This initiative is discussed in the following section "Budget Modifications and Racicot Initiatives". The executive reduces general fund but does not reduce federal funds that also decline as state match falls.

(25,000) (25,000)

PROJECT WORK PROGRAM/UI ADMIN TAX MATCH—The executive budget replaces unemployment insurance administration tax appropriated as match for federal funds for project work with general fund. The LFA continues the UI admin tax match in the Department of Labor and Industry budget.

91,285 91,285

DAY CARE BENEFITS—The executive includes \$20,000 less general fund match for federal day care funds in fiscal 1994 due to an oversight.

(20,000)

JOBS PROGRAM GENERAL FUND MATCH—The LFA current level is only slightly different in total funds than the executive current level, however, the funding mix is different between the two budgets. The LFA current level includes \$16,738 less general fund in fiscal 1994 and \$15,995 less general fund in fiscal 1995 than the executive current level. The LFA current level uses the estimated FMAP (federal matching assistance percentage) rate of 28.98% general fund in fiscal 1994 and 29.5% general fund in fiscal 1995.

(4) (6)

AFDC BENEFITS GENERAL FUND —The executive current level is about \$1.8 million general fund lower each year of the due to changes included in the Racicot budget. Each of these separate changes is discussed under "Budget Modifications and Racicot Initiatives". The Executive Budget does not reduce federal and county funds that decline as state match declines.

(914,061) (914,061)

GENERAL ASSISTANCE BENEFITS—The executive current level general assistance benefits is lower than the LFA due to the two Racicot initiatives discussed in the following section.

(328,236) (328,236)

agency.

### Language and Other Issues

POSITIONS VACANT 12/29—The joint House Appropriations and Senate Finance and Claims committees removed .75 FTE vacant during December 1992.

24,736

24,760

HOUSE BILL 2 LANGUAGE—See attached.

LEGAL SERVICES CONTRACT—The department has proposed funding the contract for legal services to assist GA recipients in applying for social security disability benefits by offsetting federal benefits reimbursements with an accounting procedure called an abatement. This procedure allows the department to code revenue against expenditures, thereby "abating" expenditures. Abatement is a proper procedure when an expense is legitimately not a state expense. The department would need a letter from the federal Social Security Administration documenting that public assistance in aiding persons with SSI applications is a legitimate expense for federal reimbursement in order for the abatement procedure to be a correct, legitimate way for the department to account for such expenditures. The department does not at this time have such permission.

COMBINING WELFARE AND WORK—Proposal submitted by Judy Smith.

ELIMINATE STATE ASSUMPTION—

CHANGE AFDC PAYMENTS BY 1% OF POVERTY

General fund  
County funds  
Federal funds

INCREASE FUNDS FOR TRANSITIONAL DAY CARE

EXHIBIT 4  
DATE 1/25/93

**TOTAL CURRENT LEVEL DIFFERENCES**

(1,353,562) (1,387,306)

**OPERATIONS FUNDING**—After adjustment for expenses that are either 100% general fund or federal funds, the balance of program operating, personal services, and equipment costs are funded 24.65% general fund in FY94 and 24.66% in FY95. The remainder of program administration costs are federally funded.

**BENEFITS FUNDING**— Most benefits are funded at 28.98% state funds in fiscal 1994 and 29.5% state funds in fiscal 1995. Non-assumed counties also contribute a portion of AFDC benefit costs (\$1.9 million over the 1995 biennium). General assistance benefits are 100% general fund and some benefits are fully federally funded.

PLEASE NOTE THAT THE RACICOT INITIATIVES ADOPTED BY THE SUBCOMMITTEE WILL BE REFLECTED IN CHANGES TO CURRENT LEVEL BENEFITS.

**Budget Modifications and Racicot Initiatives**

**RESTRICT EMERGENCY ASSISTANCE**— The department implemented new regulations December 1992 governing receipt of emergency assistance. The executive budget reduces general fund expenditures \$25,000 each year of the biennium due to the new guidelines.

(86,266) (86,059)

**AFDC MINOR AT HOME**— This initiative in the Racicot budget will require pregnant, unmarried minors to reside in the household of an adult parent or guardian, unless the minor can show good cause as to why she should not remain in the household. Parents of AFDC-eligible minors, not living in their parents' homes, would be identified and referred to child support enforcement. This initiative is estimated to reduce general fund expenditures by \$263,044 each year of the biennium.

(815,376) (822,878)

**INCLUDE \$50 GOVERNMENT RENT**—This initiative in the Racicot budget would reduce AFDC grants to households receiving subsidized housing benefits by \$50 each month. This initiative is estimated to reduce general fund costs by \$678,015 each month of the biennium.

(2,339,596) (2,333,959)

**PAY EMPLOYABLES AFTER 20 DAYS**—This initiative in the Racicot budget would require that employable GA recipients participate in 20 days of a work/training program before receiving GA benefits, each month they are eligible. Payments to employable GA recipients would be delayed one full month from the date of application or started in a training/work program. This initiative expands a rule adopted October 1992 by the department requiring employable GA recipients to participate in a work/training program for 20 days prior to receiving their first month of benefits.

(146,445) (146,445)

**PRORATE CASH FROM DATE OF APPLICATION**— This initiative in the Racicot budget would change payment of GA benefits to be consistent with AFDC and Food Stamp benefits. GA benefits would be prorated from the date of application, rather than giving the recipient a lump sum cash payment equal to what he or she would have received had the application been made the first day of the month.

(181,791) (181,791)

**LOWER GA PAYMENT LEVEL**—The executive budget proposed to lower GA payments to 32% of the federal poverty index and freeze the payment level. This action would reduce the average GA monthly benefits to \$163.33 from \$210.41. The reductions are entirely from the general fund and are not reflected in either the Stephens' or Racicot benefits request.

(520,596) (520,596)

**LOCAL MATCH IV-F JOBS**—Additional federal funds are available for the JOBS program. Required matching funds (50%) would be local funding solicited by SRS.

1,100,000 1,650,000

**FOOD STAMP OUTREACH**—The Executive Budget includes a budget modification for federal funds to continue a program started by budget amendment.

157,349 157,349

**AFDC AT-RISK DAY CARE**—This budget modification would subsidize day care for persons who may be at risk of becoming AFDC recipients. The budget modification is federal funds, the executive proposes that day care funds appropriated to Department of Family Services be used as a match (28.98% in fiscal 1994 and 29.5% in fiscal 1995).

1,176,774 1,176,774

**GENERAL ASSISTANCE WORK PROGRAM**—This budget modification would expand the GA work program (PWP) by including: 1) chemical dependency counseling services at 10 of 12 PWP sites; 2) self-sufficient programs for GA recipients assessed as "employable with substantial barriers"; and 3) non-catastrophic medical services for GA recipients. The July 1992 special session limited state medical services to hospital, physician, and prescription drug services. This budget modification would fund other medical services (such as eyeglasses, hearing aids, and dental work) to GA recipients only if these services are necessary to remove barriers to employment. The general fund cost is \$522,142 each year.

698,569 698,569

**DAY-CARE ADMINISTRATION TO SRS**— The executive proposes to transfer federal day-care authority and the administration and rule-making for day-care services from DFS to SRS. DFS would remain responsible for day-care benefits related to child protective services. The Racicot budget includes an additional initiative related to this budget modification to transfer the day-care licensing function from DFS to DHES. This change will require legislation to designate SRS the state day-care agency and DHES the state day-care licensing

2,800,492 2,800,767

The department is authorized to establish a block grant to the community service center for the fiscal year 1990 grant level, the department shall development councils (HRDC). If, during fiscal 1992 or fiscal 1993, the block grant falls below the federal fiscal year 1990 grant level, the department shall retain only 5% and pass through the remaining 95% to the HRDCs.

Item 1b is funding for rate increases to day-care providers. Beginning October 1, 1991, the department shall increase day-care provider rates up to 75% of the "local market rate" (the maximum allowed under federal regulations). If federal regulations permit the use of funds from the new "child care and development block grant" for these increases, the department shall decrease the general fund appropriations by the amount of block grant funds available.

Funds appropriated in [this act] may not be expended for at-risk day-care services. Other funds approved by the budget amendment process may be used to fund at-risk day care.

Item 1e is additional funding to set AFDC and general assistance payment levels at shall be 42% of the federal poverty index in fiscal 1992 and through August in fiscal 1993. Effective September 1, 1992, AFDC and general assistance payments shall be 40.5% of the federal poverty index.

The department may, beginning October 1, 1991, pay AFDC recipients a transition-to-work allowance. The allowance may be used for travel and relocation expenses of the recipient and family to another county or state. AFDC recipients are eligible to receive this allowance under rules adopted by the department. The rules may establish limitations on the amount to be paid and require that the recipient have verification of employment, an employment interview, or acceptance into an approved educational or training program. Expenses for a transition-to-work allowance may be paid from the appropriation for AFDC benefits.

The department is authorized to use federal funds appropriated for the job opportunities and basic skills (JOBS) program to match general fund money available within the department and unemployment insurance administrative tax funds appropriated to the department of labor and industry for funding the Job Training Partnership Act (JTPA).

The state share of the AFDC-related support collections and all AFDC and non-AFDC federal incentive payments must be deposited in a state special revenue account from which the state's share of the administrative and operational costs of the child support enforcement program must be paid. The legislature intends that, during the 1993 biennium, the department collect \$1.25 for each \$1 expended for administrative and operational costs from the account. Expenditures made from the account for state medicaid match or development of the SEARCHS computer project are not considered administrative or operational expenditures for purposes of this requirement. The department shall transfer to the general fund from the child support enforcement account all cash balance remaining at the end of fiscal 1992. Any cash balance in the account in excess of \$500,000 at the end of fiscal 1993 must be deposited in the general fund.

Upon final determination of all general fund money in the department's unreconciled special revenue fund balance (in the approximate total amount of \$2,530,153) and the deposit of these funds in the general fund, \$438,795 in fiscal 1992 and \$485,182 in fiscal 1993 are appropriated to fund the additional general fund costs of the TEAMS project in item 8b. Any funds remaining in the special revenue fund to which the state is entitled must be deposited in the general fund.

However, if a subsequent reconciliation concludes that funds transferred from the unreconciled account to the general fund belong to the federal government, the department may request a general fund supplemental appropriation to repay the federal funds.

Chapter 707, Laws of 1991, required the department to transfer all money in the federal special revenue account (number 03143) associated with the former department of community affairs grant closeouts reported in the April 1990 legislative audit report. If a subsequent reconciliation of this account concludes that any of the funds transferred from the account to the general fund belong to the federal government, the department may request a general fund supplemental appropriation to repay the federal funds.

EXHIBIT 4  
1/25/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

Position #	Position Description	Total Personal Services		FTE		Total FTE Removed	Non-Approp. FTE
		Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
01100*	Area Supervisor	36,259	36,259	1.00		1.00	
01101*	Program Officer	33,453	33,453	1.00		1.00	
09307	Human Svcs Program Officer	32,981	33,013	0.25	0.75	1.00	
	Subtotal	\$102,693	\$102,725	2.25	0.75	3.00	0.00
Non-General Fund Positions							
NONE							
	Subtotal	0	0	0.00	0.00	0.00	0.00
TOTAL		\$102,693	\$102,725	2.25	0.75	3.00	0.00

\*Position was also included in action by joint appropriation committees to remove positions vacant 12/29/92.

01/15/93

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1/25/93

## DEPT SOCIAL &amp; REHAB SERVICES

## Eligibility Determination Pgm

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	194.80	403.40	184.55	194.80	(10.25)	184.55	194.80	(10.25)
Personal Services	5,049,270	10,205,380	5,174,540	5,407,505	(232,965)	5,186,867	5,420,378	(233,511)
Operating Expenses	60,288	175,985	115,374	115,374	0	118,492	118,492	0
Total Costs	\$5,109,558	\$10,381,365	\$5,289,914	\$5,522,879	(\$232,965)	\$5,305,359	\$5,538,870	(\$233,511)
<u>Fund Sources</u>								
General Fund	0	2,576,971	0	0	0	0	0	0
State Revenue Fund	2,610,464	2,728,028	2,704,189	2,823,296	(119,107)	2,713,605	2,833,132	(119,527)
Federal Revenue Fund	2,499,094	5,076,366	2,585,725	2,699,583	(113,858)	2,591,754	2,705,738	(113,984)
Total Funds	\$5,109,558	\$10,381,365	\$5,289,914	\$5,522,879	(\$232,965)	\$5,305,359	\$5,538,870	(\$233,511)

Page References

LFA Budget Analysis (Vol. II) p. B-67.  
 Stephens' Executive Budget p.p. B-35-B-36.

Current Level Differences

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees reduced personal services appropriations by 10.25 FTE and about \$233,000 annually.

(232,965) (233,511)

TOTAL CURRENT LEVEL DIFFERENCES

(232,965) (233,511)

FUNDING—This program is funded 51% from state special revenue (county funds) and 49% from federal funds.

Budget Modifications

CONTINUE NON-ASSUMED CO. BA— This budget modification continues six eligibility technicians in non-assumed counties that were added by budget admendment during the 1993 biennium.

170,787 170,888

REINSTATE 5% REDUCTION—The Racicot budget includes budget modifications to reinstate non-general fund FTE deleted in response to section 13 of House Bill 2. This budget modification includes 10.25 FTE and about \$237,000 over the biennium.

236,323 236,792

Language and Other Issues

POSITIONS VACANT 12/92—This program had 6.5 vacant FTE that were removed by the joint House Appropriations and Senate Finance and Claims committees. These positions are in the following counties: Big Horn, Gallatin, Glacier, Broadwater and Sanders.

144,373 144,503

4  
1/25/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

		Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
Position #	Position Description	Fiscal 1994	Fiscal 1995	5% Reduct.	Being Vacant		
All or Partial General Fund Positions							
	None					0.00	
Subtotal		0	0	0	0	0	0.00
Non-General Fund Positions							
30021	Eligibility Examiner - Blaine	6,128	6,148	0.25		0.25	
30022	Eligibility Assistant - Blaine	6,097	6,102	0.25		0.25	
30025	Eligibility Assistant - Blaine	22,275	22,296	1.00		1.00	
30028	Typist II - Blaine	9,630	9,637	0.50		0.50	
30041	Eligibility Examiner - Broadwater	24,210	24,233	1.00		1.00	
30121	Eligibility Examiner - Choteau	4,778	4,782	0.25		0.25	
30122	Eligibility Examiner - Choteau	6,130	6,175	0.25		0.25	
30172	Eligibility Assistant - Fallon	24,161	24,184	1.00		1.00	
30278	Program Assistant I - Hill	21,793	21,814	1.00		1.00	
30280	Clerk Supervisor II - Hill	20,915	20,935	1.00		1.00	
30491	Secretary II - Phillips	10,693	10,693	0.50		0.50	
30501	Eligibility Examiner - Pondera	11,707	11,717	0.50		0.50	
30504*	Eligibility Assistant - Pondera	4,302	4,307	0.25		0.25	
30557*	Receptionist II - Richland	12,407	12,427	0.50		0.50	
30652	Eligibility Assistant - Sweetgrass	29,180	29,318	1.00		1.00	
30684	Administrative Assistant I - Valley	10,540	10,631	0.50		0.50	
30731	Eligibility Examiner - Yellowstone	11,395	11,404	0.50		0.50	
Adjustment to tie to LFA/Exec. Difference		(3,374)	(3,291)				
Subtotal - 5%		\$232,965	\$233,511	10.25	0.00	10.25	
30017	Eligibility Assistant - Big Horn	19,973	19,992		1.00	1.00	
30041	Eligibility Examiner - Broadwater	24,210	24,233		1.00	1.00	
30229	Eligibility Assistant - Gallatin	20,365	20,384		1.00	1.00	
30230	Eligibility Assistant - Gallatin	20,365	20,384		1.00	1.00	
30241	Program Assistant II - Glacier	25,084	25,103		1.00	1.00	
30246	Program Assistant I - Glacier	23,053	23,075		1.00	1.00	
30594	Eligibility Assistant - Sanders	11,323	11,332		0.50	0.50	
Subtotal - Vacant FTE		\$144,373	\$144,503	0.00	6.50	6.50	0.00
TOTAL		\$377,338	\$378,014	10.25	6.50	16.75	0.00

\*FTE also included in action of joint subcommittees to remove positions vacant as of 12/29/92.

01/18/93

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FIGURE 4  
DATE 1/25/93

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DEPT SOCIAL & REHAB SERVICES								
Administrative & Support Svcs								
Program Summary								
Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	54.50	50.50	51.50	54.50	(3.00)	51.50	54.50	(3.00)
Personal Services	1,643,739	1,497,514	1,666,406	1,723,791	(57,385)	1,669,844	1,727,405	(57,561)
Operating Expenses	1,225,309	1,067,632	1,385,320	1,419,591	(34,271)	1,250,690	1,284,733	(34,043)
Equipment	7,993	30,464	31,382	27,571	3,811	31,382	27,670	3,712
Total Costs	\$2,877,042	\$2,595,610	\$3,083,108	\$3,170,953	(\$87,845)	\$2,951,916	\$3,039,808	(\$87,892)
Fund Sources								
General Fund	950,997	626,708	990,387	1,060,399	(70,012)	926,690	996,576	(69,886)
State Revenue Fund	366,709	337,735	376,522	403,663	(27,141)	374,264	401,355	(27,091)
Federal Revenue Fund	1,559,335	1,631,167	1,716,199	1,706,891	9,308	1,650,962	1,641,877	9,085
Total Funds	\$2,877,042	\$2,595,610	\$3,083,108	\$3,170,953	(\$87,845)	\$2,951,916	\$3,039,808	(\$87,892)

### Page References

LFA Budget Analysis (Vol. II)—p. B-68.  
 Stephens' Executive Budget p. B-36.

### Current Level Differences

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees adopted the 5% personal services reductions included in the current level executive budget. The department has identified 3.00 FTE and about \$76,000 each year associated with this reduction. This amount is about \$18,300 greater than the personal services difference between the executive and LFA current level.

INSURANCE AND BONDS—The LFA current level double counts insurance costs for semi-trucks for food distribution and should be reduced.

POSTAGE AND MAILING COSTS—The LFA current level funds mailing cost increases due to annualizing TEAMS postage expenses to mail notices and payments to recipients. The executive does not include this increase.

FEDERAL INDIRECT COSTS—The department has received updated estimates of the indirect cost charges that may be assessed against federal funds to recoup the cost of statewide centralized services. The Racicot budget includes an additional \$86,702 annually in federal funds for this assessment. (This cost difference between the executive and LFA current level is not included in the table above and is paid from federal funds.)

EQUIPMENT—Both the executive and LFA current level include funds for replacement of software, office equipment, and 4 personal computers in fiscal year 1994 and 7 in fiscal year 1995. The executive includes purchase of a replacement (used) vehicle each year of the biennium, while the LFA does not.

OTHER MINOR DIFFERENCES IN OPERATING COSTS AND INFLATION

TOTAL CURRENT LEVEL DIFFERENCES

FUNDING—There are two functions within this division, funded at different ratios of general fund and federal funds. After adjusting for expenses that are 100 % federally funded, the average funding mix for the program is about 36% general fund, 13.7% state special revenue (county funds), and 50.3% federal funds in fiscal 1994 and 35.4% general fund, 14.2% state special revenue (county funds), and 50.4% federal funds in fiscal 1995.

### Budget Modifications

None.

### Language and Other Issues

POSITIONS VACANT 12/92—The joint House Appropriations and Senate Finance and Claims committees removed 3.0 vacant FTE from this program.

Exec. Over (Under) LFA	Fiscal 1994	Fiscal 1995
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(57,385)	(57,561)
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(10,283)	(10,283)
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(23,366)	(23,366)
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86,702	86,702
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3,811	3,712
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(622)	(394)
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(87,845)	(87,892)
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62,556	62,610
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Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

Position #		Position Description/County	Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
			Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions								
04140*	Accounting Tech		21,848	21,990	1.00		1.00	
04175	Secretary III		21,793	21,814	1.00		1.00	
04182	Administrative Aide		19,371	19,387	0.50		0.50	
04185*	Administrative Clerk II		12,654	12,665	0.50		0.50	
Adjustment	to tie to LFA/Exec. Difference		(18,281)	(18,295)				
	Subtotal 5% Reduction		\$57,385	\$57,561	3.00	0.00	3.00	
04130	Accounting Tech		28,454	28,482		1.00	1.00	
04156	Information Officer II		11,839	11,849		0.50	0.50	
04185	Administrative Clerk II		12,654	12,665		0.50	0.50	
04825	Mail Clerk II		19,033	19,048		1.00	1.00	
09615	Accounting Clerk		19,030	19,048		1.00	1.00	
	Subtotal Vacant		\$62,556	\$62,610	0.00	3.00	3.00	
Subtotal All or Partial General Fund			\$119,941	\$120,171	3.00	3.00	6.00	0.00
Non-General Fund Positions								
	None						0.00	
Subtotal			0	0	0.00	0.00	0.00	0.00
TOTAL			\$119,941	\$120,171	3.00	3.00	6.00	0.00

\*FTE also included in joint committee action to remove positions vacant 12/29/92.

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6901 05 00000								
DEPT SOCIAL & REHAB SERVICES								
Child Support Enforcement								
Program Summary								
Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	115.25	116.00	108.83	115.25	(6.42)	108.83	115.25	(6.42)
Personal Services	2,990,729	3,028,674	3,166,963	3,327,893	(160,930)	3,176,078	3,337,527	(161,449)
Operating Expenses	1,425,195	3,214,689	3,109,082	3,245,219	(136,137)	3,515,870	3,255,720	260,150
Equipment	19,017	108,329	52,900	19,017	33,883	49,108	19,017	30,091
Local Assistance	10,542	35,000	11,000	0	11,000	11,000	0	11,000
Total Costs	\$4,445,484	\$6,386,692	\$6,339,945	\$6,592,129	(\$252,184)	\$6,752,056	\$6,612,264	\$139,792
Fund Sources								
State Revenue Fund	1,443,216	2,123,424	2,109,730	2,201,771	(92,041)	2,239,134	2,208,496	30,638
Federal Revenue Fund	3,002,268	4,263,268	4,230,215	4,390,358	(160,143)	4,512,922	4,403,768	109,154
Total Funds	\$4,445,484	\$6,386,692	\$6,339,945	\$6,592,129	(\$252,184)	\$6,752,056	\$6,612,264	\$139,792

### Page References

LFA Budget Analysis (Vol. II) p. B-69.  
 Stephens' Executive Budget pp. B-37 to B-38.

### Current Level Differences

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees removed 6.42 FTE and associated personal services costs.

(160,930) (161,449)

CONTRACTED SERVICES— The LFA current level transfers \$11,000 from local assistance to contracted services to pay local attorneys to prosecute interstate child support enforcement cases. The executive current level for contracted legal fees increases almost as much, offsetting the effect of the transfer. The LFA current level contracted services is higher than the executive in fiscal 1994 but lower than the executive in fiscal 1995. The LFA continued the level of contracted services appropriated by the special session. The differences are:

11,121  
 (211,228) 132,729

Paternity Tests  
 Contracted Staff

NETWORK FEES— The LFA current level continues network fees in this program while the executive current level transfers the fees to program 9 (Office of Management, Analysis, and Systems). See related issue in that program.

(64,320) (64,320)

POSTAGE—The executive current level includes a higher amount for postage expenses than the LFA current level. The increase was originally included in a budget modification that funded the new federal requirements regarding notification of absent parents, but the executive included postage expenses in the program current level budget.

79,372 79,372

RENT— The LFA includes inflation of 3% for rent in buildings not managed by the Department of Administration. The executive rent is annualizes fiscal 1992 rent costs.

65,499 72,430

EQUIPMENT— The executive funds: 4 collating photocopiers; 20 replacement work stations; 5 video monitors; 5 video cassette recorders; 5 video equipment carts; and word perfect upgrades for 150 work stations in fiscal 1994; 2 collating photocopiers; 16 replacement workstations; and software upgrades for 10 work stations in fiscal 1995. The LFA current level funds about half of the equipment in the executive budget in fiscal 1994; 1 photocopier and 4 work stations in fiscal 1995; and 3 word perfect upgrades each year.

33,883 30,028

LOCAL ASSISTANCE—The LFA budgets the cost of contracting with county attorneys for enforcement of certain interstate child support cases in the contracted services category, while the executive includes the same amount in local assistance.

11,000 11,000

MINOR DIFFERENCES IN OPERATING COSTS AND INFLATION

(166,390) (132,568)

TOTAL CURRENT LEVEL DIFFERENCES

(252,184) 139,792

FUNDING—Most program costs are funded 66% from federal funds and 34% from state special revenue collections from child support enforcement activities). Paternity tests are funded 10% state/90% federal. The

cost of contracting with local attorneys for prosecution of certain interstate child enforcement cases is 100% federal with the counties providing match funds.

### Budget Modifications

**ADDITIONAL FTE**— This budget modification would add 14.0 FTE each year of the biennium. The executive proposes to move funds from contracted services to support the FTE. The 1991 Legislature approved a budget modification for additional contracted services of about \$350,000 each year. The executive proposes moving about \$279,000 of the contracted services to support the 14 FTE.

<b>INCREASED COMMUNICATION COSTS</b> — Federal regulations require child support enforcement programs to provide notification to parents to advise them of amounts owing and amounts paid or collected. This budget modification will allow the program to utilize voice response technology to provide such notification.	45,990	49,240
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<b>RESTORE 5% REDUCTION</b> — This budget modification would restore 6.42 FTE removed by the joint House Appropriations and Senate Finance and Claims committees.	160,923	161,457
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**TRANSFER CONTRACTED SERVICES FUNDS TO PERSONAL SERVICES**— The Racicot Executive Budget includes a budget modification to add 33 FTE in fiscal 1994 and 45 FTE in fiscal 1995. The budget modification would move \$1,101,095 from contracted services to personal services in fiscal 1994 and \$1,468,680 in fiscal 1995. (Contracted services increases were authorized by the July 1992 special session.) Since the executive proposes a transfer of funds between objects of expenditure, this modification would require no additional funding during the 1995 biennium.

### Language and Other Issues

<b>POSITIONS VACANT 1-29-92</b> — The joint House Appropriations and Senate Finance and Claims committees removed 1.0 FTE that was vacant December 29, 1992. The department has filled the position since the date of the position review.	42,570	42,603
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**HOUSE BILL 2 LANGUAGE**— The state share of the AFDC-related support collections and all AFDC and non-AFDC federal incentive payments must be deposited in a state special revenue account from which the state's share of the administrative and operational costs of the child support enforcement program must be paid. The legislaure intends that, during the 1993 biennium, the department collect \$1.25 for each \$1 expended for administrative and operational costs from the account. Expenditures made from the account for state medicaid match for development of the SEARCHS computer project are not considered administrative or operational expenditures for purposes of this requirement. The department shall transfer to the general fund from the child support enforcement account all cash balance remaining at the end of fiscal 1992. Any cash balance in the account in excess of \$500,000 at the end of fiscal 1993 must be deposited in the general fund.

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1/25/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

		Total Personal Services		FTE		Total FTE Removed	Non-Approp. FTE
Position #	Position Description	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
	None					0.00	
Subtotal		0	0	0	0	0	0.00
Non - General Fund Positions						0.00	
05101	Investigator I	28,731	28,209	1.00		1.00	
05123	SCE Tech. I	24,112	24,135	1.00		1.00	
05195	Investigator I	27,950	27,997	1.00		1.00	
05211	Admin. Asst. I	23,840	24,039	1.00		1.00	
05215	Admin. Asst. I	8,853	8,862	0.42		0.42	
05242	Admin. Asst. II	19,490	19,508	1.00		1.00	
05263*	Admin. Asst. I	28,178	28,205	1.00		1.00	
05020	Attorney Spec. II	42,570	42,603		1.00	1.00	
Adjustment	to tie to LFA/Exec. Difference	(224)	494	X		0.00	
Subtotal		\$203,500	\$204,052	6.42	1.00	7.42	0.00
TOTAL		\$203,500	\$204,052	6.42	1.00	7.42	0.00

\*FTE was included in the joint appropriation committee action to remove positions vacant 12/29/92.

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DATE 1/25/93

## DEPT SOCIAL &amp; REHAB SERVICES

State Assumed County Admin.

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	203.10	0.00	192.10	203.10	(11.00)	192.10	203.10	(11.00)
Personal Services	5,166,079	0	5,405,876	5,669,519	(263,643)	5,418,602	5,682,480	(263,878)
Operating Expenses	1,012,918	1,080,928	1,010,926	1,015,266	(4,340)	1,024,416	1,015,354	9,062
Equipment	13,332	16,019	31,700	16,500	15,200	31,700	16,500	15,200
Total Costs	\$6,192,331	\$1,096,947	\$6,448,502	\$6,701,285	(\$252,783)	\$6,474,718	\$6,714,334	(\$239,616)
<b>Fund Sources</b>								
General Fund	3,161,245	596,195	3,288,671	3,354,663	(65,992)	3,302,044	3,362,538	(60,494)
Federal Revenue Fund	3,031,085	500,752	3,159,831	3,346,622	(186,791)	3,172,674	3,351,796	(179,122)
Total Funds	\$6,192,331	\$1,096,947	\$6,448,502	\$6,701,285	(\$252,783)	\$6,474,718	\$6,714,334	(\$239,616)

**Page References**

LFA Budget Analysis (Vol. II) p. B-70.  
 Stephens' Executive Budget pp. B-38 to B-39.

**Current Level Differences**

5% PERSONAL SERVICES REDUCTION – The joint House Appropriations and Senate Finance and Claims committees removed 11.0 FTE and about \$264,000 each year of the biennium.

EQUIPMENT – The LFA and executive include the same level of funding for replacement office equipment for county offices. However, the executive includes funds for 13 personal computers and monitors each year and the LFA funds 5 personal computers and monitors.

MINOR OPERATING COST AND INFLATION DIFFERENCES

TOTAL CURRENT LEVEL DIFFERENCES

FUNDING ISSUE – This LFA funded this program using the same percentages as the agency request: 50.06% from the general fund in fiscal 1994 and 50.08% in fiscal 1995 with the balance of funding from federal funds. The executive revised the funding mix to 51% general fund and 49% federal funds each year of the biennium.

**Budget Modifications**

None.

**Language and Other Issues**

POSITIONS VACANT 12-29-92 – The joint House Appropriations and Senate Finance and Claims committees removed 2.50 FTE vacant as of 12-29-92. The positions are in the following counties: Lincoln, Park, and Ravalli.

Exec. Over(Under) LFA  
 Fiscal 1994 Fiscal 1995

(263,643) (263,878)

15,200 15,200

(4,340) 9,062

(252,783) (239,616)

61,442 61,645

EXHIBIT 4  
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Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

Position #	Position Description/County	Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
		Fiscal 1994	Fiscal 1995	5% Reduct.	Being Vacant		
All or Partial General Fund Positions							
30076	Eligibility Examiner – Cascade	23,345	23,363	1.00		1.00	
30081	Eligibility Examiner – Cascade	25,820	25,839	1.00		1.00	
30099	Eligibility Assistant – Cascade	21,836	21,857	1.00		1.00	
30105	Eligibility Assistant – Cascade	22,836	22,857	1.00		1.00	
30154*	Eligibility Examiner – Deer Lodge	27,407	27,433	1.00		1.00	
30158	Eligibility Assistant – Deer Lodge	9,909	9,925	0.50		0.50	
30320	Program Assistant I – Lake	5,401	5,407	0.25		0.25	
30333	Eligibility Examiner – Lewis and Clark	30,789	30,818	1.00		1.00	
30375*	Eligibility Examiner – Lincoln	12,812	12,821	0.50		0.50	
30435	Eligibility Examiner – Missoula	10,965	10,977	0.50		0.50	
30536	Eligibility Examiner – Ravalli	5,053	5,059	0.25		0.25	
30616	Eligibility Examiner – Silver Bow	26,475	26,495	1.00		1.00	
30628	Eligibility Assistant – Silver Bow	20,359	20,374	1.00		1.00	
30635	Eligibility Assistant – Silver Bow	23,824	23,846	1.00		1.00	
Adjustment to tie to LFA/Exec. Difference		(3,188)	(3,192)				
Subtotal 5%		\$263,643	\$263,878	11.00	0.00	11.00	
30372	Eligibility Assistant – Lincoln	24,313	24,336		1.00	1.00	
30485	Eligibility Examiner – Park	12,383	12,392		0.50	0.50	
30537	Eligibility Examiner – Ravalli	24,746	24,917		1.00	1.00	
Subtotal Vacant		\$61,442	\$61,645	0.00	2.50	2.50	
Subtotal All or Partial General Fund		\$325,085	\$325,523	11.00	2.50	13.50	0.00
Non – General Fund Positions							
	None						
Subtotal		\$0	\$0	0.00	0.00	0.00	0.00
TOTAL		\$325,085	\$325,523	11.00	2.50	13.50	0.00

\*FTE also included in action by joint appropriation committees to removed positions vacant as of 12/29/92.

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1/25/93

## DEPT SOCIAL &amp; REHAB SERVICES

## Program Summary

## Medicaid Services

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	46.50	44.50	44.50	46.50	(2.00)	44.50	46.50	(2.00)
Personal Services	1,501,365	1,386,275	1,593,018	1,665,735	(72,717)	1,596,970	1,669,771	(72,801)
Operating Expenses	3,508,257	3,476,104	4,231,360	4,092,755	138,605	4,347,713	4,088,707	259,006
Equipment	27,856	3,198	52,233	35,439	16,794	51,333	35,575	15,758
Benefits and Claims	244,542,704	254,635,095	318,151,305	319,941,976	(1,790,671)	352,753,613	354,583,135	(1,829,522)
Transfers	1,908,791	1,926,674	1,224,990	1,224,990	0	1,219,760	1,219,760	0
Total Costs	\$251,488,975	\$261,427,346	\$325,252,906	\$326,960,895	(\$1,707,989)	\$359,969,389	\$361,596,948	(\$1,627,559)
<b>Fund Sources</b>								
General Fund	60,702,428	60,753,737	78,566,822	79,475,980	(909,158)	88,991,604	90,301,776	(1,310,172)
State Revenue Fund	7,590,929	7,975,494	8,328,494	8,328,494	0	8,488,494	8,488,494	0
Federal Revenue Fund	183,195,617	192,698,115	238,357,590	239,156,421	(798,831)	262,489,291	262,806,678	(317,387)
Total Funds	\$251,488,975	\$261,427,346	\$325,252,906	\$326,960,895	(\$1,707,989)	\$359,969,389	\$361,596,948	(\$1,627,559)

**Page References**

LFA Budget Analysis (Vol. II) pp. B-71 to B-75  
 Stephen's Executive Budget pp. B-39 to B-41  
 Racicot Executive Budget pp. 12 to 21

**Current Level Differences**

5% PERSONAL SERVICES REDUCTION- The joint House Appropriations and Senate Finance and Claims committees removed 2.0 FTE and associated personal services costs.

(72,717) (72,801)

CONTRACTED SERVICES -The LFA includes \$24,466 more in contracted services than the executive for the executive for utilization acute care contract review in fiscal 1994. In fiscal 1995 the executive is about \$82,000 higher than the LFA current level for the following contracts in fiscal 1995.

(24,466)

1. Utilization review for long-term care. The executive includes inflationary increases the second year of the biennium while the LFA continues the fiscal 1994 amount forward.

40,000

2. Pharmacy consultants. The LFA increases this contract from \$3,150 to an annualized amount of \$10,000. The executive includes the amount originally budgeted for the contract.

43,800

RENT-The LFA inadvertently did not include rent in the fiscal 1995 budget.

13,923

EQUIPMENT-The LFA and executive both include replacement office and computer equipment and computer software. The executive includes an additional optical disc scanning system, 8 desks and chairs, and 2 personal computers above the LFA level.

16,794 15,758

OPERATING AND INFLATION DIFFERENCES-The executive has reduced its estimate of the contract for nurse aide registry about \$160,000 each year.

163,071 161,283

INSTITUTIONAL REIMBURSEMENT-The executive includes a lower estimated reimbursement to state institutions for the care of medicaid-eligible persons. Reimbursement is 100% federal funds. There are two issues:

1. The executive is lower due to the initiative to close the nursing and acute care facilities at Galen;

(717,346) (680,529)

2. However, the executive does not include the veterans' home in its estimates.

(73,281) (101,339)

PRIMARY CARE-The executive budget is about \$2 million lower in general fund primary care medicaid benefits than the LFA current level, reflecting all of the Racicot initiatives to reduce general fund. However, the executive budget does not include the accompanying reductions in federal funds resulting from these initiatives. Each Racicot initiative is discussed in the "Budget Modifications and Racicot Initiatives" section. However, initiatives adopted by the subcommittee will be recorded as adjustments to the current level primary care benefits budget.

(1,000,044) (1,047,654)

**TOTAL CURRENT LEVEL COST DIFFERENCES**

(1,707,989) (1,627,559)

FUNDING-Most operating costs, excluding contracted services, are funded 50% state funds and 50% general fund. Contracted services funding varies by contract. Some contracts that will not be continued in the 1995

biennium were funded at 10% state/90% federal. Contracts during the 1995 biennium range in funding from 25% state/75% federal to 50% state/50% federal.

**OPERATIONS FUNDING ISSUE**— The LFA current level operating costs are funded at fiscal 1992 actual with 39.2% general fund and the balance federal funds. The executive current level is funded 40.56% general fund in fiscal 1994 and 40.42% general fund in fiscal 1995 with the balance from federal funds. If the subcommittee adopts the executive funding mix, the general fund percent increase for operating costs will range from 1.3% to 1.2%.

**BENEFITS FUNDING**— Most medicaid benefits are funded at 28.98% general fund in fiscal 1994 and 29.05% general fund in fiscal 1995 with the balance of program costs funded from the general fund. State special revenue (the 12-mill levy revenue from state-assumed counties) is budgeted in medicaid primary care benefits and is estimated to be about \$7.6 million each year. Reimbursements from child support collections are also deposited to state special revenue and are estimated to be about \$230,000 annually. Both sources of state special revenue are direct offsets to the general fund cost of medicaid primary care benefits. Some medicaid benefits are funded entirely from federal funds. State medical benefits are funded entirely from the general fund.

### Budget Modifications and Racicot Initiatives

**MEDICAID MANAGED CARE**— This budget modification would expand managed care to medicaid recipients who are eligible for medicaid in the Supplemental Security Income eligibility category. The 1991 Legislature authorized a managed care system (designated Passport to Health by SRS) beginning in fiscal 1993 for AFDC-medicaid eligible recipients. This budget modification includes 1.0 FTE and \$495,062 for operating costs and estimates benefits savings of \$9,204,146, for a net savings of \$8,709,084 (\$2,446,270 general fund) during the 1995 biennium.

**PSYCHIATRIC UTILIZATION REVIEW**— This budget modification would fund an expansion of the current contract that provides reviews of inpatient psychiatric treatment provided to persons under 21 in inpatient psychiatric hospitals and residential facilities. Contractor review includes determinations of medical necessity and active treatment. The executive requests an increase of \$165,000 for this contract during the 1995 biennium and estimates benefits savings of \$1.0 million. The net savings is \$834,500 (\$219,650 general fund). Since the general fund medicaid match for this service is appropriated to the Department of Family Services, the general fund savings would occur in the DFS budget.

**STATE MEDICAL COST CONTAINMENT**— This budget modification appropriates general fund to expand an existing contract that provides cost containment activities in the state medical program. Although the executive budget requests additional funding for cost containment, it does not reduce its estimate of state medical benefits costs.

**MEDICAID CLAIMS PROCESSING** — This budget modification funds increases in contracted services for processing medicaid and state medical claims. The additional funding would provide inflationary increases during the 1995 biennium.

**MEDICALLY NEEDY COST SAVINGS (STEPHENS)**— The executive proposes to permit medically needy recipients to become eligible for medicaid services at the beginning of the month by paying the spend down amount to the state, rather than paying for medicaid expenses during the month. The executive estimates that general fund expenditures will be reduced by about \$1.7 million each year of the biennium.

**MEDICALLY NEEDY COST SAVINGS (RACICOT)**— This budget modification included in the Racicot budget updates the modification included in the Stephens' budget. General fund expenditures are estimated to decline another \$640,649 annually due to updated information from the TEAMS system. The executive budget removes the general fund for this initiative, but not the Stephens' medically needy budget modification.

**REIMBURSEMENT TO OUT-OF-STATE HOSPITALS**— This budget modification would lower reimbursement to out-of-state hospitals. Some services provided by these hospitals are not available in Montana. The department reimburses billed charges with no discount. This change is estimated to reduce general fund expenditures by \$227,515 in fiscal 1994 and \$248,077 in fiscal 1995. These reductions in benefits costs are net of \$6,000 in operating costs in fiscal 1994 and \$3,000 in fiscal 1995 to implement the program.

**BID OXYGEN**— The Racicot budget includes an initiative to issue a request for proposal to purchase oxygen from a single source or a limited number of sources. When the department bid provision of wheel chairs, it saved 25% on the cost of wheel chairs. The department estimates that it will save 15% on the cost of oxygen, reducing general fund costs by \$86,940 in fiscal 1994 and \$88,500 in fiscal 1995.

**REDUCE OUTPATIENT HOSPITAL REIMBURSEMENT TO 93% AND 98.8%**— The Racicot budget proposes to reduce reimbursement for outpatient hospital costs to 98.8% for sole community hospitals and 93% for those hospitals that are not sole community hospitals. The department estimates that this modification will reduce general fund costs by \$44,940 in fiscal 1994 and \$70,428 in fiscal 1995.

**BROAD BASE NURSING HOME BED TAX**— The Stephens' Executive Budget includes an initiative to levy the nursing home bed tax on all beds. The 1991 Legislature approved the bed tax for beds paid for by third

EXHIBIT

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1/25/93

(3,850,244) (4,858,840)

(313,725) (311,125)

75,000 75,000

(639,509) (639,509)

(639,509) (639,509)

(310,352) (304,647)

(155,072) (238,739)

party payors (medicaid, medicare, and private insurance). Federal law requires broad basing such taxes or federal funds to match bed tax revenue will be withheld. The Stephens' budget includes increased bed days, however, the tax revenue generated will exceed the cost of the anticipated increase in nursing home bed days.

### Language and Other Issues

(92,540)

(92,593)

POSITIONS VACANT 12/92—The joint House Appropriations and Senate Finance and Claims committees removed 3.0 FTE vacant December 1992.

APPROPRIATION TRANSFER FLEXIBILITY—The department has requested flexibility to move funds between benefits and operating costs. The subcommittee may wish to consider language directing when such transfers are appropriate.

LINE ITEM APPROPRIATION FOR MEDICAID HOSPITAL BENEFITS—The Montana Hospital Association has requested that the subcommittee consider splitting medicaid hospital benefits from the primary care appropriation. The line item appropriation would include inpatient and outpatient hospital costs.

HOUSE BILL 2 LANGUAGE—The language included in House Bill 2 by the 1991 Legislature is attached.

EXHIBIT 4  
DATE 4/25/93

The department is authorized to transfer funds among appropriations for medicaid primary care, medicaid nursing care, medicaid buy-in, state medical, and the home and community-based waiver program. Except as provided below, funds transferred to the medicaid waiver program may not be used to increase the number of recipients receiving waiver services but must be used solely for covering cost increases above the appropriated level.

The department may utilize funds appropriated for medicaid nursing care to increase the number of recipients in the home and community-based waiver program during the 1993 biennium under the following conditions:

- (1) During the 1993 biennium, no more than 25 nursing residents who are appropriate for waiver services may be transferred from nursing facilities to the waiver program.
- (2) Per diem waiver costs for residents moved from nursing facilities may not exceed the statewide average medicaid per diem cost of intermediate nursing
- (3) The department shall keep records of each resident transferred under this provision and submit to the 53rd legislature a report on the number of residents transferred and any cost savings achieved as a result of the transfers.

The legislature intends that expenditures for all executive budget modifications for provider rate increases approved by the legislature be limited to dollar amounts appropriated rather than percentage increases on which the original estimates may have been based. The department will be in compliance with this provision if:

- (1) it estimates total costs for each medicaid service category in June, prior to the beginning of each fiscal year of the 1993 biennium; and
- (2) the percentage increases or base adjustments approved by the department are limited to the dollar amount appropriated for each budget modification.

The department may not expand or reduce the amount, scope, or duration of benefits provided to recipients under the medicaid primary care or nursing care programs during the 1993 biennium unless Title XIX of the federal Social Security Act is amended to require expansion or reduction of benefits as a condition of the state receiving federal financial participation. This provision may not be construed to prohibit the department from implementing coverage provided in

53-6-101(3)(1).

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Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

		Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
Position #	Position Description/County	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
07046*	Human Services Progr. Officer	35,477	35,511	1.00		1.00	
07051	Human Svcs Program Officer	38,692	38,746	1.00			
Adjustment	to tie to LFA/Exec. Difference	(1,452)	(1,456)				
	Subtotal 5%	\$72,717	\$72,801	2.00	0.00	1.00	
07040	Human Svcs Program Officer	35,172	35,199		1.00	1.00	
07047	Human Svcs Program Officer	33,818	33,844		1.00	1.00	
07095	Word Processing Technician	23,550	23,550		1.00	1.00	
	Sub-Total Vacant	\$92,540	\$92,593	0.00	3.00	3.00	
Subtotal All or Partial General Fund		\$165,257	\$165,394	2.00	3.00	4.00	0.00
Non-General Fund Positions							
	None					0.00	
						0.00	
Subtotal		0	0	0.00	0.00	0.00	0.00
TOTAL		\$165,257	\$165,394	2.00	3.00	4.00	0.00

\*Positions also included in joint committee action to remove positions vacant 12/29/92.

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## DEPT SOCIAL &amp; REHAB SERVICES

Audit And Pro. Compliance Div.

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	40.00	40.00	38.00	40.00	(2.00)	38.00	40.00	(2.00)
Personal Services	1,130,824	1,114,636	1,170,592	1,232,851	(62,259)	1,173,583	1,235,900	(62,317)
Operating Expenses	265,694	151,970	277,669	275,614	2,055	279,591	277,028	2,563
Equipment	2,302	3,420	15,216	10,955	4,261	15,216	9,428	5,788
Transfers	166,160	198,234	198,226	198,226	0	198,226	198,226	0
Total Costs	\$1,564,982	\$1,468,260	\$1,661,703	\$1,717,646	(\$55,943)	\$1,666,616	\$1,720,582	(\$53,966)
<u>Fund Sources</u>								
General Fund	586,290	589,266	689,736	716,102	(26,366)	692,052	717,486	(25,434)
State Revenue Fund	3,607	8,184	3,366	3,495	(129)	3,378	3,502	(124)
Federal Revenue Fund	975,084	870,810	968,601	998,049	(29,448)	971,186	999,594	(28,408)
Total Funds	\$1,564,982	\$1,468,260	\$1,661,703	\$1,717,646	(\$55,943)	\$1,666,616	\$1,720,582	(\$53,966)

Page References

LFA Budget Analysis (Vol. II) p. B-76  
 Stephens' Executive Budget p. B-42

Current Level Differences

5% PERSONAL SERVICES REDUCTION – The joint House Appropriations and Senate Finance and Claims committees removed 2.0 FTE and associated personal services costs.

EQUIPMENT – The LFA and executive include three replacement personal computers, software upgrades, and replacement office equipment. The executive includes two laptop computers and a slightly higher amount than the LFA for office equipment each year.

MINOR DIFFERENCES IN OPERATING COSTS AND INFLATION

TOTAL CURRENT LEVEL DIFFERENCES

FUNDING – The program is funded at 47.13% general fund, 0.23% state special revenue (child support enforcement), and 52.64% federal funds.

Budget Modifications

None.

Language and Other Issues

None.

Exec. Over(Under) LFA  
 Fiscal 1994 Fiscal 1995

(62,259) (62,318)

4,261 5,788

2,055 2,564

(55,943) (\$53,966)

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Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

		Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
Position #	Position Description/County	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
08113	Quality Control Reviewer	25,069	25,088	1.00		1.00	
08114*	Quality Control Supervisor	37,181	37,210	1.00			
Adjustment	to tie to LFA/Exec. Difference	9	20				
Subtotal All or Partial General Fund		\$62,259	\$62,318	2.00	0.00	1.00	0.00
Non-General Fund Positions							
	None						
Subtotal		0	0	0.00	0.00	0.00	0.00
TOTAL		\$62,259	\$62,318	2.00	0.00	1.00	0.00

\*Positions also included in joint committee action to remove positions vacant 12/29/92.

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## DEPT SOCIAL &amp; REHAB SERVICES

## Office Of Mgmt, Analy &amp; Syst

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	39.25	38.00	36.10	39.00	(2.90)	36.10	39.00	(2.90)
Personal Services	1,193,177	1,113,747	1,251,661	1,294,989	(43,328)	1,255,173	1,298,591	(43,418)
Operating Expenses	6,774,457	7,050,622	7,008,883	7,245,477	(236,594)	6,917,698	7,050,066	(132,368)
Equipment	<u>71,720</u>	<u>89,591</u>	<u>89,250</u>	<u>89,267</u>	<u>(17)</u>	<u>87,493</u>	<u>87,527</u>	<u>(34)</u>
Total Costs	\$8,039,354	\$8,253,960	\$8,349,794	\$8,629,733	(\$279,939)	\$8,260,364	\$8,436,184	(\$175,820)
<b>Fund Sources</b>								
General Fund	2,175,607	2,505,907	2,470,404	2,837,998	(367,594)	2,404,244	2,764,508	(360,264)
State Revenue Fund	689,880	896,011	1,170,016	1,115,207	54,809	1,263,850	1,130,968	132,882
Federal Revenue Fund	<u>5,173,866</u>	<u>4,852,042</u>	<u>4,709,374</u>	<u>4,676,528</u>	<u>32,846</u>	<u>4,592,270</u>	<u>4,540,708</u>	<u>51,562</u>
Total Funds	\$8,039,354	\$8,253,960	\$8,349,794	\$8,629,733	(\$279,939)	\$8,260,364	\$8,436,184	(\$175,820)

**Page References**

LFA Budget Analysis (Vol. II) p. B-77 to B-78  
 Stephens' Executive Budget p. B-43

**Current Level Differences**

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees removed 2.9 FTE and associated personal services costs.

(58,439) (58,542)

OVERTIME—The executive includes overtime while the LFA current level does not.

15,541 15,554

NETWORK FEES—The executive includes \$84,800 more in fiscal 1994 and \$117,000 more in fiscal 1995 to pay fees to connect personal computers in county and regional offices to the state mainframe computer. The difference is due to:

64,320 64,320  
 21,480 52,680

1. Transfer of current level expenditures from the Child Support Enforcement Division; and
2. Expansion for SEARCHS.

COMPUTER PROCESSING COSTS FOR TEAMS—The LFA current level funds the annualized level of charges for TEAMS. The executive budget mistakenly reduces operating costs to reflect the funding shift proposed in the Racicot budget that shifts general fund costs to county funds. The expenditures will not decrease but the funding mix will change. (The difference between computer processing charges and the rate deflation for these expenditures—see following issue—net to \$350,000 per year.)

(500,000) (564,516)

DEFLATION DIFFERENCES—Since the LFA and executive budget include different amounts for computer processing charges there are differences in deflation for this expenditure.

150,000 214,516

TDD OPERATING COSTS—The Telecommunications Devices for the Deaf program is administratively attached to SRS. Its budget is included in this program. The LFA current level is based on estimated revenues available during the 1995 biennium. The LFA fiscal 1994 current level is about \$100,400 higher than fiscal 1992 actual expenditures and about \$149,000 higher in fiscal 1995. The LFA current level is adjusted to maintain expenditures within available revenues. A higher expenditure level will reduce the fund balance.

26,670 99,196

**MINOR DIFFERENCES IN OPERATING AND EQUIPMENT COSTS**

489 972

**TOTAL CURRENT LEVEL DIFFERENCES**

(279,939) (175,820)

FUNDING—Program administration costs are funded 37.98% general fund, 4.31% state special revenue (county funds), and 55.61% federal funds. SEARCHS program administration, data network fees, and computer processing charges are funded 34% state special revenue and 66% federal funds. TEAMS administration costs are funded 50% general fund and 50% federal funds and TEAMS computer processing is funded 35% general fund and 65% federal funds. TDD is funded from state special revenue (income from a fee of 10 cents per month per telephone).

FUNDING ISSUE—The Racicot budget proposes to shift \$350,000 of general fund costs for TEAMS computer processing costs and personal computer network fees to non-assumed counties. There will be no change in the

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LFA current level budget, but general fund would decline by \$350,000 each year and county funds would increase by a like amount if the subcommittee adopts this initiative. (TEAMS computer processing costs and network fees are funded 35% from the general fund and 65% from federal funds.)

**Budget Modifications**

TEAMS FACILITIES MANAGEMENT—This budget modification funds a 5.76% increase in the contract to maintain and update TEAMS. The rate increase is effective for the last 11 months of fiscal 1995. The budget modification is funded 50% from general fund and 50% from federal funds.	149,853	
REINSTATE 5% REDUCTION—The Racicot budget includes budget modifications to reinstate non-general fund FTE removed to comply with section 13 of House Bill 2. This budget modification reinstates 0.2 FTE removed from the TDD program and 1.0 FTE for the SEARCHS project.	37,441	37,471
TDD RELAY RATE INCREASE—The Racicot budget includes funds for a rate increase for the relay service provided under contract by AT&T. The contract was recently renegotiated to increase by the amount of increase in the consumer price index for the Pacific Northwest. This issue is not included in the printed Racicot budget.	60,800	86,900

**Language and Other Issues**

POSITIONS VACANT 12/92—The joint House Appropriations and Senate Finance and Claims committees removed 1.0 vacant FTE.	33,892	33,918
HOUSE BILL 2 LANGUAGE—It is the intent of the legislature that annualized expenses for operation of SEARCHS not exceed \$1,500,000. This amount includes expenses for a facilities management contracting that may be utilized for system operations, computer processing costs directly associated with operation of the system, and other personal services and nonpersonal services costs directly charged to the management and operation of SEARCHS until it has demonstrated to the satisfaction of the Governor's Office of Budget and Program Planning and to the Legislative Finance Committee that the projected annualized operational costs of the system will not exceed the limit imposed in this statement of intent.		

EXHIBIT II  
DATE 1/25/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

Position #	Position Description/County	Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp FTE
		Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
09204	Data Processing Control Tech.	20,915	20,935	1.00		1.00	
09306	Data Processing Control Tech.	20,915	20,935	1.00		1.00	
09616	Data Entry Operator III	3,731	3,744	0.20		0.20	
09617	Data Entry Operator III	9,328	9,374	0.50		0.50	
Adjustment to tie to LFA/Exec. Difference		3,550	3,451				
Subtotal All or Partial General Fund		\$58,439	\$58,439	2.70	0.00	2.70	0.00
Non-General Fund Positions							
09620	Secretary	3,549	3,553	0.20		0.20	
09501	Management System Analyst III	33,892	33,918		1.00	1.00	
Subtotal		37,441	37,471	0.20	1.00	1.20	0.00
TOTAL		\$95,880	\$95,910	2.90	1.00	3.90	0.00

\*Positions also included in joint committee action to remove positions vacant 12/29/92.

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EX-4

DATE

1/25/93

## DEPT SOCIAL &amp; REHAB SERVICES

## Vocational Rehabilitation Pgm

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	74.00	73.50	71.15	73.50	(2.35)	71.15	73.50	(2.35)
Personal Services	2,099,142	2,119,969	2,195,188	2,263,875	(68,687)	2,199,726	2,268,485	(68,759)
Operating Expenses	433,722	425,591	413,737	418,431	(4,694)	417,288	416,171	1,117
Equipment	11,175	11,432	30,710	12,497	18,213	30,245	13,650	16,595
Benefits and Claims	5,757,300	6,286,833	6,066,766	6,164,514	(97,748)	6,066,766	6,164,514	(97,748)
Total Costs	\$8,301,340	\$8,843,825	\$8,706,401	\$8,859,317	(\$152,916)	\$8,714,025	\$8,862,820	(\$148,795)
<u>Fund Sources</u>								
General Fund	1,180,317	1,254,437	1,403,883	1,418,938	(15,055)	1,405,624	1,419,614	(13,990)
State Revenue Fund	658,474	694,753	641,917	641,914	3	641,959	641,956	3
Federal Revenue Fund	6,462,548	6,894,635	6,660,601	6,798,465	(137,864)	6,666,442	6,801,250	(134,808)
Total Funds	\$8,301,340	\$8,843,825	\$8,706,401	\$8,859,317	(\$152,916)	\$8,714,025	\$8,862,820	(\$148,795)

Page References

LFA Budget Analysis (Vol. II) p. B-79  
 Stephens' Executive Budget pp. B-44 to B-45

Current Level Differences

5% PERSONAL SERVICES REDUCTION— The joint House Appropriations and Senate Finance and Claims committees removed 2.35 FTE and associated personal services costs.

(68,686) (68,758)

EQUIPMENT—The executive and LFA both include purchase of telecommunications devices for the deaf for field offices, telephone equipment for field offices and replacement office equipment. The difference between the two current level budgets is that the executive funds 14 personal computers, 4 lap top computers, and adaptive software each year while the LFA funds 3 personal computers in fiscal 1994 and 5 personal computers in fiscal 1995 and much less software.

18,213 16,595

INDEPENDENT LIVING PART A BENEFITS—The LFA current level is higher than the executive current level. The LFA budget is \$294,136 total funds each year compared to \$196,388 each year in the executive budget. However, more information indicates the federal grant (including state match) will probably total about \$226,000. This benefit is 10% general fund and 90% federal funds.

(97,748) (97,748)

## MINOR COST AND INFLATION DIFFERENCES

(4,695) 1,116

## TOTAL CURRENT LEVEL DIFFERENCES

(152,916) (148,795)

FUNDING—Section 110 program expenses and benefits are funded 21.3% general fund and 78.7% federal funds. Some benefits are 100% federally funded, one benefit is funded 10% general fund and 90% federal funds, and one benefit (extended employment benefits) is 100% general fund. State special revenue (workers' compensation premium income) funds workers' comp panels and some program operating and benefits costs. The program also receives some JTPA funds for training benefits.

FUNDING ISSUE—The LFA current level uses the most recent federal/state match (21.3% state funds) for section 110 benefits and administration, while the executive budget uses the match rate previous to the most recent federal update (21.17% state funds).

Budget Modifications

MSED BENEFITS— This budget modification for federal funds supports Montana Supported Employment Demonstration (MSED) grants and benefits. MSED will fund training and support systems that allow persons with severe disabilities to work in competitive employment settings.

459,614 116,288

MSED ADMINISTRATION— This budget modification includes federal funds to administer the MSED benefits.

5,176 1,310

MONTECH BENEFITS—This budget modification funds grants and benefits for assistive technology devices and services to persons with disabilities. The Montana Technology-Related Assistance Program for Persons

565,414 593,683

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with Disabilities (MonTECH) will also fund a referral and outreach center and clearing house to assist in the efforts. The budget modification is 100% federal funds.

MONTECH ADMINISTRATION— This budget modification provides federal funds for administration of the MONTECH benefits.

6,098

6,403

FUNDING SWITCH— This budget modification replaces state special revenue (workers' compensation premium) with general fund to match federal section 110 funds. Historically, SRS has received workers' comp funds to provide rehabilitative services to persons referred by the workers' compensation program. The executive states that while the total rehabilitation caseload is increasing, the number of persons referred by the workers' compensation program has declined from 731 in fiscal 1987 to 28 in fiscal 1991.

244,027

433,944

### Language and Other Issues

POSITIONS VACANT 12/92— The joint House Appropriations and Senate Finance and Claims committees removed 3.0 FTE vacant during December 1992.

93,587

93,666

HOUSE BILL 2 LANGUAGE— The department is authorized to transfer funds between appropriations for the vocational rehabilitation and visual services programs.

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DATE 1/25/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

		Total Personal Services		FTE Removed by		Total FTE Removed	Non--Approp. FTE
Position #	Position Description/County	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
10050*	Training and Dev. Spec. IV	28,034	28,061	0.85		0.85	
10102*	Vocational Rehab Counselor	29,729	29,771	1.00		1.00	
10303*	Administrative Aide II	10,886	10,895	0.50		0.50	
Adjustment	to tie to LFA/Exec. Difference	37	31				
	Subtotal 5% Reduction	\$68,686	\$68,758	2.35	0.00	2.35	
10040	Rehab. Counselor Supv. I	34,359	34,387		1.00	1.00	
10090	Vocational Rehab Counselor	31,050	31,074		1.00	1.00	
10107	Vocational Rehab Counselor	28,178	28,205		1.00	1.00	
	Subtotal Vacant 12--29--92	\$93,587	\$93,666	0.00	3.00	3.00	
Subtotal All or Partial General Fund		\$162,273	\$162,424	2.35	3.00	5.35	0.00
Non--General Fund Positions							
	None						
Sub--Total		0	0	0.00	0.00	0.00	0.00
TOTAL		\$162,273	\$162,424	2.35	3.00	5.35	0.00

\*Positions also included in joint committee action to remove positions vacant 12/29/92.

6901 11 00000

## DEPT SOCIAL &amp; REHAB SERVICES

## Disability Determination Pgm

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	38.50	41.00	36.00	38.50	(2.50)	36.00	38.50	(2.50)
Personal Services	1,139,537	1,152,800	1,136,008	1,204,467	(68,459)	1,138,071	1,206,593	(68,522)
Operating Expenses	1,616,345	1,539,652	1,869,666	1,869,666	0	1,938,589	1,938,589	0
Equipment	13,933	14,000	11,264	11,264	0	11,264	11,264	0
Benefits and Claims	67,006	68,000	73,763	73,763	0	73,763	73,763	0
Debt Service	8,076	0	8,077	8,077	0	8,077	8,077	0
Total Costs	\$2,844,899	\$2,774,452	\$3,098,778	\$3,167,237	(\$68,459)	\$3,169,764	\$3,238,286	(\$68,522)
<u>Fund Sources</u>								
Federal Revenue Fund	2,844,899	2,774,452	3,098,778	3,167,237	(68,459)	3,169,764	3,238,286	(68,522)
Total Funds	\$2,844,899	\$2,774,452	\$3,098,778	\$3,167,237	(\$68,459)	\$3,169,764	\$3,238,286	(\$68,522)

Page References

LFA Budget Analysis (Vol. II) p. B-80  
 Stephens' Executive Budget p. B-45 to 46

Current Level Differences

5% PERSONAL SERVICE REDUCTION—The joint House Appropriations and Senate Finance and Claims committees removed 2.5 FTE and associated personal services costs.

(68,459) (68,552)

FUNDING—This program is entirely funded from federal funds.

Budget Modifications

REINSTATE 5% REDUCTION—The Racicot budget includes budget modifications to reinstate non-general fund FTE removed to comply with section 13 of House Bill 2. This budget modification would add 2.5 FTE and associated personal services costs.

68,459 68,552

ADDITIONAL FTE—This budget modification would continue 3.0 FTE added by budget amendment during the 1993 biennium. The FTE were added due to increasing workload in the program.

78,339 78,414

Language and Other Issues

None.

Exec. Over(Under) LFA  
 Fiscal 1994 Fiscal 1995

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Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

Position #		Position Description	Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
			Fiscal 1994	Fiscal 1995	5% Reduct.	Being Vacant		
All or Partial General Fund Positions								
	None						0.00	
Subtotal			0	0	0	0	0	0.00
Non- General Fund Positions								
11080	Disability Claims Examiner		26,948	26,969	1.00		1.00	
11081	Disability Claims Examiner		31,309	31,339	1.00		1.00	
11160	Administrative Clerk II		10,219	10,227	0.50		0.50	
Adjustment to tie to LFA/Exec. Difference			(17)	17				
Subtotal - 5% Reduction			\$68,459	\$68,552	2.50	0.00	2.50	0.00
TOTAL			\$68,459	\$68,552	2.50	0.00	2.50	0.00

\*FTE also included in action of joint subcommittees to remove positions vacant as of 12/29/92.

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## DEPT SOCIAL &amp; REHAB SERVICES

## Visual Services Prgm

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	18.75	18.75	16.60	18.75	(2.15)	16.60	18.75	(2.15)
Personal Services	455,610	540,225	505,673	564,630	(58,957)	506,968	565,973	(59,005)
Operating Expenses	110,357	106,305	118,385	122,664	(4,279)	119,963	122,635	(2,672)
Equipment	10,890	9,129	8,177	8,177	0	3,312	3,312	0
Benefits and Claims	804,916	699,200	760,903	760,903	0	760,903	760,903	0
Total Costs	\$1,381,774	\$1,354,859	\$1,393,138	\$1,456,374	(\$63,236)	\$1,391,146	\$1,452,823	(\$61,677)
<b>Fund Sources</b>								
General Fund	289,485	297,704	296,205	323,749	(27,544)	295,807	322,993	(27,186)
Federal Revenue Fund	1,092,288	1,057,155	1,096,933	1,132,625	(35,692)	1,095,339	1,129,830	(34,491)
Total Funds	\$1,381,774	\$1,354,859	\$1,393,138	\$1,456,374	(\$63,236)	\$1,391,146	\$1,452,823	(\$61,677)

**Page References**

LFA Budget Analysis (Vol. II) p. B-81  
 Stephens' Executive Budget pp. B-46 to B-47

**Current Level Differences**

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees removed 2.15 FTE and associated personal services costs.

MINOR OPERATING COST, EQUIPMENT, AND INFLATION DIFFERENCES

TOTAL CURRENT LEVEL DIFFERENCES

FUNDING—Section 110 operating and benefit costs are funded 21.3% general fund and 78.7% federal funds. Some benefits are funded 100% from the general fund and some benefits are funded 100% from federal funds.

FUNDING ISSUE—The LFA current level uses the most recent federal funding match (noted above). The executive current level uses the rate previous to the update (21.17% state funds).

**Budget Modifications**

None.

**Language**

HOUSE BILL 2 LANGUAGE—The department is authorized to transfer funds between appropriations for the vocational rehabilitation and visual services programs.

Exec. Over(Under) LFA  
 Fiscal 1994 Fiscal 1995

(59,597) (59,005)

(3,639) (2,672)

(63,236) (61,677)

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1/25/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

		Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
Position #	Position Description/County	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
10050*	Training and Dev. Spec. IV	4,947	4,952	0.15		0.15	
13030	<del>Admin. Aide/Driver</del> <i>Counselor</i>	15,224	15,235	0.50		0.50	
13042*	Orientation and Mobility Spec.	29,023	29,045	1.00		1.00	
13070	Secretary	10,886	10,895	0.50		0.50	
Adjustment to tie to LFA/Exec. Difference		(483)	(1,122)				
Subtotal All or Partial General Fund		\$59,597	\$59,005	2.15	0.00	2.15	0.00
Non- General Fund Positions							
	None						
Subtotal		0	0	0.00	0.00	0.00	0.00
TOTAL		\$59,597	\$59,005	2.15	0.00	2.15	0.00

\*Positions also included in joint committee action to remove positions vacant 12/29/92.

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EXHIBIT 4  
DATE 1/25/93

## DEPT SOCIAL &amp; REHAB SERVICES

## Developmental Disab Program

## Program Summary

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	41.25	43.25	42.75	44.25	(1.50)	42.75	44.25	(1.50)
Personal Services	1,252,550	1,373,145	1,468,664	1,519,276	(50,612)	1,471,430	1,522,082	(50,652)
Operating Expenses	301,116	308,945	312,376	304,992	7,384	316,299	306,794	9,505
Equipment	14,484	10,081	13,052	13,052	0	12,902	12,902	0
Grants	19,308	16,000	19,000	19,000	0	19,000	19,000	0
Benefits and Claims	<u>28,178,262</u>	<u>33,231,137</u>	<u>35,769,308</u>	<u>34,792,162</u>	<u>977,146</u>	<u>35,769,308</u>	<u>34,792,162</u>	<u>977,146</u>
Total Costs	\$29,765,722	\$34,939,308	\$37,582,400	\$36,648,482	\$933,918	\$37,588,939	\$36,652,940	\$935,999
<b>Fund Sources</b>								
General Fund	11,804,682	13,840,737	15,321,147	15,290,440	30,707	15,636,754	15,531,404	105,350
Federal Revenue Fund	<u>17,961,040</u>	<u>21,098,571</u>	<u>22,261,253</u>	<u>21,358,042</u>	<u>903,211</u>	<u>21,952,185</u>	<u>21,121,536</u>	<u>830,649</u>
Total Funds	\$29,765,722	\$34,939,308	\$37,582,400	\$36,648,482	\$933,918	\$37,588,939	\$36,652,940	\$935,999

**Page References**

LFA Budget Analysis (Vol. II) p. B-82 to B-83  
 Stephens' Executive Budget p. B-47 to B-48

**DISCUSSION DRAFT****Current Level Differences**

5% PERSONAL SERVICES REDUCTION—The joint House Appropriations and Senate Finance and Claims committees removed 1.5 FTE and associated personal services costs.

(50,611) (50,658)

RENT—The executive includes a higher amount for rent of non-Department of Administration buildings than does the LFA.

5,906 7,769

**OTHER OPERATING AND INFLATION DIFFERENCES**

1,477 1,742

BENEFIT LEVEL—The LFA has a lower total level of benefits than the executive. The LFA annualized program expansions authorized by the 1991 Legislature using the 1993 appropriation as a base. The executive annualized benefit expansions using the fiscal 1992 actual expenditures. The LFA current level also reduced federal authority for which the department did not receive cash grants in fiscal 1992, because the department can request a budget amendment if it receives new or additional federal funding above the level anticipated by the legislature. The executive continues the fiscal 1992 level of federal authority. The department notes that in fiscal 1993 it has received an additional \$xxx,xxx in federal authority above the fiscal 1992 level of expenditures for the Part H program.

977,146 977,146

BENEFITS FUNDING MIX —The LFA general fund is lower as a percent of benefits than the executive current level. Both the executive and LFA include general fund to offset the drop in the LIAEP grant amount that can no longer be transferred to the program (\$635,196 in fiscal 1994 and \$862,436 in fiscal 1995). However, the LFA continues the fiscal 1993 general fund match forward, adjusting for annualization of benefit expansions in fiscal 1993. The executive uses the estimated general fund match rate for fiscal 1994 and 1995. So the executive general fund amount is higher due to a larger amount of federal funds to match and a higher match rate than the LFA.

(62,140) (135,570)  
general fund(915,006) (841,576)  
federal funds**TOTAL CURRENT LEVEL DIFFERENCES**

ADMINISTRATION FUNDING—Program administration is a mix of funding depending with general fund comprising 40.9% in fiscal 1994 and 41.1% in fiscal 1995 and the balance of administration costs federally funded.

BENEFITS FUNDING—Some benefits are 100% federally funded and some are fully state funded. Title XIX benefits require a state match at the FMAP rate. Part H requires a general fund match of

**Budget Modifications**

DD CASE MANAGEMENT—The executive proposes to transfer DD case management from the Department of Family Services to SRS. The executive does not include the transfer in its budget request to the legislature.

have the funding and FTE associated with the transfer been presented for legislative consideration.

**Language and Other Issues**

POSITIONS VACANT 12/92—The joint House Appropriations and Senate Finance and Claims committees removed 1.0 vacant FTE.

32,678

32,703

HOUSE BILL 2 LANGUAGE—The department may pursue funding under the federal ICF/MR program for additional intensive service slots funded by the 1991 Legislature if the federal government fails to approve adequate medicaid waiver funding under the home and community-based waiver program.

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1/25/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

		Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
Position #	Position Description/County	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
14061*	Program Officer II	17,630	17,646	0.50		0.50	
14184	Administrative Officer III	32,981	33,013	1.00		1.00	
14105	Administrative Officer II	32,678	32,703		1.00	1.00	
Adjustments to tie to LFA/Exec. Differences		1	(7)				
Subtotal All or Partial General Fund		\$83,290	\$83,355	1.50	1.00	2.50	0.00
Non - General Fund Positions							
	None					0.00	
Subtotal		0	0	0.00	0.00	0.00	0.00
TOTAL		\$83,290	\$83,355	1.50	1.00	2.50	0.00

\*FTE also included in joint committee action to remove positions vacant 12/29/92.

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1/25/93

DEPT SOCIAL & REHAB SERVICES  
Program Summary

## Develope Disab Advis Council

Budget Item	Current Level Fiscal 1992	Current Level Fiscal 1993	Executive Fiscal 1994	LFA Fiscal 1994	Difference Fiscal 1994	Executive Fiscal 1995	LFA Fiscal 1995	Difference Fiscal 1995
FTE	3.00	3.00	2.00	3.00	(1.00)	2.00	3.00	(1.00)
Personal Services	79,014	77,456	68,585	90,583	(21,998)	68,638	90,656	(22,018)
Operating Expenses	44,707	51,899	56,583	56,583	0	56,510	56,510	0
Benefits and Claims	<u>225,514</u>	<u>227,500</u>	<u>295,307</u>	<u>273,309</u>	<u>21,998</u>	<u>295,327</u>	<u>273,309</u>	<u>22,018</u>
Total Costs	\$349,236	\$356,855	\$420,475	\$420,475	\$0	\$420,475	\$420,475	\$0
<b>Fund Sources</b>								
Federal Revenue Fund	<u>349,236</u>	<u>356,855</u>	<u>420,475</u>	<u>420,475</u>	<u>0</u>	<u>420,475</u>	<u>420,475</u>	<u>0</u>
Total Funds	\$349,236	\$356,855	\$420,475	\$420,475	\$0	\$420,475	\$420,475	\$0

Page References

LFABudget Analysis (Vol. II) p. B-84  
Stephens' Executive Budget p. B-48

Current Level Differences

5% PERSONAL SERVICES REDUCTION--The joint House Appropriations and Senate Finance and Claims committees removed 1.0 FTE and associated personal services costs from agency budgets.

BENEFITS--The Stephens' budget shifts the funds removed from operating costs to benefits, resulting in a higher benefit budget than the LFA current level.

ALLOCATION OF GRANT FUNDS--The LFA and executive current level budgets include the same grant amount. The difference between the budgets is the allocation of funds. The Stephens' budget allocates 70% of the grant to benefits, while the LFA allocates 65% of the grant to benefits. Federal regulations require that at least 65% of the grant be expended for grants and benefits. Amounts allocated to operating costs can be shifted to benefits, but amounts budgeted in benefits may not be shifted to operating costs. The Racicot budget adopts the LFA allocation of grant funds between operating and benefits costs.

FUNDING--The program is entirely federally funded.

Budget Modifications

REINSTATE 5% PERSONAL SERVICES REDUCTION--The Racicot budget includes modifications to reinstate non-general fund FTE removed in compliance with section 13 of House Bill 2. This budget modification would add 1.0 FTE and associated personal services costs.

Language

None.

Exec. Over(Under) LFA  
Fiscal 1994 Fiscal 1995

(21,998) (22,018)

21,998 22,018

21,998 22,018

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DATE 1/25/93

Positions Removed by Joint Committee Action  
House Appropriations & Senate Finance and Claims  
January 6, 1993

Position #		Position Description	Total Personal Services		FTE Removed by		Total FTE Removed	Non-Approp. FTE
			Fiscal 1994	Fiscal 1995	5% Reduct.	Being Vacant		
All or Partial General Fund Positions								
	None						0.00	
Subtotal			0	0	0	0	0	0.00
Non-General Fund Positions								
15020	Clerical		21,998	22,018	1.00		1.00	
Subtotal - 5% Reduction			\$21,998	\$22,018	1.00	0.00	1.00	0.00
TOTAL			\$21,998	\$22,018	1.00	0.00	1.00	0.00

\*FTE also included in action of joint subcommittees to remove positions vacant as of 12/29/92.

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1/25/93

**HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER**

Humor Services

COMMITTEE

BILL NO.

H133

DATE 1-25-93

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Brian McCallough	Labor & Industry	✓	
DENNIS ZEIER	LABOR & INDUSTRY	✓	
/ John Chappman	SRS		
Shirley Salamy	GF Tribune		
Wilbur Johnson	Polymers & Plastics Services	✓	
Rose Kibuka	M. Service Co. Inc.		
Bob J. H.	MT. ...		
Bob Boss	M. ...	✓	
Anna Rose	...	✓	
Tony ...	SRS		
...	SRS ...		
...	CHC		

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HOUSE OF REPRESENTATIVES  
VISITOR'S REGISTER

Human Services

COMMITTEE

BILL NO. H.B. 3

DATE 1-25-23 SPONSOR(S) \_\_\_\_\_

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NAME AND ADDRESS	REPRESENTING	SUPPORT	OPPOSE
Jim Melsted	DHES		
Steve Pilcher	DHES		
Jack Long	SRE		
Bob Robinson	DHES	✓ Supplemental	
Ray Hoffman	DHES	✓	
Doug Matthews	DAS		
JESSE MUNRO	DFS		
Dr. Dwayne Ward	Mt. Low Income Coalition		
JUDITH CARLSON	HRDC DIR ASSN + MT CTD SOCIAL WORKERS		
Donald L. Herr	Mental Health	✓	
Joe Jacob	MLC		

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