

MINUTES

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

JOINT SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By **CHAIRMAN JOHN COBB**, on February 1, 1993, at
7:00 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: DEPARTMENT OF FAMILY SERVICES
Executive Action: DEPARTMENT OF SOCIAL AND REHABILITATION
SERVICES

**EXECUTIVE ACTION ON DEPARTMENT OF SOCIAL AND REHABILITATION
SERVICES**

Tape No. 1:Side

EXHIBIT 1

Motion/Vote: SEN. WATERMAN moved to approve the transfer of day
care administration to SRS from DFS. Motion **CARRIED** unanimously.

Motion/Vote: CHAIRMAN COBB moved to approve an increase in the
contract for psychiatric utilization review for the Medicaid
benefits in DFS. Motion **CARRIED** unanimously.

Motion/Vote: CHAIRMAN COBB moved to accept the budget
modification for state medical cost containment in the Medicaid

Motion/Vote: SEN. KEATING moved to approve the budget modification for Medicaid claims processing. Motion FAILED with CHAIRMAN COBB, REP. KASTEN, and REP. WANZENRIED voting no.

Motion/Vote: SEN. KEATING moved to approve TEAMS facility management in the Office of Management Analysis and Systems. Motion FAILED with CHAIRMAN COBB, REP. KASTEN, and REP. WANZENRIED voting no.

Motion/Vote: SEN. WATERMAN moved to approve additional FTE 100% federal money for Disability Determination Program. Motion CARRIED with REP. KASTEN voting no.

Motion/Vote: SEN. WATERMAN moved to restore five-percent reduction - 100% federal for Disability Determination Program. Motion CARRIED with CHAIRMAN COBB and REP. KASTEN voting no.

Motion/Vote: SEN. WATERMAN moved to approve the LFA budget for using UI/Admin taxes to match federal funds for Project Work. Motion CARRIED with SEN. KEATING and REP. KASTEN voting no.

Motion/Vote: SEN. WATERMAN moved to restore the five-percent personal services reduction in the Family Assistance program. Motion CARRIED with CHAIRMAN COBB and REP. KASTEN voting no.

Motion/Vote: SEN. WATERMAN moved to restore .75 FTE in the Family Assistance program. Motion CARRIED with CHAIRMAN COBB and REP. KASTEN voting no.

Motion/Vote: SEN. WATERMAN moved to restore five-percent personal services in DD PAC. Motion CARRIED with REP. KASTEN voting no.

Motion/Vote: SEN. KEATING moved to transfer the network fees from the child support enforcement program to the Office of Management Analysis and Systems. Motion CARRIED unanimously.

Motion/Vote: SEN. WATERMAN moved that postage be budgeted at the executive level in the child support enforcement program. Motion CARRIED unanimously.

Motion/Vote: SEN. WATERMAN moved to accept rent inflation cost at executive level in the child support enforcement program. Motion CARRIED with REP. KASTEN voting no.

Motion/Vote: SEN. WATERMAN moved to accept equipment costs for the child support enforcement program. Motion CARRIED with REP. KASTEN voting no.

Motion/Vote: SEN. WATERMAN moved to transfer contracted services to personal services to hire FTE in child support enforcement program. Motion FAILED with CHAIRMAN COBB, SEN. KEATING, and REP. KASTEN voting no.

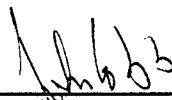
HEARING ON DEPARTMENT OF FAMILY SERVICES

Mr. Hank Hudson, Administrator, Department of Family Services, presented this item. EXHIBIT 2

Ms. Jeanne Kemmis and Ms. Kate Mrgudic, Montana Council for Families EXHIBIT 3; Ms. Joan-Nell Macfadden, Department of Family Services State Council EXHIBIT 4; SEN. DOROTHY ECK and REP. ROYAL JOHNSON appeared before the committee.

ADJOURNMENT

Adjournment: 11:15 A:M



JOHN COBB, Chairman



BILLIE JEAN HILL, Secretary

JC/bjh

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: 57 personnel services Reduction
DB DAC

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: Postage moved to Expedient
Child Support Enforcement

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1 BILL NO. _____ NUMBER _____

MOTION: Inflation
Rent - no accept exec level
Child Engagement

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: Move to accept Erection
Equipment Child Enforcement

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	✓	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	✓	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		✓
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: Local assistance more approval
trans of Contracted services funds to personal
services. Child Support Enforcement

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN		X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING		X
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

fails

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-90 BILL NO. _____ NUMBER _____

MOTION: 57⁶ ~~pers~~ Network fees -
trans to office of Mgmt Analysis & Systems
from Child Support Enforcement

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	✓	
SEN. CHRIS CHRISTIAENS	✓	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	✓	
REP. DAVID WANZENRIED	✓	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL

DATE 2-1-97

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB, CHAIRMAN	✓		
SEN. MIGNON WATERMAN, VICE CHAIR			
SEN. CHRIS CHRISTIAENS	✓		
SEN. TOM KEATING	✓		
REP. BETTY LOU KASTEN	✓		
REP. DAVID WANZENRIED	✓		

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: Day Care Admin & SRS from
DFS

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION:

*Psychiatric Utilization Review
Medicaid Program*

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: State Medical Cost Containment
Medicaid Program

NAME	AYE	NO
Rep. Cobb	X	
Sen. Waterman	X	
Sen. Christaens	X	
Sen. Keating	X	
Rep. Kasten	X	
Rep. Wanzhner	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: Meliod Claims Processing

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN		X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED		X

fails

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: Deans Facility Mgmt moved
into mgmt, analysis and sys.

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN		X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED		X

fails

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: Additional FTE

1027 Res money D Determination

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: Restore 5% reduction H
100% del Disability Determination

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN		X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

Pass

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: John P.

Projects work Program/UT Admin

Proj Match use LFA instead of

Domily Assis Proj & F monies.

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING		X
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

Passed

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: 57⁰ Reston personal services reduction

Reston
Family Assis Prog

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN		X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN		X
REP. DAVID WANZENRIED	X	

HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

ROLL CALL VOTE

DATE 2-1-93 BILL NO. _____ NUMBER _____

MOTION: 3/4 FTE - restore
Domestic Assis Progr

NAME	AYE	NO
REP. JOHN COBB, CHAIRMAN	X	X
SEN. MIGNON WATERMAN, VICE CHAIRPERSON	X	
SEN. CHRIS CHRISTIAENS	X	
SEN. TOM KEATING	X	
REP. BETTY LOU KASTEN	X	X
REP. DAVID WANZENRIED	X	

~~X~~ passed

6901 05 00000 DEPT SOCIAL & REHAB SERVICES Program Summary		Child Support Enforcement							
		Current Level		Executive			LFA		
		Fiscal 1992	Fiscal 1993	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	
Budget Item									
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		<u>10,542</u>	<u>35,000</u>	<u>11,000</u>	<u>0</u>	<u>11,000</u>	<u>11,000</u>	<u>0</u>	<u>11,000</u>
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		<u>3,002,268</u>	<u>4,263,268</u>	<u>4,230,215</u>	<u>4,390,358</u>	<u>(160,143)</u>	<u>4,512,922</u>	<u>4,403,768</u>	<u>109,154</u>
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
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

...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.

INCREASED COMMUNICATION COSTS— 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

RESTORE 5% REDUCTION— This budget modification would restore 6.42 FTE removed by the joint House Appropriations and Senate Finance and Claims committees. 160,923 161,457

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

POSITIONS VACANT 1-29-92— 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

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 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 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.

EXHIBIT 1
DATE 2/1/93

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	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.

01/18/93

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2/1/93

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							
	None					0.00	
Subtotal		0	0	0	0	0	0.00
Non-General Fund Positions							
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.

01/15/93
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EXHIBIT 1
2/1/93

DEPT SOCIAL & 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	<u>13,332</u>	<u>16,019</u>	<u>31,700</u>	<u>16,500</u>	<u>15,200</u>	<u>31,700</u>	<u>16,500</u>	<u>15,200</u>
Total Costs	\$6,192,331	\$1,096,947	\$6,448,502	\$6,701,285	(\$252,783)	\$6,474,718	\$6,714,334	(\$239,616)
Fund Sources								
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	<u>3,031,085</u>	<u>500,752</u>	<u>3,159,831</u>	<u>3,346,622</u>	<u>(186,791)</u>	<u>3,172,674</u>	<u>3,351,796</u>	<u>(179,122)</u>
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. (263,643) (263,878)

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. 15,200 15,200

MINOR OPERATING COST AND INFLATION DIFFERENCES (4,340) 9,062

TOTAL CURRENT LEVEL DIFFERENCES (252,783) (239,616)

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. 61,442 61,645

2/1/93

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	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	4,547,713	4,088,707	259,006
Equipment	27,356	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)
Fund Sources								
General Fund	60,702,428	60,753,737	78,566,822	79,475,980	(909,158)	88,991,604	90,501,776	(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

	Exec. Over(Fiscal 1994)	(Under) LFA Fiscal 1995
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. 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. 43,300	(24,466)	
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, 3 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	161,233
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		

2/1/93

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

2/1/93

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 funds during the 1995 biennium.

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

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.

(313,725) (311,125)

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.

75,000 75,000

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.

(639,509) (639,509)

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.

(639,509) (639,509)

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.

(310,352) (304,647)

DOXYGEN— 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.

(155,072) (238,739)

REDUCE OUTPATIENT HOSPITAL REIMBURSEMENT TO 93% AND 98.3%— The Racicot budget proposes to reduce reimbursement for outpatient hospital costs to 98.3% 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.

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

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.

2/1/93

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% 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--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 \$530,153) and the deposit of these funds in the general fund, \$630,795 in fiscal 1992 and \$485,102 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.

The department is authorized to transfer funds among appropriations for medicaid primary care, medicaid nursing care, medicare 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 residents transferred and any cost savings achieved as a result of the transfers.

(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 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).

2/1/93

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		
<i>All or Partial General Fund Positions</i>							
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
<i>Non-General Fund Positions</i>							
	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.

01/15/93

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2/1/93

DEPT SOCIAL & 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)
Fund Sources								
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)

2/1/93

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:							
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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EXHIBIT 1
DATE 2/1/93

DEPT SOCIAL & REHAB SERVICES
Program Summary

Administrative & Support Svs

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	<u>7,993</u>	<u>30,464</u>	<u>31,382</u>	<u>27,571</u>	<u>3,811</u>	<u>31,382</u>	<u>27,670</u>	<u>3,712</u>
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	<u>1,559,335</u>	<u>1,631,167</u>	<u>1,716,199</u>	<u>1,706,891</u>	<u>9,308</u>	<u>1,650,962</u>	<u>1,641,877</u>	<u>9,085</u>
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.

(57,385) (57,561)

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

(10,283) (10,283)

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.

(23,366) (23,366)

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.)

86,702 86,702

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.

3,811 3,712

(622) (394)

OTHER MINOR DIFFERENCES IN OPERATING COSTS AND INFLATION

(87,845) (87,892)

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.

62,556 62,610

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		
<i>All or Partial General Fund Positions:</i>							
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
<i>Non-General Fund Positions</i>							
	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.

01/15/93

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2/1/93

DEPT SOCIAL & REHAB SERVICES
Program Summary

Office Of Mgmt, Analy & Syst

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	71,720	89,591	89,250	89,267	(17)	87,493	87,527	(34)
Total Costs	\$8,039,354	\$8,253,960	\$8,349,794	\$8,629,733	(\$279,939)	\$8,260,364	\$8,436,184	(\$175,820)
Fund Sources								
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	5,173,866	4,852,042	4,709,374	4,676,528	32,846	4,592,270	4,540,708	51,562
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.

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

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:

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.)

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

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.

MINOR DIFFERENCES IN OPERATING AND EQUIPMENT COSTS

TOTAL CURRENT LEVEL DIFFERENCES

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

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

(58,439) (58,542)

15,541 15,554

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

(500,000) (364,516)

150,000 214,516

26,670 99,196

489 972

(279,939) (175,820)

EXHIBIT

DATE

2/1/93

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 1
DATE 2/11/93

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	5% Reduction	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.

01/20/93

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EXHIBIT 1
DATE 2/1/93

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	<u>5,757,300</u>	<u>6,286,833</u>	<u>6,066,766</u>	<u>6,164,514</u>	<u>(97,748)</u>	<u>6,066,766</u>	<u>6,164,514</u>	<u>(97,748)</u>
Total Costs	\$8,301,340	\$8,843,825	\$8,706,401	\$8,859,317	(\$152,916)	\$8,714,025	\$8,862,820	(\$148,795)
Fund Sources								
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	<u>6,462,548</u>	<u>6,894,635</u>	<u>6,660,601</u>	<u>6,798,465</u>	<u>(137,864)</u>	<u>6,666,442</u>	<u>6,801,250</u>	<u>(134,808)</u>
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.

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.

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.

MINOR COST AND INFLATION DIFFERENCES**TOTAL CURRENT LEVEL DIFFERENCES**

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.

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

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

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

(68,686) (68,758)

18,213 16,595

(97,748) (97,748)

(4,695) 1,116

(152,916) (148,795)

459,614 116,288

5,176 1,310

565,414 593,683

... (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.

DATE 2/1/93

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:							
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.

01/16/93
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2/1/93

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)
Fund Sources								
Federal Revenue Fund	<u>2,844,899</u>	<u>2,774,452</u>	<u>3,098,778</u>	<u>3,167,237</u>	<u>(68,459)</u>	<u>3,169,764</u>	<u>3,238,286</u>	<u>(68,522)</u>
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

2/1/93

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:							
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.

01/16/93
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EXHIBIT 1
 2/1/93

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)
Fund Sources								
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.

Exec. Over(Under) LFA
Fiscal 1994 Fiscal 1995

(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

EXHIBIT 1
DATE 2/1/93

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:							
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.

2/1/93

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)
Fund Sources								
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) Fiscal 1994	LFA Fiscal 1995
(59,597)	(59,005)
(3,639)	(2,672)
(63,236)	(61,677)

2/1/93

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	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	Admin. Aide/Driver	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.

01/21/93
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2/1/93

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
Fund Sources								
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,

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

3/11/93

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.

EXHIBIT 1
DATE 2/1/93

Developmental Disabilities Division
 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:							
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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EXHIBIT 1
 DATE 2/1/93

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	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
Fund Sources								
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 1.0FTE and associated personal services costs from agency budgets.

(21,998) (22,018)

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.

21,998 22,018

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.

21,998 22,018

Language

None.

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

FRONT 1
 DATE 2/1/93

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.

01/16/93

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EXHIBIT

DATE 2/1/93

EXHIBIT 1
DATE 2/1/93

Executive Budget Modifications

EXHIBIT
DATE 2-1-93

Social & Rehabilitation Services

Budget Modification	P G	Fiscal 1994				Fiscal 1995		Committee Action
		FTE	General Fund	Total Funds	FTE	General Fund	Total Funds	
1 Local JOBS Match	01	0.00	\$0	\$1,100,000	0.00	\$0	\$1,650,000	
2 Food Stamp Outreach	01	0.00	0	157,349	0.00	0	157,349	
3 AFDC At-Risk Day-Care	01	0.00	0	1,176,774	0.00	0	1,176,774	
4 General Assistance Work Program	01	0.00	522,142	698,569	0.00	522,142	698,569	
5 GA Payment At 32% Of Poverty	01	0.00	(520,596)	(520,596)	0.00	(520,596)	(520,596)	
6 Daycare Administration To SRS	01	0.00	0	2,800,492	0.00	0	2,800,767	
7 Continue Non-Assumed Co. BA	03	6.00	0	170,787	6.00	0	170,888	
8 Restore 5% Reduction - A	03	10.25	0	236,323	10.25	0	236,792	
10 Additional FTE	05	14.00	0	0	14.00	0	0	
11 Increased Communication Costs	05	0.00	0	45,990	0.00	0	49,240	
12 Restore 5% Reduction - C	05	6.42	0	160,923	6.42	0	161,457	
14 Medicaid Managed Care	07	1.00	(1,059,198)	(3,850,244)	1.00	(1,387,072)	(4,858,840)	
15 Pyschiatric Utilization Review	07	0.00	(103,525)	(417,250)	0.00	(106,125)	(417,250)	
16 State Medical Cost Containment	07	0.00	75,000	75,000	0.00	75,000	75,000	
17 Medicaid Claims Processing	07	0.00	69,300	277,200	0.00	69,300	277,200	
18 Medically Needy Cost Savings	07	0.00	(1,691,500)	(639,509)	0.00	(1,691,500)	(639,509)	
20 Teams Facility Management	09	0.00	0	0	0.00	74,926	149,853	
20A Restore 5% Reduction - TDD	09	0.20	0	3,549	0.20	0	3,553	
22 MSED Administration	10	0.00	0	5,176	0.00	0	1,310	
23 MSED Benefits	10	0.00	0	459,614	0.00	0	116,288	
24 MonTECH Administration	10	0.00	0	6,098	0.00	0	6,403	
25 MonTECH Benefits	10	0.00	0	565,414	0.00	0	593,683	
26 Funding Switch	10	0.00	244,027	0	0.00	433,944	0	
28 Additional FTE	11	3.00	0	78,339	3.00	0	78,414	
29 Restore 5% Reduction - H	11	<u>2.50</u>	<u>0</u>	<u>68,475</u>	<u>2.50</u>	<u>0</u>	<u>68,534</u>	
Totals		43.37	(\$2,464,350)	\$2,658,473	43.37	(\$2,529,981)	\$2,035,879	

NOTE: Items in this table are explained on pages B-55 to B-59 in the LFA Budget Analysis (Vol.II).
The number and title of the items listed ties to the number and title of items discussed in the budget analysis.
The Racicot amendments to the Stephens budget removed budget modifications to reinstate general fund FTE removed to comply with section 13 of House Bill 2. Those budget modifications are not listed in this table.

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Vacant FTE Removed from SRS Budget DATE 2-1-93

Social & Rehabilitation Services

SB _____
Fiscal 1995

Reinstatement of FTE	P G	Fiscal 1994			FTE	Fiscal 1995		Committee Action
		FTE	General Fund	Total Funds		General Fund	Total Funds	
1 Assistance Payments	01	0.75	\$6,052	\$18,684	0.75	\$6,057	\$18,702	
2 Non-Assumed Counties Eligibility Staff	03	6.50	0	144,373	6.50	0	144,503	
3 Administrative and Support Services	04	3.00	22,520	40,036	3.00	22,164	40,446	
4 Child Support Enforcement	05	1.00	0	42,570	1.00	0	42,603	
5 State-Assumed Counties Eligibility Staff	06	2.50	30,758	30,684	2.50	30,872	30,773	
6 Medical Assistance	07	3.00	46,270	46,270	3.00	46,297	46,297	
7 Office of Management and Analysis	09	1.00	0	33,892	1.00	0	33,918	
8 Vocational Rehabilitation	10	3.00	19,934	73,653	3.00	19,951	73,715	
9 Developmental Disabilities Division	14	1.00	13,365	19,313	1.00	13,441	19,262	
10 DDPAC	15	<u>1.00</u>	<u>0</u>	<u>22,998</u>	<u>1.00</u>	<u>0</u>	<u>22,018</u>	
Totals		22.75	\$138,899	\$472,473	22.75	\$138,782	\$472,238	

NOTE: This table lists FTE vacant 12/29/92 and removed by the joint House Appropriations and Senate Finance and Claims committees. The executive is requesting reinstatement of these FTE.

THE AMOUNTS SHOWN IN GENERAL FUND AND TOTAL FUNDS COLUMNS ARE ESTIMATES. ANY SUBCOMMITTEE ACTION TO REINSTATE FTE SHOULD IDENTIFY THE FTE BY POSITION NUMBER AND LET THE BUDGET SYSTEM CALCULATE THE CORRECT PERSONAL SERVICES REDUCTION.

EXHIBIT 1DATE 2/1/93

7

6901 01 0000 DEPT SOCIAL & REHAB SERVICES Program Summary		Family Assistance			DATE <u>2-1-93</u> SB _____			
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	64,662,351	68,198,992	71,718,696	73,005,993	(1,287,297)	73,143,299	74,410,595	(1,267,296)
Transfers	<u>685,175</u>	<u>777,897</u>	<u>914,428</u>	<u>823,143</u>	<u>91,285</u>	<u>914,428</u>	<u>823,143</u>	<u>91,285</u>
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)
Fund Sources								
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	<u>50,580,734</u>	<u>53,405,008</u>	<u>56,528,149</u>	<u>56,676,969</u>	<u>(148,820)</u>	<u>57,302,896</u>	<u>57,477,543</u>	<u>(174,647)</u>
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

	Exec. Over(Under) LFA Fiscal 1994	Fiscal 1995
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 (\$89,722 each year) 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)

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. (68,253) (68,253)

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) (810,325)

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) (2,298,356)

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. (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 agency. 2,800,492 2,800,767

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

2000 2/1
 2/1/93

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.

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		
<i>All or Partial General Fund Positions:</i>							
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
<i>Non-General Fund Positions:</i>							
	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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EXHIBIT 1
DATE 2/1/93

DEPT SOCIAL & REHAB SERVICES
Program Summary

Medicaid Services

EXHIBIT

DATE 2-1-95

Budget Item	Current	Current	Executive	LFA	Difference	SB	LFA	Difference
	Fiscal 1992	Fiscal 1993	Fiscal 1994	Fiscal 1994	Fiscal 1994	Executive	Fiscal 1995	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)
Fund Sources								
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. 13 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 29.5% 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 s during the 1995 biennium.

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

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.

(313,725) (311,125)

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.

75,000 75,000

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.

277,200 277,200

MEDICALLY NEEDY COST SAVINGS — 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 Stephens estimates that general fund expenditures will be reduced by about \$1.7 million each year of the biennium. Updated information allowed the Racicot amendments to the Stephens' budget to increase general fund savings of the initiative by \$640,649 each year of the biennium. The executive budget includes the budget modifications as expenditure reductions. However, the fiscal note for HB309 that implements the initiative lists cost increases of \$3.8 million (\$1.1 million general fund) over the biennium with offsetting revenue increases to the general fund of \$4.7 million. The executive also includes 1.0 FTE and \$85,031 personal services and operating costs over the biennium to implement the proposal.

(1,280,158) (1,280,158)

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.

(300,000) (300,000)

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.

(155,072) (238,739)

BROAD BASE NURSING HOME BED TAX—The Stephens' Executive Budget includes an initiative to levy

EXHIBIT 1
DATE 2-1-93
SB _____

the nursing home bed tax on all beds. The 1991 Legislature approved the bed tax for beds paid for by third 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.

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SB

Language and Other Issues

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

(92,540) (92,593)

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.

NURSING HOME AGREEMENT/RATE INCREASE—The executive budget does not include funds to support a negotiated increase for nursing home reimbursement. The initiative to broad base the nursing home bed tax will not generate sufficient revenue to cover the negotiated increases. Alternatives the subcommittee may consider are:

1. Appropriate funds to cover the negotiated increase and endorse no revenue enhancements;
2. Appropriate funds to cover the negotiated increase and endorse an increase in the proposal to broad base the bed tax (the department estimates that an increase of 55 cents per day per bed would offset the negotiated increase);
3. Request the department identify sufficient savings or cost reduction measures to offset the increase;
4. Take no action.

A part of the negotiated increase is estimated to cost \$983,654 general fund and \$2,410,597 in fiscal 1994 and \$1,001,304 general fund and \$2,392,947 federal funds in fiscal 1995. Additional federal funding

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

6901 09 00000 DEPT SOCIAL & REHAB SERVICES Program Summary		Office Of Mgmt. Analy & Syst							DATE 2-1-93
									SB
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)	
Fund Sources									
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:

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

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

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

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

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.)

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DATE 2-1-93
SB _____

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.

3,549

3,553

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 from the SEARCHS program.

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 the system. The department may not proceed with development 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.

DEPT SOCIAL & REHAB SERVICES
Program Summary

Developmental Disab Program

EXHIBIT

DATE

2-1-93

Budget Item	Current	Current	Executive	LFA	Difference	Executive	LFA	Difference
	Level	Level	Executive	LFA	Difference	Executive	LFA	Difference
	Fiscal 1992	Fiscal 1993	Fiscal 1994	Fiscal 1994	Fiscal 1994	Fiscal 1995	Fiscal 1995	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
Fund Sources								
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

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.

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

OTHER OPERATING AND INFLATION DIFFERENCES

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 \$283,028 in federal authority above the fiscal 1992 level of expenditures for the Part H program.

TOTAL CURRENT LEVEL DIFFERENCES

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 medicaid 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.

General fund differences:

Federal funds differences:

ADMINISTRATION FUNDING--Program administration is a mix of funding depending on the function, 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.

Medicaid-eligible benefits require a state match at the FMAP rate. Part H requires the state to fund 100% of the required services once federal grant funds are expended.

Budget Modifications

Exec. Over(Under) LFA
 Fiscal 1994 Fiscal 1995

(50,611) (50,658)

5,906 7,769

1,477 1,742

977,146 977,146

933,918 935,999

62,140 135,570

915,006 841,576

DD CASE MANAGEMENT--The executive proposes to transfer DD case management from the Department of Family Services to SRS. The executive will discuss the proposal in more detail during the hearings for the Department of Family Services.

EXHIBIT 1
DATE 2-1-93
SB _____

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 OF ANY OR ALL EXISTING ELIGIBLE STATE GENERAL FUNDED SERVICES 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.

EXHIBIT 2
DATE 2-1-93
SB _____

OVERVIEW

MONTANA DEPARTMENT OF FAMILY SERVICES

PRESENTED TO THE

**APPROPRIATIONS - FINANCE AND CLAIMS
JOINT SUBCOMMITTEE ON
HUMAN SERVICES AND AGING**

53RD LEGISLATURE

Helena, Montana
February 1993

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INTRODUCTION

On July 1, 1993, the Department of Family Services will celebrate its 6th birthday. The first 6 years of the department's life has been a period of increased caseloads and limited availability of financial resources. Regardless of these challenges, the department is proud of its accomplishments and is looking forward to a continuing leadership role in providing human services in Montana.

Through the history of the department and also through the testimony you will be hearing during the next two weeks, a number of themes will become apparent. First, the department is built on faith in the ability of people to change. Families that are struggling can learn to do better. Youth that are in crisis can learn to succeed.

A second theme is that the solution to the challenges facing Montana's families must be found within the families, within the communities and within the state. Finally the Department of Family Services is not the answer in itself. The answer lies with the department working together with families, the legislature, other agencies, and all the communities of Montana.

During this time of financial difficulties, our challenge is to identify the opportunities and move forward.

LEGAL BASE

The Department of Family Services was created by the 1987 Legislature on the recommendation of a citizen council. Section 2-15-2401, MCA. The purpose of the department is to reduce duplication and fragmentation of services to youth, families, and senior citizens by creating a department that shall develop and maintain consolidated programs and services, within available resources, and a planned continuum of services to:

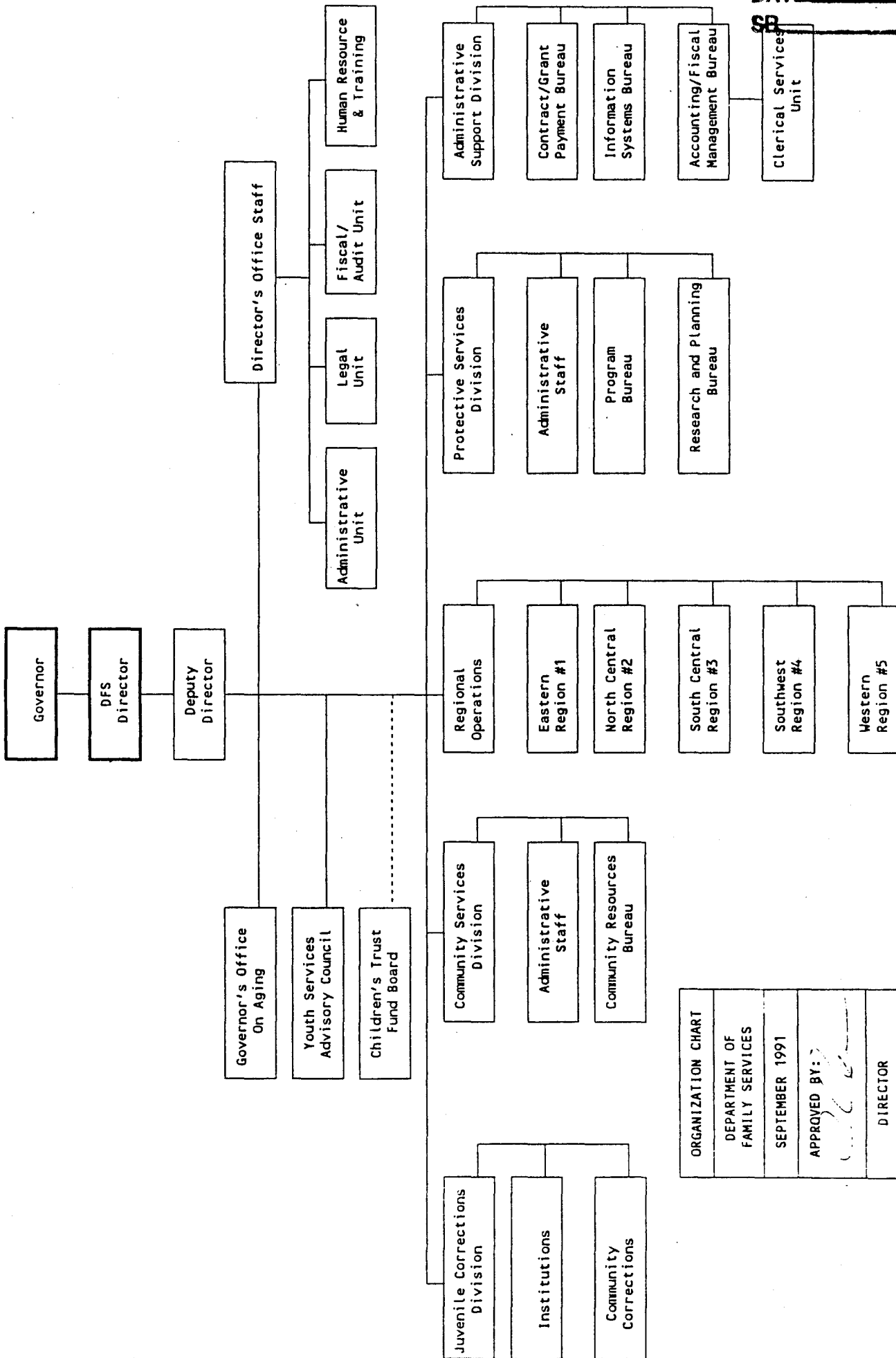
- (1) provide protective services to ensure the health, welfare, and safety of children and adults who are in danger of abuse, neglect, or exploitation within communities;
- (2) provide for the care, protection, and mental and physical development of youth alleged to be youth in need of supervision or delinquent youth who are referred or committed to the department; and
- (3) provide supportive services to enable senior citizens to maintain their independence.

AGENCY ORGANIZATION

The department uses a regional management structure, with the state divided into five regions. Regional operations is responsible to administer:

- protective services to children and adults;
- licensing of youth care facilities, day care facilities, adult foster homes and DD community group homes; and
- case management to individuals with developmental disabilities

The juvenile corrections program provides services to delinquent youth at Mountain View School in Helena and Pine Hills School in Miles City. Community corrections services are provided to youth discharged from the institutions by Youth Parole Officers located in seven areas.



ORGANIZATION CHART
DEPARTMENT OF FAMILY SERVICES
SEPTEMBER 1991
APPROVED BY: <i>[Signature]</i>
DIRECTOR
<i>[Signature]</i>
GOVERNOR

HISTORY

Prior to 1987, the responsibility for health, welfare and protection of Montana's children had been fragmented among several state agencies and their local counterparts. In 1987, the Department of Family Services (DFS) was created by the Legislature following recommendations by the Governor's Council on the Reorganization of Youth Services. The DFS now provides community-based services to the elderly, disabled, youths, and families in need of assistance. In particular, DFS has the primary responsibility for providing protective services to children or youths who may be abused or neglected.

The following pages provide a chronological review of the Department of Family Services. What can we learn from this historical perspective?

A great number of studies and administrators have reached common conclusions:

- Families in crisis must be helped as early as possible or their problems will only become more severe and expensive.
- A variety of services are required to meet the individual needs of youth and families, in order to reunite the family.
- Local involvement is essential in developing services that meet local needs and have broad-based support.
- The Department will continue to struggle with crucial policy decisions without a Management Information System.
- The mental health and treatment needs of youth in Montana are much broader than just the issues facing children in the custody of the Department. Addressing those needs is essential to a successful youth and family service system and requires teamwork among many groups.

A further review of the Department's history indicates the need for a period of continuity and well-planned action on the numerous issues already identified.

A HISTORY OF THE MONTANA DEPARTMENT OF FAMILY SERVICES

- September 18, 1985 At a speech to the Montana Correctional Association, Governor Schwinden announces that he will "appoint an advisory council to review the existing youth justice system and prepare recommendations to the 1987 Legislature."
- November 18, 1985 The Council on Reorganization of Youth Services is appointed and charged with "recommending ways to reorganize and improve the delivery of services to Montana's problem youth." Gary Buchanan, an investment broker in Billings, serves as chair. Executive Order No. 13-85.
- September 17, 1986 Report to the Governor from the Council on Reorganization of Youth Services is released, recommending "a new department which consolidates...youth institutional programs, the child protective services program, the aftercare program, and the youth court probation services." The report recommends "local youth services planning boards within each multi-county service area to ensure a broad based community plan with community-based support and to develop a local plan for children and youth services in their area."
- January 20, 1987 HB 325 to create a new Department of Family Services and establish local youth services advisory councils is introduced by Rep. John Mercer, et al.
- April 24, 1987 HB 325, amended to exclude youth court probation services, is signed into law by Governor Schwinden.
- July 1, 1987 The Department of Family Services is implemented. Governor Schwinden appoints Gene Huntington as the first director. SRS's Community Services Division, and the Department of Institutions' two youth correctional facilities (Pine Hills and Mountain View) and aftercare services program form the core of the new department. Field operations are organized under five regions.
- An 18-member State Youth Services Advisory Council is appointed, with Jim Canan, retired BIA administrator from Billings, as chairman. Ten seven-member local youth services advisory councils are also appointed.

- November 6, 1987 Governor Schwinden tells the first Local Youth Services Council Conference, "Your advice will determine the direction of the Department of Family Services and shape the services we provide our troubled youngsters."
- September, 1988 Local youth services advisory councils present their objectives to the department in the FY'89 Youth Services State Plan.
- October, 1988 The department's newsletter reports "In its first year of operation, Family Services came in just 1% below its \$31 million budget."
- January, 1989 The Stephens' Administration commences.
- Leon Houglum, Billings, is appointed as director, but Governor Stephens withdraws Houglum's nomination.
- Garry Rafter, retired Superintendent of Schools from Hobson, is appointed as chair of the State Council.
- January 27, 1989 Bob Mullen, Richland County Commissioner, is appointed as director.
- April, 1989 Through HB 100, the Human Services Joint Subcommittee directs the department to "develop a plan for the implementation of a continuum of youth services for the State of Montana to be presented to the 52nd Montana Legislature."
- May 19, 1989 HB 200, the Montana Child Care Act, is signed into law. The legislation designates DFS as the lead agency for day care and establishes a Child Care Advisory Council appointed by the Governor.
- June, 1989 The FY 90 Youth Services State Plan is published.
- October 6, 1989 The Office of Budget and Program Planning releases its final FY 90-91 General Fund Reversion Targets. The department is to revert \$1,294,151 for the biennium.
- December 13, 1989 Meeting in Billings, the State Youth Services Advisory Council and local chairs establish seven major priorities for the department.
- March 30, 1990 Governor Stephens initiates a three-month study of the department, headed by Dennis Taylor, saying "We are absolutely determined that no youth in need of service goes without that, or that any child is neglected or hurt because the state doesn't live up to its responsibilities."

- April 30, 1990 Hank Hudson, Montana's Aging Coordinator, is named interim director of the department.
- July 5, 1990 Taylor presents his Report to the Governor and Human Services Subcabinet on ways to improve child and family services in Montana and to strengthen the Department of Family Services. The report concludes that "Montana's child and family services are stretched to breaking point."
- July 9 & 10, 1990 The Governor's Conference on Children, Youth and Families is held in Helena. Most participants believe that Montana needs a separate state agency devoted to children's services.
- August 28, 1990 Governor Stephens commits to continue the department and presents a "ten-point program aimed at solving serious organizational and services delivery problems" within the department.
- October 1, 1990 Tom Olsen, Project Director of Children, Youth and Family Services for the Texas Health and Human Services Coordinating Council, is appointed as the department's fifth director.
- December, 1990 The HB 100 Report concludes that the department is adequately serving the great majority of children receiving services, but needs an additional 190 FTEs and a comprehensive management information system.
- January, 1991 A federal Department of Justice team investigates conditions at Pine Hills School for Boys in response to a civil rights complaint.
- April, 1991 Through HB 3, the legislature approves FY 90-91 supplemental requests for foster care and Native American placements (\$968,773); Mountain View (\$32,251); and Pine Hills (\$72,583).
- April, 1991 The legislature appropriates \$905,000 to the department for the biennium to begin the design, purchase and implementation of a Management Information System. (The January 1992 Special Session reduced this amount by \$260,750.) Department staff increase by 6 state office FTEs, 8 field staff, 5 institutional staff, and 2.75 FTEs with additional flexibility in staffing for DD targeted case management.
- May, 1991 HB 2 mandates the department to develop a continuum of services plan to be presented to the legislative finance committee in 1991. The goal of the plan is to develop a comprehensive child welfare system by July 1, 1993.

- May 15, 1991 HB 977, transferring state funding for the Medicaid Inpatient Psychiatric Under 21 Program from SRS to DFS, is signed into law.
- July 1, 1991 The department is reorganized to include two new divisions: Community Services and Juvenile Corrections. Community Services is responsible for development of the continuum of services, and Juvenile Corrections for the juvenile correctional facilities, youth detention, aftercare and community-based corrections programs.
- July 1991 The department applies for and is awarded a \$2.5 million a year federal Day Care Development Block grant.
- August 9, 1991 Rep. Royal Johnson, an investment broker and farmer from Billings, is appointed as Chairman of the State Youth Services Advisory Council by Governor Stephens.
- September 30, 1991 Governor Stephens issues an executive order reducing the FY92 funding of executive branch agencies to cover an anticipated \$105 million deficit. For DFS, this represents a \$2,273,989 cut.
- October, 1991 DFS awards contracts to four private agencies to provide targeted case management services to Montanans over 16 with developmental disabilities, who live in rural areas.
- December 2, 1991 The department announces the availability of \$1,038,389 in federal Child Care Block Grant funds to help low-income families pay for child care.
- January 6, 1992 A legal challenge to the Governor's authority to cut agency budgets leads to a special legislative session, which approves a \$2,202,939 supplemental for foster care. The net outcome for the department is a \$659,943 increase for FY 92, and an \$877,389 decrease for FY 93. Funding for the management information system is reduced by \$260,750 with the understanding that the project will be undertaken in-house rather than contracted to the Department of Administration.
- The department issues a completely revised Children's Services policy manual.
- January 28, 1992 First meeting of an interagency Refinancing task force created to study refinancing options for human services and education in Montana.
- April 15, 1992 Governor Stephens creates a 15-member Family Services Advisory Council chaired by Joan-Nell Macfadden of Great Falls. The former

Youth Services Advisory Council becomes the Juvenile Justice State Advisory Council.

- April 23, 1992 First meeting of the Juvenile Corrections task force, a group brought together to advise the department as it redesigns Montana's juvenile corrections system. Center for the Study of Youth Policy staff attend and agree to provide technical assistance.
- May 4, 1992 The department issues an RFP for technical assistance to develop a comprehensive refinancing package.
- May 14, 1992 Governor Stephens announces his plan to "make agency reorganization a part of the budget process." The plan would combine SRS and DFS into one Department of Human Services, and return juvenile corrections to a Department of Corrections. DFS is required to submit a joint Human Services FY 94-95 budget request to the Governor's Budget Office.
- June 15, 1992 Mountain View School expands its youth evaluation program to accommodate boys. Director Tom Olsen notes that shifting the evaluation of boys from Pine Hills to Mountain View is "one of the first steps in a major overhaul of Montana's juvenile corrections system."
- July 6, 1992 The legislature meets in special session to consider the Governor's proposal to raise \$116 million to balance the state's budget by mid-1993. The department's budget is unchanged.
- July 6, 1992 Mountain View School takes another step toward becoming a fully coeducational campus. Boys are accepted as regular commitments.
- July 29, 1992 The State Family Services Advisory Council holds its first meeting. The Council decides to seek legislation to make the existence of such a council mandatory, and to assume an advocacy role for local services needs.
- October, 1992 The federal report of the findings from the investigations of civil rights violations at Pine Hills is released to the Governor and DFS. No formal legal action is taken, pending department reforms.
- November 9, 1992 Federal Department of Justice investigators arrive at Mountain View School to evaluate conditions in response to a civil rights complaint.

November 12, 1992 Meeting in Billings, the State Family Services Advisory Council adopts seven goals to guide their efforts to improve services and assist the department. The Council decides to send a letter relating to services for the seriously emotionally disturbed to the Racicot Administration, suggesting that responsibility for these services belongs in one agency, that being DFS.

November 23, 1992 Governor-elect Marc Racicot nominates SRS deputy director Hank Hudson as DFS director.

Department of Family Services
 Budget Summary

<u>FY 92 Actual:</u>	<u>FTE</u>	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Management Support	43.50	2,136,408	4,801,905	6,938,314
Field Services	336.95	6,622,703	4,723,360	11,346,344
Corrections	205.90	6,203,641	713,012	6,916,654
Community & Protective Services	15.00	16,059,491	7,297,134	23,356,627
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Total	599.60	31,022,245	17,535,694	48,557,940

Budget Issues:

FTE Reductions - 5% Reduction 29.85 FTE (33 positions - 870,000 total 770,000 GF/yr.) Vacant positions 12/29/92 = an additional 21.25 FTE (24 positions - 616,000 total 545,000 GF/yr estimated)

Budget Modifications - These are not included in LFA Budget -

MIS - 2 FTE and Biennium cost of 876,937 - 625,867 GF

Juvenile Corrections - 0 FTE Biennium cost of 632,000 - 500,000 GF

County Operating Costs - 0 FTE Biennium cost of 1,222,544 - 1,039,162 GF

Foster Care - Executive budget has request for an additional 1,755,920 - 1,336,080 GF for the biennium to continue therapeutic programs started in FY92. The LFA budget includes these new programs and funds case load growth of 3% in FY94 and 2% in FY95. The LFA budget is 1,163,346 above the executive.

Drug & Alcohol Treatment - The executive requests funds this program with driver license reinstatement fees. Due to the lack of legislation, this money is not available. To continue at current level, 426,600 of GF will be needed.

GF Supplementals FY 93 -

Corrections	204,244	
Foster Care	2,218,171	(increased 1,000,000)
Residential Treatment	2,590,252	(increased 2,211,000)
Inpatient Treatment	<u>1,808,171</u>	(increased 590,000)
Total	6,810,838	

Increase in Inpatient & Residential Treatment Match For FY 94 & 95 - Projected increases in inpatient and residential treatment match for FY94 and FY95 due to current caseloads.

Inpatient Treatment	1,282,087
Residential Treatment	<u>4,542,227</u>
	5,826,314

DIVISION REPORTS

ADMINISTRATIVE SUPPORT DIVISION

Doug Matthies, Administrator

Division Overview:

The Administrative Support Division is responsible for the accounting, budgeting, reporting and data processing functions for the department, and provides clerical support for the state office. The division's three bureaus perform the following functions:

- Accounting and Fiscal Management Bureau: Staff: 7
 - budgeting;
 - the payment process; and
 - state and federal reporting.
- Contract, Grants and Payment Bureau: Staff: 7
 - payments for foster care and other contracted service providers;
 - fiscal management of subcontractors and subgrants; and
 - management information relating to foster care, contracts and grants.
- Information Systems Bureau: Staff: 6
 - management of data processing resources for the entire department;
 - development and maintenance of automated systems for both fiscal and programmatic applications; and
 - providing technical support to all department staff.

The clerical unit's five staff provide administrative services to state office staff.

Administrative Support Division Goals:

- to ensure prompt and accurate processing of payments to foster care and other service providers, and to ensure that payments are processed according to state and federal regulations;

- to ensure that financial transactions are recorded in such a way as to assure the integrity of the accounting system, and to comply with state and federal laws and regulations;
- to provide timely, accurate accounting and administrative information to assist DFS staff in monitoring budgets and to provide reliable information about department activities;
- to revise division policies, procedures and informational capacity to respond to the changing needs of the regions and state office due to changes in state or federal regulation or statutes; and
- to furnish current computer technology, develop effective information systems and provide other related services to enable DFS staff to use their time more efficiently.

COMMUNITY SERVICES DIVISION
Charlie McCarthy, Administrator

Division Overview:

The Community Services Division (CSD) is responsible for development of and monitoring the continuum of care and services for children and youth. This system-wide responsibility requires a close working relationship with education, mental health, juvenile corrections and other state and local public agencies.

The CSD state office is responsible for: 2 FTE

- establishing priorities, issuing requests for proposals and awarding contracts for new state-level services in the continuum;
- providing technical assistance to state agencies, DFS field staff and direct service providers;
- issuing annual contracts with family-based services, group care providers, child care agencies and residential treatment centers;
- maintaining the department's classification model and rate matrix for all youth care facilities under contract with DFS;
- collecting information from regional offices on all youth placed out of state by DFS or youth court probation offices; and
- promoting the development of in-state resources to meet the needs of youth who would otherwise be placed out of state.

The CSD field staff are responsible for: 4 FTE

- assessing and coordinating existing services in identified communities, ranging from prevention and in-home family-based services through alternatives to inpatient psychiatric hospitals and youth correctional institutions;
- identifying gaps in service and initiating community responses to fill those gaps;
- identifying problems within the service delivery system and working within DFS and with other agencies to find solutions;
- developing new services, where needed, and providing technical assistance or grant writing expertise to local agencies who desire to change or expand their program to better meet the needs of children, youth and families;

- providing program-specific training, as needed; and
- monitoring DFS contracts with local providers of family-based services, therapeutic foster care, group homes and child care agencies.

Community Services Division Goals:

- to improve the continuum of services and care for children and youth in Montana;
- to develop a state plan for the continuum of services and care for children and youth in Montana;
- to identify gaps in the continuum of services and care, and develop new facilities and programs to fill those gaps;
- to identify and resolve issues of the cost of services and care in the continuum; and
- to develop state and local agency linkages for planning, funding and monitoring the system of care and services.

The following is a list of licensed facilities that fall within the continuum of services and care presently provided for children in Montana:

**DEPARTMENT OF FAMILY SERVICES
LICENSED YOUTH FACILITIES**

Attention Homes and Receiving Homes (45 days or less)

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Shelter Care Facility	Bozeman	10	0-18
Discovery House	Anaconda	8	10-18
Children's Receiving Home	Great Falls	12	0-18
Ewing Place	Helena	8	10-18
Runaway Attention Home	Great Falls	8	12-18
Attention Home	Missoula	12	12-18
Watson's Receiving Home	Missoula	12	0-12
White Buffalo Receiving Home	Browning	12	2-18
Yellowstone Co. Youth Srvc	Billings	15	12-17
Second Circle	Ronan	12	12-18

TOTALS: FACILITIES = 10 BEDS = 97 (36 RECEIV - 73 ATTEN)

Youth Group Homes (6 to 9 months)

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Aftercare Transition Home	Billings	7m	14-18
Bear Paw Youth Home	Havre	7	13-18
Elkhorn Mountain Youth Ranch	Jefferson City	8m	12-18
Flathead Co. Youth Guidance	Kalispell	8	13-18
Gallatin-Park Youth Guidance	Bozeman	8m	12-18
Last Chance Youth Home	Helena	8	15-18
Lake Co. Youth Guidance	Ronan	8	
Lincoln Co/Champion Yth Home	Libby	8	13-18
Missouri River Youth Services	Great Falls	8	12-18
9th Jud. Dist. Youth Guidance	Shelby	7	12-18
N. Mont. Youth Ranch Ind.Liv.	Whitewater	4m	16-18
N. Mont. Youth Ranch	Whitewater	8m	12-18
Open Gate Ranch	Trout Creek	12	
Opportunity House	Great Falls	8f	13-18
Riverview Homes	Wolf Point	8	6-14
Roy Group Home	Missoula	8	13-18
Swecker Group Home	Laurel	7m	13-17

TOTALS: FACILITIES = 18 BEDS = 132

Intermediate Level Facilities (9 months to 18 months)

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Concept 640 - AWARE	Butte	4	12-18
AWARE II	Butte	4	12-18
AWARE III	Butte	4	12-18
Achievement Place	Helena	8	12-18
Horizon Home	Billings	10f	12-18
Susan Talbot Yth Care Cen I	Missoula	8	12-18
Susan Talbot Yth Care Cen II	Missoula	8	12-18
Dennis Wear Community Home	Billings	9f	12-18
King Community Home	Billings	9m	12-19
REM Colton	Billings	4	12-18

TOTALS: FACILITIES = 10 BEDS = 68

Child Care Agencies (9 months to 18 months or longer)

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Intermountain Homes	Helena	24	4-18
Mission Mountain School	Condon	16	12-18
St. Labre (Native American)	Ashland	34	6-18

TOTALS: FACILITIES = 3 BEDS = 74 (34 for Nat. Amer. Youth)

Maternity Home

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Florence Crittenton	Helena	17f	8infants

TOTALS: FACILITIES = 1 BEDS = 17f & 8 infants

Youth Detention Facility

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Yellowstone Co. Youth Srvces	Billings	4	12-18
Flathead County	Kalispell	10	12-18

TOTALS: FACILITIES = 2 BEDS = 14

TOTAL GROUP CARE FACILITIES FOR YOUTH = 44 BEDS = 402

Therapeutic Foster Care Programs

<u>name</u>	<u>location</u>
East Mont Mental Health Center	Sidney/Glendive
Gold Triangle Ment Hlth Center	N. Central Mt
Missoula Youth Homes	Missoula
Youth Dynamics, Inc.	Billings and Bozeman
Intermountain Homes	Helena
In-Care Network	Billings
AWARE	Butte
West. Mt. Comm. Mental Hlth	Kalispell
STEP, Inc.	Billings

TOTAL THERAPEUTIC FOSTER CARE PROGRAMS = 9 (176 Licensed Homes)

FAMILY-BASED SERVICES PROGRAMS

Golden Triangle Mental Health Center	Great Falls
Friends to Youth	Missoula
Youth Dynamics, Inc. (2)	Billings/Bozeman
Hi-Line Homes	Sidney
DEAP	Miles City
Mental Health Services (2)	Helena/Butte
Western Montana Mental Health Center	Kalispell
District IV - HRDC	Havre

TOTAL FAMILY-BASED SERVICES PROGRAMS = 10 (200 Families/Year)

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES LICENSED YOUTH FACILITIES

RESIDENTIAL TREATMENT FACILITY

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Yellowstone Treatment Center	Billings	104	6-18
Shodair Residential Facility	Helena	24	6-13

TOTAL RESIDENTIAL TREATMENT FACILITIES = 2 BEDS = 128

INPATIENT PSYCHIATRIC HOSPITALS FOR INDIVIDUALS UNDER AGE 21

<u>name</u>	<u>location</u>	<u>#</u>
Rivendell of Billings	Billings	48
Rivendell of Butte	Butte	52
Shodair Hospital	Helena	20

TOTAL CHILD PSYCHIATRIC HOSPITALS = 3 BEDS = 120

GENERAL HOSPITAL WITH DESIGNATED CHILDRENS PSYCHIATRIC UNIT

<u>name</u>	<u>location</u>	<u>#</u>
Deaconess Hospital	Billings	20

TOTAL HOSPITALS WITH CHILD PSYCHIATRIC UNIT = 1 BEDS = 20

GENERAL HOSPITALS WITH PSYCHIATRIC BEDS FOR YOUTH

<u>name</u>	<u>location</u>
St. Patrick's	Missoula
St. Peter's	Helena
Deaconess Hospital	Great Falls

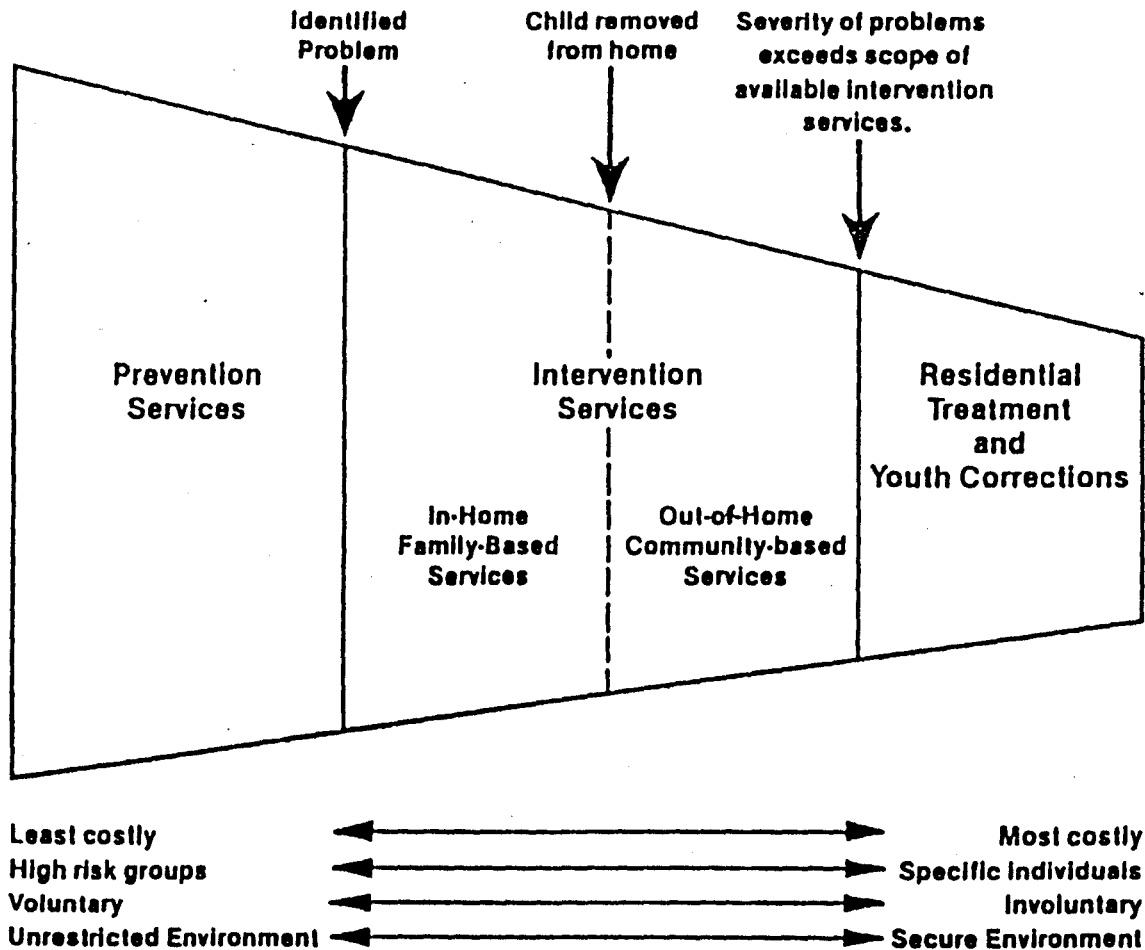
TOTAL GENERAL HOSPITALS WITH PSYCHIATRIC BEDS FOR YOUTH = 3

PSYCHIATRIC HOSPITAL WITH BEDS FOR YOUTH

Glacier View	Kalispell
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TOTAL PSYCHIATRIC HOSPITALS WITH BEDS FOR YOUTH = 1

AN OVERVIEW
OF
THE CONTINUUM OF SERVICES
IN
CHILDREN'S AND FAMILY SERVICES



Continuum of Services means the assistance provided by private or public agencies, or organizations to individuals and families. Services include but are not limited to education, mental health, health, corrections and social services. Services may be provided in the home, community or care facilities. The facilities vary from open, non-restrictive homes to closed, secure hospitals and institutions. Such facilities include, but are not limited to family homes, foster homes, group homes, child care agencies, residential treatment facilities, youth correctional institutions, and psychiatric hospitals.

JUVENILE CORRECTIONS DIVISION
Al Davis, Administrator

Division Overview:

Montana's youth courts refer approximately 400 youth to the Juvenile Corrections Division (JCD) each year. All referred youngsters are adjudicated juvenile delinquents who need services beyond those youth probation officers can provide. The Juvenile Corrections Division is responsible for institutional care and community-based aftercare or parole services for adjudicated delinquents. Currently, the Juvenile Corrections Division has two state office staff and provides the following programs:

- Pine Hills School: a 100-bed secure facility that provides clinical, academic, vocational and residential care services.
Staff: 118 Annual Budget: \$4.2 million
- Mountain View School: a 57-bed, medium security, residential care facility that provides clinical, academic, vocational and direct care services.
Staff: 68 Annual Budget: \$2.2 million
- Billings Transition Center: an eight-bed residential care home that provides life skills training and related services to youth preparing to return to their homes after commitment to a state correctional institution.
Staff: 5 Annual Budget: \$165,791
- Youth Evaluation Program: an eight-bed residential care facility responsible for providing care to youth who are being evaluated by order of the youth court.
Staff: 6 Annual Budget: \$134,622
- Community juvenile parole services (aftercare): Seven regionally placed workers are responsible for supervising and designing programs for youth released from the state correctional institutions.
Staff: 7 Annual Budget: \$205,768

The division is also responsible for providing court ordered evaluations, specialized juvenile sex offender treatment and interstate compact services.

Juvenile Corrections Division Goals:

- to design and implement an effective intake and referral system that includes the use of a reliable placement guideline instrument;

- to ensure that only those youth in need of secure care are committed to Montana's juvenile corrections institutions, and that those facilities offer the appropriate programs;
- to determine the need for, develop and fund a range of community-based services appropriate for juvenile corrections youth;
- to develop a regional case manager system to supervise corrections youth;
- to increase family involvement with juvenile corrections youth;
- to address the disproportionate representation of Native American youth in the juvenile corrections population;
- to assess the division's management structure, and better utilize and train staff to ensure organizational and program effectiveness;
- to coordinate and collaborate with other DFS divisions and regions, youth court workers, and other service providers to ensure service continuity and the best use of available resources; and
- to assure that existing funding is used in the most meaningful and efficient manner.

PROTECTIVE SERVICES DIVISION
Gary Walsh, Administrator

Division Overview:

The Protective Services Division's 14 staff members develop statewide rules, policies and procedures for:

- adult and children's protective services
- licensing
- state supplemental payments
- interstate compact on children
- day care
- foster care
- adoption
- case management

The division develops federally required state plans for child welfare services, youth with emotional disturbances and child care, and manages federal grants which total \$3,628,518 in fiscal year 1993:

	Federal \$
Basic Child Abuse & Neglect State Grant & Baby Doe Grant	129,401
Children's Justice Grant	71,060
Independent Living Grant	244,190
Child Care Block Grant	2,780,167
Domestic Violence Grant	160,000
Refugee grants (Job Links and Social Services)	193,700
Dependent Care Grant	50,000

The division also carries out routine administrative duties in the following areas:

- the fair hearing process
- audit clearance
- interstate compact on placement of children
- child trust accounts
- SSI state supplement payments

The Protective Services Division is comprised of two bureaus, the Program and Research & Planning bureaus.

- Program Bureau:
 - develops and implements policies for all DFS programs administered through the five regions, and
 - manages contracts for Big Brothers/Big Sisters and targeted case management for people with developmental disabilities.

- **Research & Planning Bureau:**
 - planning for family foster care, child day care and the refugee program;
 - measuring and evaluating the department's success in protecting clients and improving child day care; and
 - developing forms, checklists and other resources to assist department staff and contracted service providers.

Protective Services Division Goals:

- to provide consultation, technical assistance and training to regional administrators and social worker supervisors on policies and procedures;
- to increase the recovery of federal funds;
- to establish and implement a quality control system for case records management;
- to improve DFS services to Native Americans;
- to encourage permanent plans for children in the agency's care and custody for two years or longer;
- to coordinate and collaborate with SRS on child support, child care, services to individuals with developmental disabilities, and the Inpatient Psych program.

REGIONAL OPERATIONS DIVISION
Richard Kerstein, Administrator

Division Overview:

The Regional Operations Division is the department's newest division. Created as a distinct division in July 1992, Regional Operations encompasses the agency's five service regions:

- North Central Region
- Southwestern Region
- South Central Region
- Western Region
- Eastern Region

Every year, the Department of Family Services receives approximately 9,000 child abuse and neglect referrals affecting some 14,000 children. The department also receives approximately 1,500 reports of elder abuse, a number that is expected to grow rapidly in the near future. Of the division's 260 direct care staff, 63% are social workers, 12% are DD targeted case managers, and 25% are family resource specialists. They are responsible for:

- investigating all allegations of abuse and neglect of Montana's children and elderly;
- the direct provision of protective services to adults and children;
- case management services for adults with developmental disabilities; and
- licensing family foster homes, group homes, day care centers, child care agencies, adult foster homes, DD group homes, and child placing agencies.

Each region is administered by a regional administrator, and is afforded an equitable number of social workers to perform those protective service functions. Each region is advised by a Local Youth Services Advisory Council which serves as the link between local communities and the department. (There are three such councils in the Eastern Region.)

As part of its protective services responsibility, the Regional Operations Division manages the \$15 million foster care budget. This requires approving placements and authorizing financial payment for all children who are placed in family foster care, group care or residential treatment. This placement approval and payment authority covers placements made, not only by DFS social workers, but for children placed out of their homes by Montana's Youth Court (probation) staff.

Regional Operations Division Goals:

- to work with and, where necessary, reactivate and strengthen the local youth services advisory councils;
- to standardize procedures for managing the foster care budget;

- to develop regional prevention plans for the prevention of child abuse and neglect;
and
- to establish benchmarks/best practice standards for child protective services and adult protective services and assess staff allocation.

DIVISION ACCOMPLISHMENTS

Administrative Support Division FY 91-92:

- **Developed and implemented a billing system and procedures for case management services for adults with developmental disabilities.**
- **Coordination of Medicaid payments:** Division staff developed and implemented procedures to coordinate payments from the Medicaid program and DFS for under age 21 Inpatient Psychiatric and residential treatment.
- **Developed a new random moment time study to properly record and make the best use of federal funding sources for field staff.** In prior years DFS used the system developed by SRS. DFS developed a new system with appropriately weighted, in-depth questions that better reflect the functions of the field staff. The new system provides a more equitable method of determining the proper funding source, allows on-line computer entry of social worker activities, and provides immediate access to that information.
- **Installed personal computers in field offices throughout the state.** Division staff supported the state office computer network and two smaller networks (Mountain View and Aging), and provided technical assistance, support and training to field staff.
- **Developed a new computerized system to track youth placed under the Interstate Compact on Juveniles (ICJ).** The ICJ covers youth either placed in Montana from other states, or placed into another state by Montana.
- **Computerized a number of existing forms that were previously completed manually and distributed the computerized formats to local offices.**
- **Obtained a model information management system and prototype from the State of Iowa:** Division staff reviewed other state systems and determined that Iowa's design most closely matched Montana's technical requirements. The Iowa model will be used as the basis for refining our requirements and designing our database.
- **Implemented new accounting policies that are consistent throughout the department.** In addition, more training has been provided to personnel at all levels, with adequate supervision and review of work to help reduce errors.
- **Developed a system to properly record and track all DFS equipment.**
- **Prepared and implemented 117 contracts with day care providers expending funds received from the Day Care Block grant.**

- **Implemented contracts with Native American Tribes** for the provision of foster care services to IV-E eligible tribal children.

Community Services Division FY 91-92:

- **New family-based services programs:** Requests for proposals were issued and eight new contracts were awarded for family-based services programs in Billings, Bozeman, Butte, Great Falls, Havre, Helena, Kalispell and Missoula. Each program will serve 20 families annually and will prevent the out-of-home placement of at least one child or youth from 75% of the families served. The Division provided initial training through Homebuilders for all FBS staff in the state.
- **New therapeutic foster care programs:** Requests for proposals were issued and two new contracts were awarded for therapeutic foster care programs in southwestern and northwestern Montana. The programs will serve 12 youth. A new contract was awarded to In-Care Network, a therapeutic foster care program serving 4 Native American children.
- **Group home contracts issued:** An eight-bed home for boys who have completed chemical dependency treatment began operation in Jefferson City. A former foster care home in Trout Creek expanded its program and was approved as a 12-bed group home. An eight-bed group home in Helena expanded its program from a regular group home to an intermediate care facility. A new 16-bed child care agency in Condon was awarded a contract and will serve three or four additional youth who are placed by DFS or youth court probation.
- **Statewide on-site visits:** CSD staff visited all of the licensed youth group homes and child care agencies under contract with DFS this past year to obtain a clear profile of where each of the programs "fit" in the continuum of care, and provided technical assistance or consultation to several boards of directors and/or their staff.
- **Matching funds for AWARE facility:** The Division provided matching funds to enable AWARE, Inc., a provider of Intensive Therapeutic Group Care, to secure funding to build three new group homes in Butte. These homes serve 12 youth who would have been placed out of state.
- **Developed a single application for residential care:** The new single application was developed through the Public-Private Advisory Task Force and the Montana Residential Child Care Association and has been implemented by the department and provider agencies.
- **Developed a "Residential Care Resource Directory":** The new directory was developed, printed and disseminated to social workers, probation officers, other placing agencies and providers.

- **Collaborative initiative for emotionally disturbed youth:** CSD participated with the DFS Protective Services Division, the Mental Health Division of the Department of Corrections and Human Services (DCHS) and the Child and Adolescent Service System Project, on the development of a formal agreement and DFS and DCHS contracts with the Board of County Commissioners in Missoula county. The joint effort resulted in a "Missoula County Plan for Services for Seriously Emotionally Disturbed Children and Youth" which will guide state and local-level funding efforts for the continuum of services in Missoula County.

Juvenile Corrections Division FY 91-92:

- **Developed a plan to restructure Montana's juvenile corrections system:** The plan calls for a comprehensive, statewide classification system, reduced reliance on secure care facilities, and the creation of a range of community-based programs.
- **Created a bi-partisan task force** to assist the department in restructuring the juvenile corrections system. The task force includes representatives of Montana's legislature, judiciary, probation officers, and educational and mental health systems.
- **Engaged two national groups to provide technical assistance** to Montana's restructuring effort: the Center for the Study of Youth Policy and the American Correctional Association (ACA). The ACA will assist with financing and contracting issues. Center for the Study of Youth Policy consultants are assisting in the development of a placement guideline and in marketing aspects. Both groups are providing assistance at no cost to Montana.
- **Developed a Placement Guideline:** With the assistance of the Center for the Study of Youth Policy and the task force, the division has designed a classification instrument that will help judges and probation officers decide which youth are appropriate for placement in secure care.
- **Implemented SJS treatment guideline:** JCD adopted the "Strategies for Juvenile Supervision (SJS)" intervention guideline. The SJS assists staff in developing intervention plans for delinquent youth. Training was provided to division staff, probation officers, private care providers, and detention facility staff.
- **Reassigned staff to improve services:** Two half-time positions were reassigned to aftercare in high referral areas. A state office position was created to coordinate field services. Mid-management institutional staff were reassigned to direct care and quality control positions.
- **Improved staff training** by scheduling ongoing education for all institutional staff members.

- **Employed a full-time division psychologist** to assist in developing and enhancing institutional and community-based treatment programs. The psychologist will assist in identifying youth who are seriously mentally ill, and finding alternative, appropriate placements.
- **Implemented treatment teams in Pine Hills and Mountain View schools:** This multi-disciplinary approach improves staff coordination and ensures greater consistency in implementing treatment plans for youth.
- **Eliminated the 45-day evaluation program at Pine Hills School** by providing a coeducational evaluation program at Mountain View School. (Because the legislature required that DFS begin charging counties for evaluations, between July 1 and October 31, 1992, only six evaluations were requested, compared to approximately 40 for the same time period in previous years.)
- **Developed a system to address interstate compact demands:** The division implemented a system that more quickly and efficiently responds to receiving and sending states' requests.

Protective Services Division FY 91-92:

- **Increased Services to Native American families:**
 - DFS has negotiated & signed state/tribal agreements with all seven reservations so Native American children can meet federal requirements to receive federal foster care (IV-E) funding.
 - DFS has negotiated purchase-of-service contracts with tribes on four reservations allowing the tribes to hire staff to manage IV-E foster care services. The contracts allow DFS to carry out its legal mandate to serve eligible Native American children and greater utilization of federal funds. The contracts also allow tribes to hire staff and make payments to foster parents.
- **Revised Children Services and Administrative policy manuals:** The DFS policy manual had not been updated since the agency was created, a fact that was noted in legislative audits. The revision process included all levels of DFS field staff and focused on clarifying essential requirements. Legal cites were updated.
- **New format for policy training:** Under the new policy training format, regional administrators and supervisors are trained by central office staff. Supervisors then train their staff. On-site regional training allows supervisors the opportunity to clarify policy requirements, and encourages interaction between supervisors and central office staff.

- **Targeted Case Management for the Developmentally Disabled:** By implementing targeted case management for adults with developmental disabilities, Montana now has social workers and supervisors whose sole responsibility is to provide services to developmentally disabled individuals. This has resulted in lower caseloads, better services to clients, and the recovery of additional federal funds through Medicaid.
- **Child Care & Development Block Grant:** DFS successfully applied for a federal grant for \$2.5 million to improve and expand child care resources in Montana. The grant was designed to make child care available to low-income working families, and to improve the quality of child care services through provider training and training of DFS day care licensing and payment staff. Each month, the grant has provided day care assistance to the families of approximately 600 children.
- **Creation of Child Care Advisory Council:** The 1989 Legislature mandated that an advisory council be established for child care in Montana. DFS provides staff for the council, and has assisted in creating and distributing the state's first child care state plan, which includes recommendations on all aspects of child care.
- **Uniform sliding fee scale for all child care programs:** DFS and SRS collaborated to establish a uniform sliding fee scale for all child care programs requiring co-payment administered by the two agencies. The uniform sliding fee scale makes program administration easier and is less confusing to the families needing child care.
- **Statewide Resource & Referral agency coverage:** Child care Resource and Referral (R&R) agencies were expanded to cover every area of Montana. R&Rs help families find quality care, assist new child care providers, train child care providers, and determine families' eligibility for various day care programs. DFS funded a Resource and Referral Coordinator to standardize and improve the services available statewide.
- **VISTA volunteer mentor project and foster parent recruitment/retention project:** DFS received a grant from the federal government for VISTA volunteers to help older children in foster care prepare for independent living through a mentor program. VISTAs have also assisted in the recruitment and retention of family foster parents. Two hundred new foster families were recruited through efforts by VISTA volunteers.
- **Youth camp:** Through the federal Independent Living grant, a youth camp was held for foster children 16 years of age and older to further develop the skills needed to live independently.

- **Participation Agreement with the Montana Casey Program:** A private/public partnership agreement was signed between DFS and Casey Family Foster care program. Casey provides case management and supplemental services while DFS provides basic room and board. The agreement frees DFS staff and provides a permanent home for the child.
- **Post adoption services to adoptees of the Shodair program:** Montana Children's Home (Shodair) ceased being an adoption agency in 1992. DFS assumed responsibility for assuring that people adopted through that agency have access to background information from the records of the defunct agency.
- **Collaborative research with Montana State University:** DFS collaborated with Montana State University on a research project which provided important analysis of child abuse and neglect data from the state protective service information system. MSU graduate students and faculty were provided with an opportunity to work with real data to do research on behalf of children.

Regional Operations Division Accomplishments and Ongoing Initiatives:

Since the division was created in July 1992, its accomplishments are limited and are therefore included with the initiatives section.

- **Standardized foster care budget reporting:** Fiscal officers in each region have been trained to use a standardized reporting format which includes the date a child is placed and the cost, and which places greater emphasis on the date of discharge to allow more accurate and timely foster care budget predictions.
- **Redistribution of Staff/Service Benchmarks:**
 - Phase I (completed): Staff allocation in relation to the number of reports of both child abuse and neglect, and elder abuse, has been reviewed by region. Comparisons completed include the population of children and the elderly to the number of social workers assigned to each region; and the percentage of child abuse and neglect reports to the percentage of total staff in each region.
 - Phase II: This will entail an analysis of current staff use, comparing direct service, supervisory and administrative support staff.
 - Phase III: The final phase will be the reallocation and actual transferring of staff among regions as necessary to ensure an equitable distribution.
- **Development of regional prevention plans:** Much has been accomplished to further the department's philosophical belief that family support is a preferable protection system to child removal. Making the child's or the elderly person's own home safe is

both more cost effective and more therapeutically sound than the long-term removal of people, young or old, from their homes.

Notable prevention/family support initiatives include:

- **Contract with the Montana Council for Families (MCF)** for their direct assistance in developing regional prevention plans. MCF staff will meet with regional administrators and local youth services advisory councils in each region. Since the prevention of child abuse and neglect is, in the final analysis, the only solution to controlling the increase in demand for child abuse and neglect treatment services, each region needs to take an active role in collaborating with existing prevention agencies and organizations. The Montana Council for Families contract will allow regions to assume a lead role in facilitating the prevention planning process, culminating in the development of five regional prevention planning documents.
- **Formation of Billings Elder Abuse Prevention Chapter:** On October 19, 1992, the Billings chapter of the National Committee for the Prevention of Elder Abuse became the first such chapter formed in the United States. As such, the Billings group received some start-up funding from the U.S. Office on Aging. The Action Agency in Montana is currently interested in developing other projects similar to the VISTA project that led to the formation of the Billings chapter. It is hoped that the Billings model can be replicated throughout the state, and that elder abuse prevention programs can be instituted in each region.
- **Increased regional involvement in prevention networks:** Regional administrators will increase their involvement with local prevention networks, specifically the local prevention councils that operate in several communities throughout Montana (including Kalispell, Columbia Falls, Missoula, Butte, Helena, and Bozeman.) The Billings Prevention Council's volunteer community caring program this year received an award as the President's 868th Point of Light.
- **Regional involvement in formation of Healthy Start programs:** Based on the Hawaii Healthy Start model, prevention programs in a number of Montana communities are working toward establishing para-professional, family support programs. Western Montana and Bozeman are particularly active. Each region and the broader department need to support this activity and tie it into their prevention plans.

INTERAGENCY COORDINATION AND COLLABORATION

The Traditional Approach

Traditionally in human services, agency organization and program administration have dictated how services are provided. As funding at all levels has become tighter, the tendency has been to focus increasingly on the requirements of various funding sources, rather than on the needs of clients.

The Collaborative Approach

The Department of Family Services is working with other Montana human service agencies to ensure that the service system's primary focus is on the client. To do this, Montana's human service agencies must plan and operate on a much broader, system-wide basis. And they must cooperate to achieve a common goal -- the creation of a service system that will reduce the need for out-of-home care by developing more comprehensive community-based services that focus on the family.

Specific Accomplishments and Initiatives

1. Interagency Task Force on Refinancing (DCHS, DHES, DFS, OPI and SRS)

The Refinancing task force serves as a planning and monitoring vehicle, which prioritizes potential projects, ensures that progress is being made, and resolves any problematic issues. Joint cost containment initiatives include the following:

- Management of out-of-state placements of youth is being considered from the perspective of the total cost to the state, including educational costs.
- Rule changes to limit client eligibility for in-patient psychiatric care are also being considered.

Refinancing Initiatives include the following:

- Medicaid has been expanded to include therapeutic group and foster homes. By providing a higher level of care in the community, this provides children and their families with an alternative to residential treatment.
- The state Title IV-A plan has been amended, rules revised and training conducted to increase the number of clients served, primarily through increasing federal funding. Title IV-A Emergency Assistance funds will be used to cover part of the staff cost for child abuse and neglect investigations, with the increased federal recovery to begin in FY 93.

- An effort is also underway to make more children eligible for Social Security Income (SSI), and to thereby free state general fund for other services.

2. Services to Seriously Emotionally Disturbed Youth
(DCHS Mental Health Division, DFS Protective Services and Community Services Divisions, Missoula County and providers in the Missoula area)

Through a pilot project which began in Missoula in December 1991, community-based alternatives to higher levels of care are being developed for seriously emotionally disturbed youth. Planning for these services is being conducted at the local rather than the state level.

3. Case Management for Adults 16 and over with Developmental Disabilities
(SRS Developmental Disabilities Division, DCHS Special Services Division, and DFS Protective Services Division)

Under the coordinated case planning implemented in October 1991, case managers are able to "broker" services to ensure that clients are referred to the services they need. The emphasis of the program is on planning for each individual client, and to thereby ensure that the services provided effectively meet each client's needs.

4. Child Day Care
(DFS Protective Services Division and SRS Family Assistance Division)

- A jointly funded market rate study of day care rates will be used as the basis for rates for all state-paid child care programs, regardless of agency.
- The Governor's Advisory Council State Child Care plan focuses on improving the quality and affordability of child care.
- A joint effort has been made to ensure timely payment to providers on behalf of parents, and to enforce the requirement that some parents make a co-payment toward their day care costs.

CHALLENGE

The Department has identified several challenges which will be addressed in the next biennium. The work of this subcommittee and the legislature will be instrumental in meeting these challenges. Much of what we discuss these next two weeks will be an effort to address these topics.

1. Montana's youth service system is in need of basic reform. The goal of system reform is simply stated: to move toward a service system designed to reduce the need for out-of-home care by developing more comprehensive community-based services that focus on the family.

Implementing system reform is considerably more complex because it requires investing in services for children and families at the front end of the system, while continuing to serve those already in need of intensive services at the back end of the system.

2. The current system of financing inpatient and residential psychiatric treatment must be reassessed. We must have a policy which provides needed care, allows families to contribute fairly to the costs, and limits this service to youth who cannot be served in other settings. Inpatient and residential treatment must be part of a system, and all the system's key players must be involved in the design activities.

The medicaid issue is one piece of a larger issue. Specifically, how are we to meet the needs of Montana's youth who are severely emotionally disturbed? The answer to this question will require cooperation, careful experimentation, and a strong commitment to services in Montana in the least restrictive setting.

3. Montana's youth correction system has reached a crossroads. Its current institutional-based approach will no longer adequately address the number or needs of its clients. We must choose between building additional secure facilities or embracing a more therapeutic and community-based approach. The sooner this decision is made the more successful the transition will be. Past experience in adult mental health and corrections clearly points toward reform of this system.
4. The management structure of DFS must continue to evolve and improve. The Legislature must be clearly informed of the costs of developing and bringing on-line a management information system and the costs of delaying this project.

The Department will request the maximum flexibility possible in meeting reductions in operating costs. While no part of the Department can be reduced without impact, the direct care staff are operating with caseloads which should not be increased.

EXHIBIT 2
DATE 2-1-93
SB _____

Following the Legislative session, the Department will continue to review its regional structure to ensure uniform application of policy and the most efficient role for field administrative personnel.

REFORMING OUR APPROACH TO PROBLEMS OF
CHILDREN AND FAMILIES

Overview by Montana Council for Families
Kate Mrgudic and Jeanne Kemmis

- I. THE PRESENT SYSTEM DOESN'T WORK
- II. WE KNOW WHAT TO DO
- IV. PROGRESS TOWARD REFORM IN MONTANA
- V. CHARACTERISTICS OF EFFECTIVE PROGRAMS
- VI. THE NEXT STEP: HEALTHY START PILOT PROJECTS

THE PRESENT SYSTEM DOESN'T WORK

Substantiated cases of child abuse and neglect rose in Montana during the past 7 years by 35%.

A 1992 study of court records in Roosevelt, Sheridan and Daniels Counties show that 43% of juveniles adjudicated as delinquents have substantiated histories of child abuse or neglect.

One DFS region reported 6 deaths due to child abuse or neglect last year; 4 of those deaths involved children in the care of DFS at the time of death.

The cost of DFS foster care more than doubled in the past 5 years, moving from \$7.5 million per year to \$16 million in 1992.

If the nation had deliberately designed a system that would frustrate the professionals who staff it, anger the public who finance it, and abandon the children who depend on it, it could not have done a better job than the present child welfare system.

National Commission on Children,
"Rockefeller Report"

WE KNOW WHAT TO DO

National Commission on Children, "Rockefeller Report":

Marginal changes will not turn this system around. The Commission recommends a framework for a comprehensive, community-based, family-focused system that will lessen the need to place vulnerable children in substitute care by ensuring that their families have the necessary supports to raise them.

Joint Interim Subcommittee on Children and Families:

Montana's service system for children and families should be more focused on strengthening and supporting at-risk Montana families before problems arise, as well as on centering policies and resources primarily around families that have already developed severe problems or are in a crisis requiring public intervention.

Racicot Plan to Spur Montana Welfare Reform:

National research shows that the single most effective strategy for preventing child abuse is to provide parents with education and support at birth and infancy. A study conducted in 1985-1988 shows home based intervention with at-risk families as identified at the hospital at the time of birth -- was effective in preventing abuse in 99.8 percent of the families.

The cost of such intervention is \$3,000 per family as opposed to \$40,000 to \$50,000 for each out-of-state child placement. Research also shows that abuse occurs in 20 percent of the at-risk families who do not receive services.

Governor Marc Racicot, State of the State Address:

[D]ollars spent on families that have fallen apart will be spent keeping them together. While it may not be possible to provide new funds for these programs, managers who retrieve resources through better management will be allowed to reinvest those resources in services which keep families together...

MONTANA SPENDING ON CHILD ABUSE AND NEGLECT

4

FAMILY SUPPORT
(Prevention)

\$100,000

FAMILY PRESERVATION
(Family-Based Services)

\$500,000

FOSTER CARE

\$16 MILLION



DATE 2/1/99
SB

CONTINUUM OF STATE SERVICES FOR CHILDREN AND FAMILIES

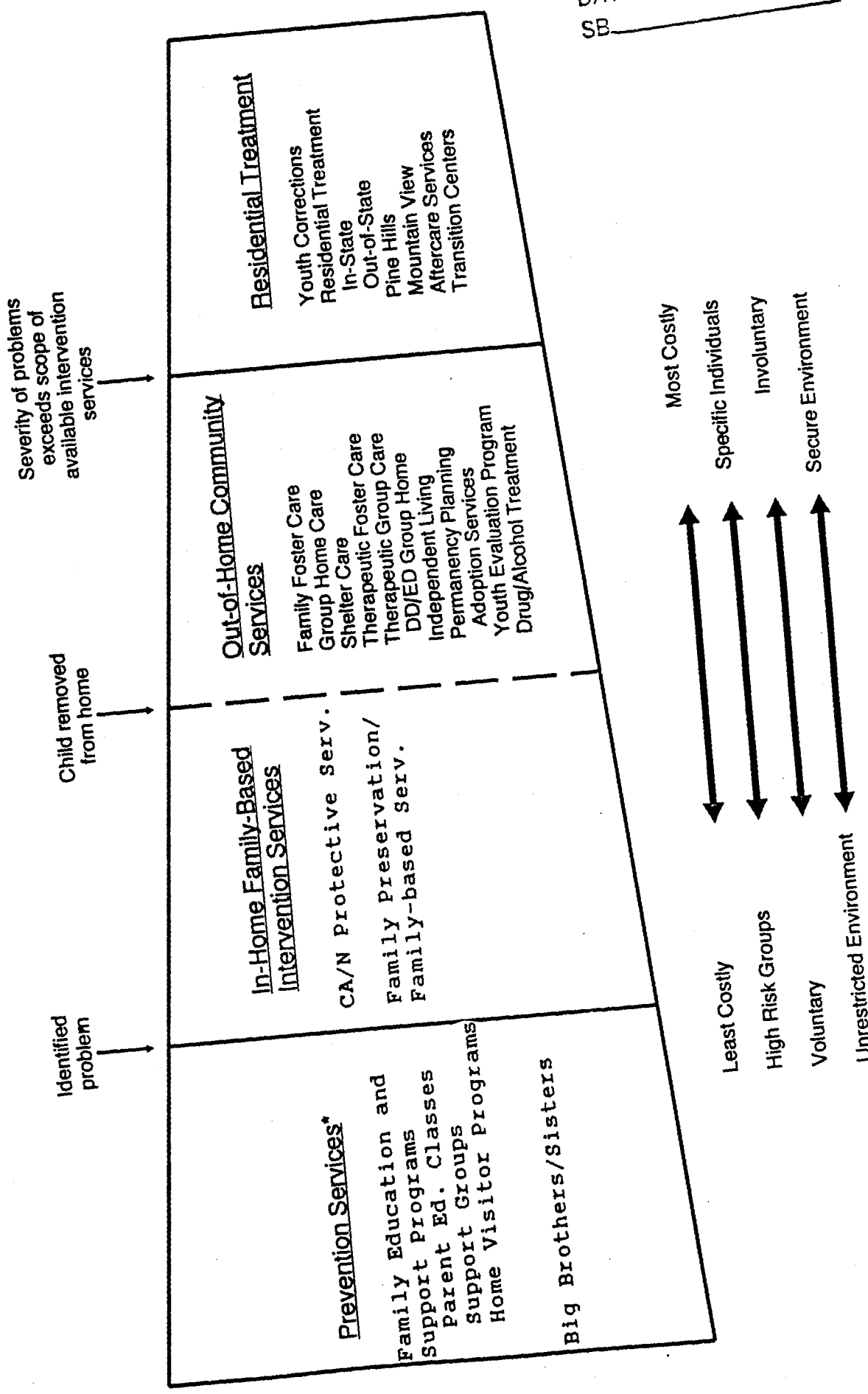


EXHIBIT 2
 DATE 2-1-93
 SB _____

* Areas targeted for study under HJR 54

EXHIBIT 3
DATE 2/11/93
SB _____

OVERVIEW

MONTANA DEPARTMENT OF FAMILY SERVICES

PRESENTED TO THE

**APPROPRIATIONS - FINANCE AND CLAIMS
JOINT SUBCOMMITTEE ON
HUMAN SERVICES AND AGING**

53RD LEGISLATURE

Helena, Montana
February 1993

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INTRODUCTION

On July 1, 1993, the Department of Family Services will celebrate its 6th birthday. The first 6 years of the department's life has been a period of increased caseloads and limited availability of financial resources. Regardless of these challenges, the department is proud of its accomplishments and is looking forward to a continuing leadership role in providing human services in Montana.

Through the history of the department and also through the testimony you will be hearing during the next two weeks, a number of themes will become apparent. First, the department is built on faith in the ability of people to change. Families that are struggling can learn to do better. Youth that are in crisis can learn to succeed.

A second theme is that the solution to the challenges facing Montana's families must be found within the families, within the communities and within the state. Finally the Department of Family Services is not the answer in itself. The answer lies with the department working together with families, the legislature, other agencies, and all the communities of Montana.

During this time of financial difficulties, our challenge is to identify the opportunities and move forward.

LEGAL BASE

The Department of Family Services was created by the 1987 Legislature on the recommendation of a citizen council. Section 2-15-2401, MCA. The purpose of the department is to reduce duplication and fragmentation of services to youth, families, and senior citizens by creating a department that shall develop and maintain consolidated programs and services, within available resources, and a planned continuum of services to:

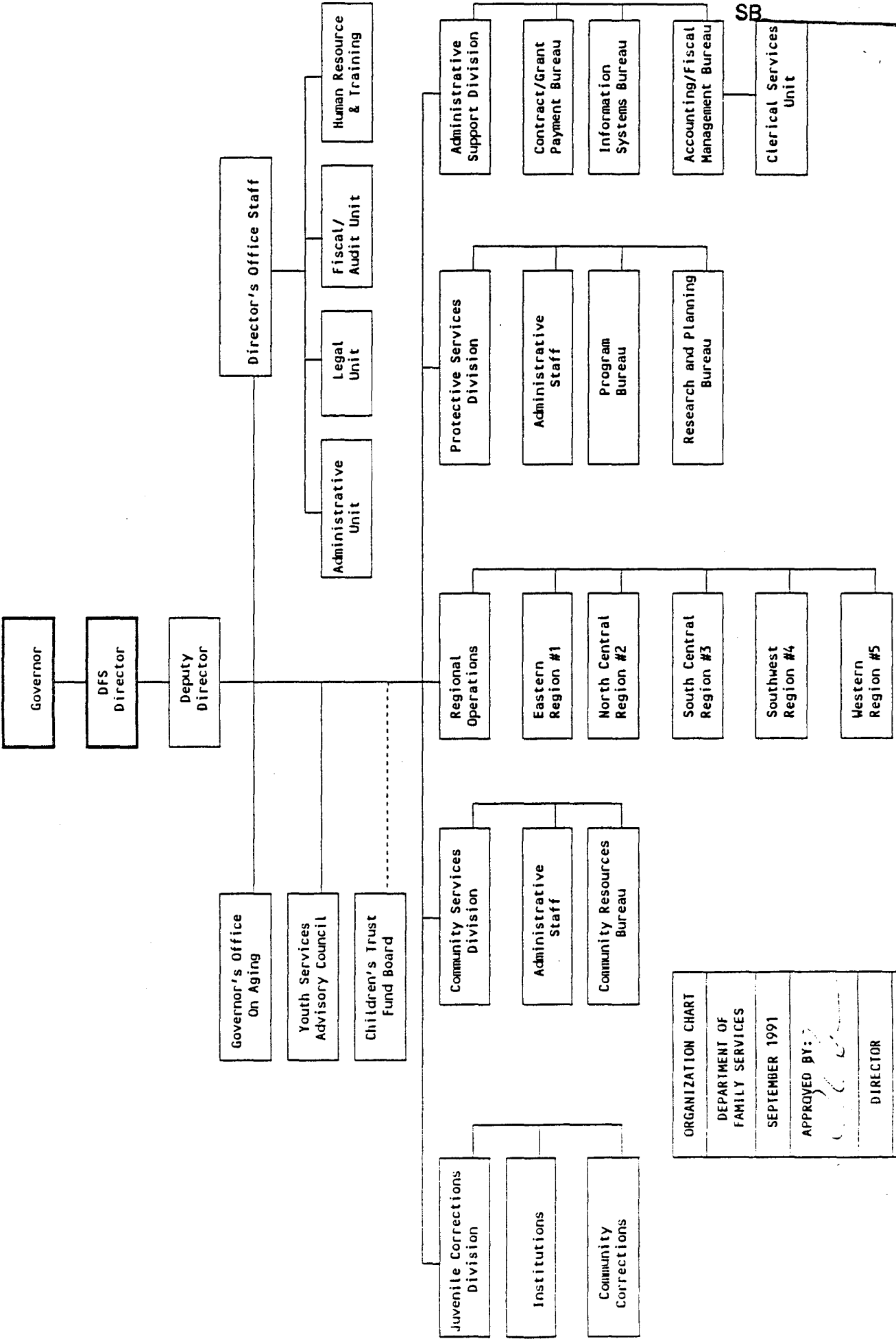
- (1) provide protective services to ensure the health, welfare, and safety of children and adults who are in danger of abuse, neglect, or exploitation within communities;
- (2) provide for the care, protection, and mental and physical development of youth alleged to be youth in need of supervision or delinquent youth who are referred or committed to the department; and
- (3) provide supportive services to enable senior citizens to maintain their independence.

AGENCY ORGANIZATION

The department uses a regional management structure, with the state divided into five regions. Regional operations is responsible to administer:

- protective services to children and adults;
- licensing of youth care facilities, day care facilities, adult foster homes and DD community group homes; and
- case management to individuals with developmental disabilities

The juvenile corrections program provides services to delinquent youth at Mountain View School in Helena and Pine Hills School in Miles City. Community corrections services are provided to youth discharged from the institutions by Youth Parole Officers located in seven areas.



ORGANIZATION CHART
DEPARTMENT OF FAMILY SERVICES
SEPTEMBER 1991
APPROVED BY: <i>[Signature]</i>
DIRECTOR
<i>[Signature]</i>
GOVERNOR

HISTORY

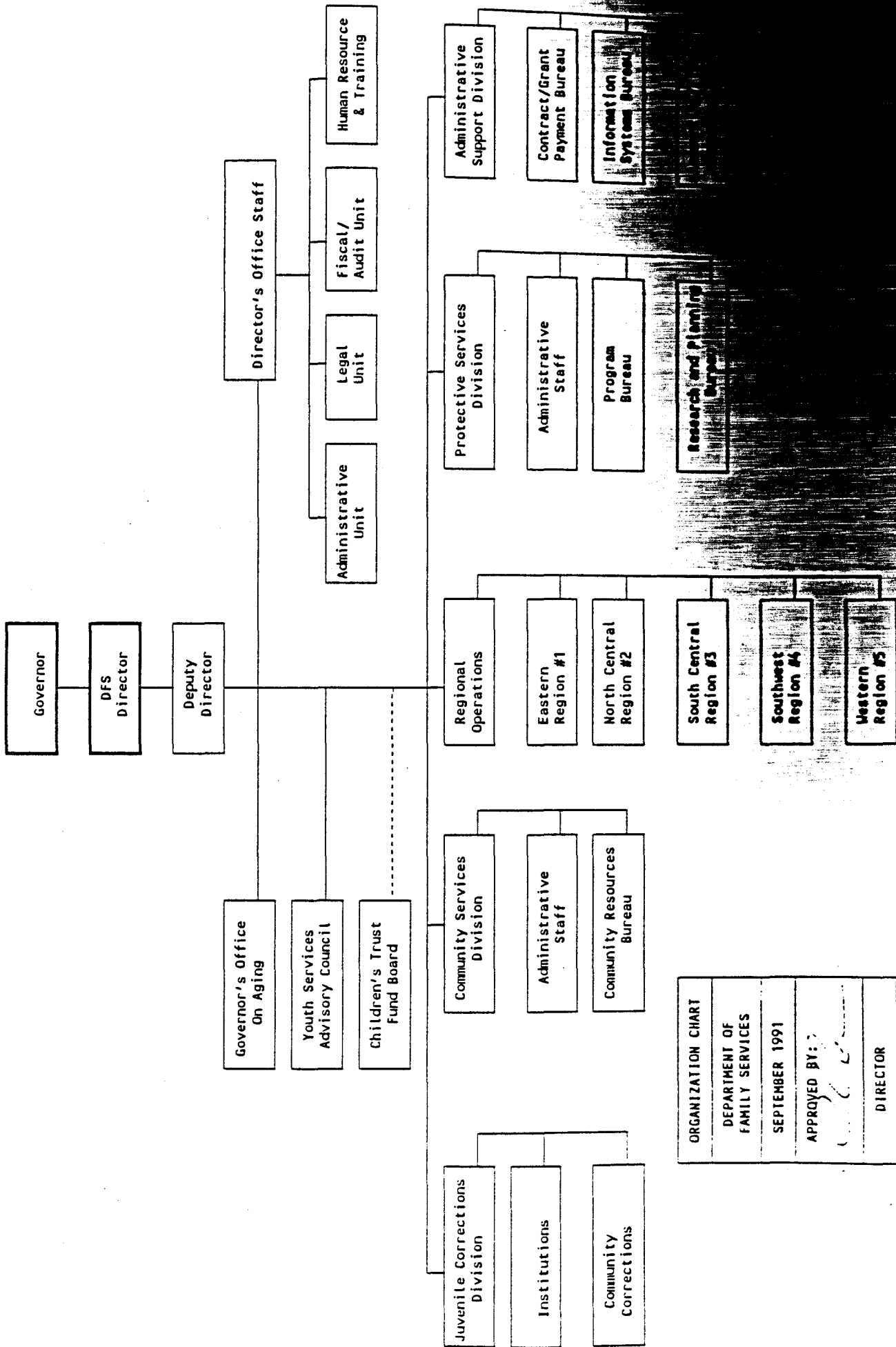
Prior to 1987, the responsibility for health, welfare and protection of Montana's children had been fragmented among several state agencies and their local counterparts. In 1987, the Department of Family Services (DFS) was created by the Legislature following recommendations by the Governor's Council on the Reorganization of Youth Services. The DFS now provides community-based services to the elderly, disabled, youths, and families in need of assistance. In particular, DFS has the primary responsibility for providing protective services to children or youths who may be abused or neglected.

The following pages provide a chronological review of the Department of Family Services. What can we learn from this historical perspective?

A great number of studies and administrators have reached common conclusions:

- Families in crisis must be helped as early as possible or their problems will only become more severe and expensive.
- A variety of services are required to meet the individual needs of youth and families, in order to reunite the family.
- Local involvement is essential in developing services that meet local needs and have broad-based support.
- The Department will continue to struggle with crucial policy decisions without a Management Information System.
- The mental health and treatment needs of youth in Montana are much broader than just the issues facing children in the custody of the Department. Addressing those needs is essential to a successful youth and family service system and requires teamwork among many groups.

A further review of the Department's history indicates the need for a period of continuity and well-planned action on the numerous issues already identified.



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A HISTORY OF THE MONTANA DEPARTMENT OF FAMILY SERVICES

- September 18, 1985 At a speech to the Montana Correctional Association, Governor Schwinden announces that he will "appoint an advisory council to review the existing youth justice system and prepare recommendations to the 1987 Legislature."
- November 18, 1985 The Council on Reorganization of Youth Services is appointed and charged with "recommending ways to reorganize and improve the delivery of services to Montana's problem youth." Gary Buchanan, an investment broker in Billings, serves as chair. Executive Order No. 13-85.
- September 17, 1986 Report to the Governor from the Council on Reorganization of Youth Services is released, recommending "a new department which consolidates...youth institutional programs, the child protective services program, the aftercare program, and the youth court probation services." The report recommends "local youth services planning boards within each multi-county service area to ensure a broad based community plan with community-based support and to develop a local plan for children and youth services in their area."
- January 20, 1987 HB 325 to create a new Department of Family Services and establish local youth services advisory councils is introduced by Rep. John Mercer, et al.
- April 24, 1987 HB 325, amended to exclude youth court probation services, is signed into law by Governor Schwinden.
- July 1, 1987 The Department of Family Services is implemented. Governor Schwinden appoints Gene Huntington as the first director. SRS's Community Services Division, and the Department of Institutions' two youth correctional facilities (Pine Hills and Mountain View) and aftercare services program form the core of the new department. Field operations are organized under five regions.
- An 18-member State Youth Services Advisory Council is appointed, with Jim Canan, retired BIA administrator from Billings, as chairman. Ten seven-member local youth services advisory councils are also appointed.

- November 6, 1987 Governor Schwinden tells the first Local Youth Services Council Conference, "Your advice will determine the direction of the Department of Family Services and shape the services we provide our troubled youngsters."
- September, 1988 Local youth services advisory councils present their objectives to the department in the FY'89 Youth Services State Plan.
- October, 1988 The department's newsletter reports "In its first year of operation, Family Services came in just 1% below its \$31 million budget."
- January, 1989 The Stephens' Administration commences.
- Leon Houglum, Billings, is appointed as director, but Governor Stephens withdraws Houglum's nomination.
- Garry Rafter, retired Superintendent of Schools from Hobson, is appointed as chair of the State Council.
- January 27, 1989 Bob Mullen, Richland County Commissioner, is appointed as director.
- April, 1989 Through HB 100, the Human Services Joint Subcommittee directs the department to "develop a plan for the implementation of a continuum of youth services for the State of Montana to be presented to the 52nd Montana Legislature."
- May 19, 1989 HB 200, the Montana Child Care Act, is signed into law. The legislation designates DFS as the lead agency for day care and establishes a Child Care Advisory Council appointed by the Governor.
- June, 1989 The FY 90 Youth Services State Plan is published.
- October 6, 1989 The Office of Budget and Program Planning releases its final FY 90-91 General Fund Reversion Targets. The department is to revert \$1,294,151 for the biennium.
- December 13, 1989 Meeting in Billings, the State Youth Services Advisory Council and local chairs establish seven major priorities for the department.
- March 30, 1990 Governor Stephens initiates a three-month study of the department, headed by Dennis Taylor, saying "We are absolutely determined that no youth in need of service goes without that, or that any child is neglected or hurt because the state doesn't live up to its responsibilities."

- April 30, 1990 Hank Hudson, Montana's Aging Coordinator, is named interim director of the department.
- July 5, 1990 Taylor presents his Report to the Governor and Human Services Subcabinet on ways to improve child and family services in Montana and to strengthen the Department of Family Services. The report concludes that "Montana's child and family services are stretched to breaking point."
- July 9 & 10, 1990 The Governor's Conference on Children, Youth and Families is held in Helena. Most participants believe that Montana needs a separate state agency devoted to children's services.
- August 28, 1990 Governor Stephens commits to continue the department and presents a "ten-point program aimed at solving serious organizational and services delivery problems" within the department.
- October 1, 1990 Tom Olsen, Project Director of Children, Youth and Family Services for the Texas Health and Human Services Coordinating Council, is appointed as the department's fifth director.
- December, 1990 The HB 100 Report concludes that the department is adequately serving the great majority of children receiving services, but needs an additional 190 FTEs and a comprehensive management information system.
- January, 1991 A federal Department of Justice team investigates conditions at Pine Hills School for Boys in response to a civil rights complaint.
- April, 1991 Through HB 3, the legislature approves FY 90-91 supplemental requests for foster care and Native American placements (\$968,773); Mountain View (\$32,251); and Pine Hills (\$72,583).
- April, 1991 The legislature appropriates \$905,000 to the department for the biennium to begin the design, purchase and implementation of a Management Information System. (The January 1992 Special Session reduced this amount by \$260,750.) Department staff increase by 6 state office FTEs, 8 field staff, 5 institutional staff, and 2.75 FTEs with additional flexibility in staffing for DD targeted case management.
- May, 1991 HB 2 mandates the department to develop a continuum of services plan to be presented to the legislative finance committee in 1991. The goal of the plan is to develop a comprehensive child welfare system by July 1, 1993.

- May 15, 1991 HB 977, transferring state funding for the Medicaid Inpatient Psychiatric Under 21 Program from SRS to DFS, is signed into law.
- July 1, 1991 The department is reorganized to include two new divisions: Community Services and Juvenile Corrections. Community Services is responsible for development of the continuum of services, and Juvenile Corrections for the juvenile correctional facilities, youth detention, aftercare and community-based corrections programs.
- July 1991 The department applies for and is awarded a \$2.5 million a year federal Day Care Development Block grant.
- August 9, 1991 Rep. Royal Johnson, an investment broker and farmer from Billings, is appointed as Chairman of the State Youth Services Advisory Council by Governor Stephens.
- September 30, 1991 Governor Stephens issues an executive order reducing the FY92 funding of executive branch agencies to cover an anticipated \$105 million deficit. For DFS, this represents a \$2,273,989 cut.
- October, 1991 DFS awards contracts to four private agencies to provide targeted case management services to Montanans over 16 with developmental disabilities, who live in rural areas.
- December 2, 1991 The department announces the availability of \$1,038,389 in federal Child Care Block Grant funds to help low-income families pay for child care.
- January 6, 1992 A legal challenge to the Governor's authority to cut agency budgets leads to a special legislative session, which approves a \$2,202,939 supplemental for foster care. The net outcome for the department is a \$659,943 increase for FY 92, and an \$877,389 decrease for FY 93. Funding for the management information system is reduced by \$260,750 with the understanding that the project will be undertaken in-house rather than contracted to the Department of Administration.
- The department issues a completely revised Children's Services policy manual.
- January 28, 1992 First meeting of an interagency Refinancing task force created to study refinancing options for human services and education in Montana.
- April 15, 1992 Governor Stephens creates a 15-member Family Services Advisory Council chaired by Joan-Nell Macfadden of Great Falls. The former

Youth Services Advisory Council becomes the Juvenile Justice State Advisory Council.

- April 23, 1992 First meeting of the Juvenile Corrections task force, a group brought together to advise the department as it redesigns Montana's juvenile corrections system. Center for the Study of Youth Policy staff attend and agree to provide technical assistance.
- May 4, 1992 The department issues an RFP for technical assistance to develop a comprehensive refinancing package.
- May 14, 1992 Governor Stephens announces his plan to "make agency reorganization a part of the budget process." The plan would combine SRS and DFS into one Department of Human Services, and return juvenile corrections to a Department of Corrections. DFS is required to submit a joint Human Services FY 94-95 budget request to the Governor's Budget Office.
- June 15, 1992 Mountain View School expands its youth evaluation program to accommodate boys. Director Tom Olsen notes that shifting the evaluation of boys from Pine Hills to Mountain View is "one of the first steps in a major overhaul of Montana's juvenile corrections system."
- July 6, 1992 The legislature meets in special session to consider the Governor's proposal to raise \$116 million to balance the state's budget by mid-1993. The department's budget is unchanged.
- July 6, 1992 Mountain View School takes another step toward becoming a fully coeducational campus. Boys are accepted as regular commitments.
- July 29, 1992 The State Family Services Advisory Council holds its first meeting. The Council decides to seek legislation to make the existence of such a council mandatory, and to assume an advocacy role for local services needs.
- October, 1992 The federal report of the findings from the investigations of civil rights violations at Pine Hills is released to the Governor and DFS. No formal legal action is taken, pending department reforms.
- November 9, 1992 Federal Department of Justice investigators arrive at Mountain View School to evaluate conditions in response to a civil rights complaint.

November 12, 1992 Meeting in Billings, the State Family Services Advisory Council adopts seven goals to guide their efforts to improve services and assist the department. The Council decides to send a letter relating to services for the seriously emotionally disturbed to the Racicot Administration, suggesting that responsibility for these services belongs in one agency, that being DFS.

November 23, 1992 Governor-elect Marc Racicot nominates SRS deputy director Hank Hudson as DFS director.

Department of Family Services
 Budget Summary

<u>FY 92 Actual:</u>	<u>FTE</u>	<u>General Fund</u>	<u>Other Fund</u>	<u>Total</u>
Management Support	43.50	2,136,408	4,801,905	6,938,314
Field Services	336.95	6,622,703	4,723,360	11,346,344
Corrections	205.90	6,203,641	713,012	6,916,654
Community & Protective Services	15.00	16,059,491	7,297,134	23,356,627
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Total	599.60	31,022,245	17,535,694	48,557,940

Budget Issues:

FTE Reductions - 5% Reduction 29.85 FTE (33 positions - 870,000 total 770,000 GF/yr.) Vacant positions 12/29/92 = an additional 21.25 FTE (24 positions - 616,000 total 545,000 GF/yr estimated)

Budget Modifications - These are not included in LFA Budget -

MIS - 2 FTE and Biennium cost of 876,937 - 625,867 GF

Juvenile Corrections - 0 FTE Biennium cost of 632,000 - 500,000 GF

County Operating Costs - 0 FTE Biennium cost of 1,222,544 - 1,039,162 GF

Foster Care - Executive budget has request for an additional 1,755,920 - 1,336,080 GF for the biennium to continue therapeutic programs started in FY92. The LFA budget includes these new programs and funds case load growth of 3% in FY94 and 2% in FY95. The LFA budget is 1,163,346 above the executive.

Drug & Alcohol Treatment - The executive requests funds this program with driver license reinstatement fees. Due to the lack of legislation, this money is not available. To continue at current level, 426,600 of GF will be needed.

EXHIBIT 3
DATE 2/1/93
SB _____

GF Supplementals FY 93 -

Corrections	204,244	
Foster Care	2,218,171	(increased 1,000,000)
Residential Treatment	2,590,252	(increased 2,211,000)
Inpatient Treatment	<u>1,808,171</u>	(increased 590,000)
Total	6,810,838	

Increase in Inpatient & Residential Treatment Match For FY 94 & 95 - Projected increases in inpatient and residential treatment match for FY94 and FY95 due to current caseloads.

Inpatient Treatment	1,282,087
Residential Treatment	<u>4,542,227</u>
	5,826,314

DIVISION REPORTS

ADMINISTRATIVE SUPPORT DIVISION

Doug Matthies, Administrator

Division Overview:

The Administrative Support Division is responsible for the accounting, budgeting, reporting and data processing functions for the department, and provides clerical support for the state office. The division's three bureaus perform the following functions:

- Accounting and Fiscal Management Bureau: Staff: 7
 - budgeting;
 - the payment process; and
 - state and federal reporting.
- Contract, Grants and Payment Bureau: Staff: 7
 - payments for foster care and other contracted service providers;
 - fiscal management of subcontractors and subgrants; and
 - management information relating to foster care, contracts and grants.
- Information Systems Bureau: Staff: 6
 - management of data processing resources for the entire department;
 - development and maintenance of automated systems for both fiscal and programmatic applications; and
 - providing technical support to all department staff.

The clerical unit's five staff provide administrative services to state office staff.

Administrative Support Division Goals:

- to ensure prompt and accurate processing of payments to foster care and other service providers, and to ensure that payments are processed according to state and federal regulations;

- to ensure that financial transactions are recorded in such a way as to assure the integrity of the accounting system, and to comply with state and federal laws and regulations;
- to provide timely, accurate accounting and administrative information to assist DFS staff in monitoring budgets and to provide reliable information about department activities;
- to revise division policies, procedures and informational capacity to respond to the changing needs of the regions and state office due to changes in state or federal regulation or statutes; and
- to furnish current computer technology, develop effective information systems and provide other related services to enable DFS staff to use their time more efficiently.

COMMUNITY SERVICES DIVISION

Charlie McCarthy, Administrator

Division Overview:

The Community Services Division (CSD) is responsible for development of and monitoring the continuum of care and services for children and youth. This system-wide responsibility requires a close working relationship with education, mental health, juvenile corrections and other state and local public agencies.

The CSD state office is responsible for: 2 FTE

- establishing priorities, issuing requests for proposals and awarding contracts for new state-level services in the continuum;
- providing technical assistance to state agencies, DFS field staff and direct service providers;
- issuing annual contracts with family-based services, group care providers, child care agencies and residential treatment centers;
- maintaining the department's classification model and rate matrix for all youth care facilities under contract with DFS;
- collecting information from regional offices on all youth placed out of state by DFS or youth court probation offices; and
- promoting the development of in-state resources to meet the needs of youth who would otherwise be placed out of state.

The CSD field staff are responsible for: 4 FTE

- assessing and coordinating existing services in identified communities, ranging from prevention and in-home family-based services through alternatives to inpatient psychiatric hospitals and youth correctional institutions;
- identifying gaps in service and initiating community responses to fill those gaps;
- identifying problems within the service delivery system and working within DFS and with other agencies to find solutions;
- developing new services, where needed, and providing technical assistance or grant writing expertise to local agencies who desire to change or expand their program to better meet the needs of children, youth and families;

- providing program-specific training, as needed; and
- monitoring DFS contracts with local providers of family-based services, therapeutic foster care, group homes and child care agencies.

Community Services Division Goals:

- to improve the continuum of services and care for children and youth in Montana;
- to develop a state plan for the continuum of services and care for children and youth in Montana;
- to identify gaps in the continuum of services and care, and develop new facilities and programs to fill those gaps;
- to identify and resolve issues of the cost of services and care in the continuum; and
- to develop state and local agency linkages for planning, funding and monitoring the system of care and services.

The following is a list of licensed facilities that fall within the continuum of services and care presently provided for children in Montana:

**DEPARTMENT OF FAMILY SERVICES
LICENSED YOUTH FACILITIES**

Attention Homes and Receiving Homes (45 days or less)

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Shelter Care Facility	Bozeman	10	0-18
Discovery House	Anaconda	8	10-18
Children's Receiving Home	Great Falls	12	0-18
Ewing Place	Helena	8	10-18
Runaway Attention Home	Great Falls	8	12-18
Attention Home	Missoula	12	12-18
Watson's Receiving Home	Missoula	12	0-12
White Buffalo Receiving Home	Browning	12	2-18
Yellowstone Co. Youth Srvc's	Billings	15	12-17
Second Circle	Ronan	12	12-18

TOTALS: FACILITIES = 10 BEDS = 97 (36 RECEIV - 73 ATTEN)

Youth Group Homes (6 to 9 months)

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Aftercare Transition Home	Billings	7m	14-18
Bear Paw Youth Home	Havre	7	13-18
Elkhorn Mountain Youth Ranch	Jefferson City	8m	12-18
Flathead Co. Youth Guidance	Kalispell	8	13-18
Gallatin-Park Youth Guidance	Bozeman	8m	12-18
Last Chance Youth Home	Helena	8	15-18
Lake Co. Youth Guidance	Ronan	8	-
Lincoln Co/Champion Yth Home	Libby	8	13-18
Missouri River Youth Services	Great Falls	8	12-18
9th Jud. Dist. Youth Guidance	Shelby	7	12-18
N. Mont. Youth Ranch Ind.Liv.	Whitewater	4m	16-18
N. Mont. Youth Ranch	Whitewater	8m	12-18
Open Gate Ranch	Trout Creek	12	
Opportunity House	Great Falls	8f	13-18
Riverview Homes	Wolf Point	8	6-14
Roy Group Home	Missoula	8	13-18
Swecker Group Home	Laurel	7m	13-17

TOTALS: FACILITIES = 18 BEDS = 132

Intermediate Level Facilities (9 months to 18 months)

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Concept 640 - AWARE	Butte	4	12-18
AWARE II	Butte	4	12-18
AWARE III	Butte	4	12-18
Achievement Place	Helena	8	12-18
Horizon Home	Billings	10f	12-18
Susan Talbot Yth Care Cen I	Missoula	8	12-18
Susan Talbot Yth Care Cen II	Missoula	8	12-18
Dennis Wear Community Home	Billings	9f	12-18
King Community Home	Billings	9m	12-19
REM Colton	Billings	4	12-18

TOTALS: FACILITIES = 10 BEDS = 68

Child Care Agencies (9 months to 18 months or longer)

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Intermountain Homes	Helena	24	4-18
Mission Mountain School	Condon	16	12-18
St. Labre (Native American)	Ashland	34	6-18

TOTALS: FACILITIES = 3 BEDS = 74 (34 for Nat. Amer. Youth)

Maternity Home

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Florence Crittenton	Helena	17f	8infants

TOTALS: FACILITIES = 1 BEDS = 17f & 8 infants

Youth Detention Facility

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Yellowstone Co. Youth Srvces	Billings	4	12-18
Flathead County	Kalispell	10	12-18

TOTALS: FACILITIES = 2 BEDS = 14

TOTAL GROUP CARE FACILITIES FOR YOUTH = 44 BEDS = 402

Therapeutic Foster Care Programs

<u>name</u>	<u>location</u>
East Mont Mental Health Center	Sidney/Glendive
Gold Triangle Ment Hlth Center	N. Central Mt
Missoula Youth Homes	Missoula
Youth Dynamics, Inc.	Billings and Bozeman
Intermountain Homes	Helena
In-Care Network	Billings
AWARE	Butte
West. Mt. Comm. Mental Hlth	Kalispell
STEP, Inc.	Billings

TOTAL THERAPEUTIC FOSTER CARE PROGRAMS = 9 (176 Licensed Homes)

FAMILY-BASED SERVICES PROGRAMS

Golden Triangle Mental Health Center	Great Falls
Friends to Youth	Missoula
Youth Dynamics, Inc. (2)	Billings/Bozeman
Hi-Line Homes	Sidney
DEAP	Miles City
Mental Health Services (2)	Helena/Butte
Western Montana Mental Health Center	Kalispell
District IV - HRDC	Havre

TOTAL FAMILY-BASED SERVICES PROGRAMS = 10 (200 Families/Year)

DEPARTMENT OF HEALTH AND ENVIRONMENTAL SCIENCES LICENSED YOUTH FACILITIES

RESIDENTIAL TREATMENT FACILITY

<u>name</u>	<u>location</u>	<u>#</u>	<u>ages</u>
Yellowstone Treatment Center	Billings	104	6-18
Shodair Residential Facility	Helena	24	6-13

TOTAL RESIDENTIAL TREATMENT FACILITIES = 2 BEDS = 128

INPATIENT PSYCHIATRIC HOSPITALS FOR INDIVIDUALS UNDER AGE 21

<u>name</u>	<u>location</u>	<u>#</u>
Rivendell of Billings	Billings	48
Rivendell of Butte	Butte	52
Shodair Hospital	Helena	20

TOTAL CHILD PSYCHIATRIC HOSPITALS = 3 BEDS = 120

GENERAL HOSPITAL WITH DESIGNATED CHILDRENS PSYCHIATRIC UNIT

<u>name</u>	<u>location</u>	<u>#</u>
Deaconess Hospital	Billings	20

TOTAL HOSPITALS WITH CHILD PSYCHIATRIC UNIT = 1 BEDS = 20

GENERAL HOSPITALS WITH PSYCHIATRIC BEDS FOR YOUTH

<u>name</u>	<u>location</u>
St. Patrick's	Missoula
St. Peter's	Helena
Deaconess Hospital	Great Falls

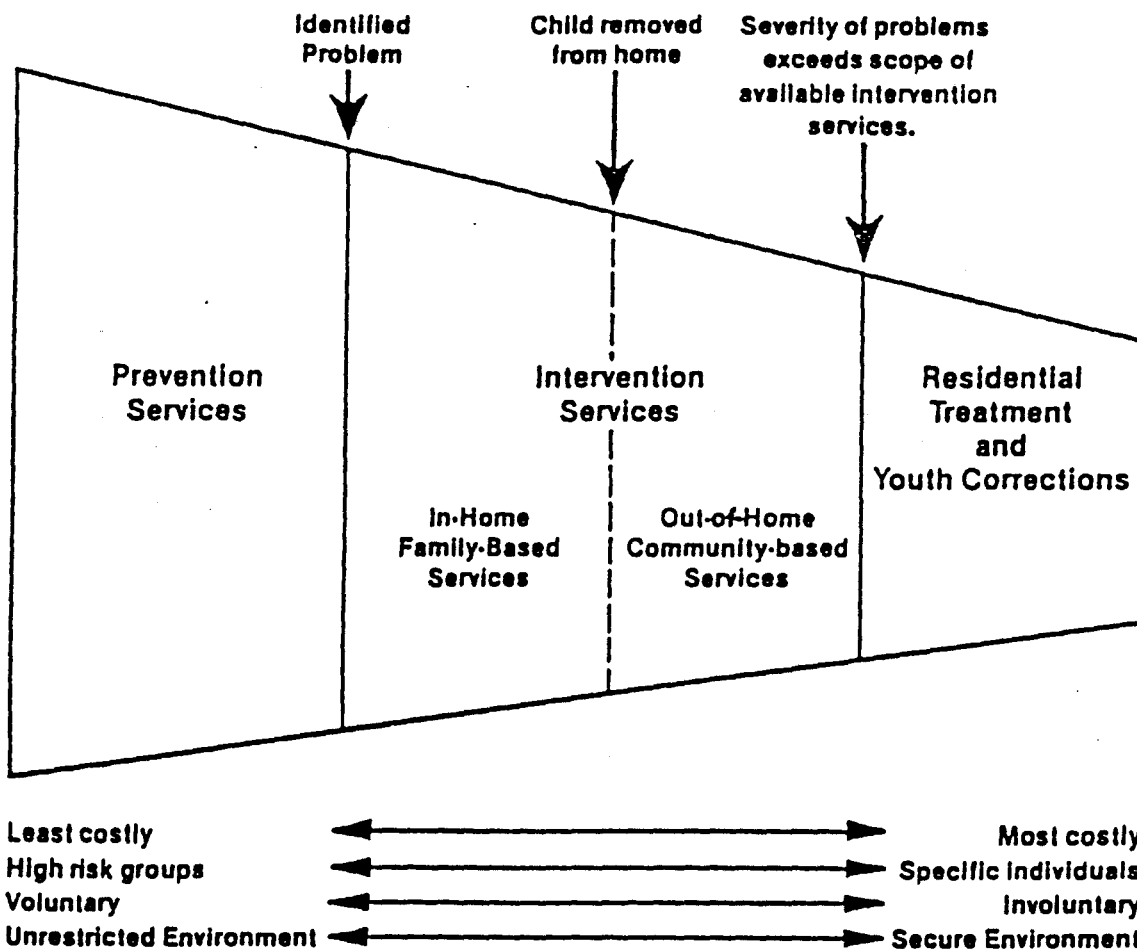
TOTAL GENERAL HOSPITALS WITH PSYCHIATRIC BEDS FOR YOUTH = 3

PSYCHIATRIC HOSPITAL WITH BEDS FOR YOUTH

Glacier View	Kalispell
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TOTAL PSYCHIATRIC HOSPITALS WITH BEDS FOR YOUTH = 1

AN OVERVIEW
OF
THE CONTINUUM OF SERVICES
IN
CHILDREN'S AND FAMILY SERVICES



Continuum of Services means the assistance provided by private or public agencies, or organizations to individuals and families. Services include but are not limited to education, mental health, health, corrections and social services. Services may be provided in the home, community or care facilities. The facilities vary from open, non-restrictive homes to closed, secure hospitals and institutions. Such facilities include, but are not limited to family homes, foster homes, group homes, child care agencies, residential treatment facilities, youth correctional institutions, and psychiatric hospitals.

JUVENILE CORRECTIONS DIVISION

Al Davis, Administrator

Division Overview:

Montana's youth courts refer approximately 400 youth to the Juvenile Corrections Division (JCD) each year. All referred youngsters are adjudicated juvenile delinquents who need services beyond those youth probation officers can provide. The Juvenile Corrections Division is responsible for institutional care and community-based aftercare or parole services for adjudicated delinquents. Currently, the Juvenile Corrections Division has two state office staff and provides the following programs:

- Pine Hills School: a 100-bed secure facility that provides clinical, academic, vocational and residential care services.
Staff: 118 Annual Budget: \$4.2 million
- Mountain View School: a 57-bed, medium security, residential care facility that provides clinical, academic, vocational and direct care services.
Staff: 68 Annual Budget: \$2.2 million
- Billings Transition Center: an eight-bed residential care home that provides life skills training and related services to youth preparing to return to their homes after commitment to a state correctional institution.
Staff: 5 Annual Budget: \$165,791
- Youth Evaluation Program: an eight-bed residential care facility responsible for providing care to youth who are being evaluated by order of the youth court.
Staff: 6 Annual Budget: \$134,622
- Community juvenile parole services (aftercare): Seven regionally placed workers are responsible for supervising and designing programs for youth released from the state correctional institutions.
Staff: 7 Annual Budget: \$205,768

The division is also responsible for providing court ordered evaluations, specialized juvenile sex offender treatment and interstate compact services.

Juvenile Corrections Division Goals:

- to design and implement an effective intake and referral system that includes the use of a reliable placement guideline instrument;

- to ensure that only those youth in need of secure care are committed to Montana's juvenile corrections institutions, and that those facilities offer the appropriate programs;
- to determine the need for, develop and fund a range of community-based services appropriate for juvenile corrections youth;
- to develop a regional case manager system to supervise corrections youth;
- to increase family involvement with juvenile corrections youth;
- to address the disproportionate representation of Native American youth in the juvenile corrections population;
- to assess the division's management structure, and better utilize and train staff to ensure organizational and program effectiveness;
- to coordinate and collaborate with other DFS divisions and regions, youth court workers, and other service providers to ensure service continuity and the best use of available resources; and
- to assure that existing funding is used in the most meaningful and efficient manner.

PROTECTIVE SERVICES DIVISION
Gary Walsh, Administrator

Division Overview:

The Protective Services Division's 14 staff members develop statewide rules, policies and procedures for:

- adult and children's protective services
- licensing
- state supplemental payments
- interstate compact on children
- day care
- foster care
- adoption
- case management

The division develops federally required state plans for child welfare services, youth with emotional disturbances and child care, and manages federal grants which total \$3,628,518 in fiscal year 1993:

	Federal \$
Basic Child Abuse & Neglect State Grant & Baby Doe Grant	129,401
Children's Justice Grant	71,060
Independent Living Grant	244,190
Child Care Block Grant	2,780,167
Domestic Violence Grant	160,000
Refugee grants (Job Links and Social Services)	193,700
Dependent Care Grant	50,000

The division also carries out routine administrative duties in the following areas:

- the fair hearing process
- audit clearance
- interstate compact on placement of children
- child trust accounts
- SSI state supplement payments

The Protective Services Division is comprised of two bureaus, the Program and Research & Planning bureaus.

- Program Bureau:
 - develops and implements policies for all DFS programs administered through the five regions, and
 - manages contracts for Big Brothers/Big Sisters and targeted case management for people with developmental disabilities.

- **Research & Planning Bureau:**
 - planning for family foster care, child day care and the refugee program;
 - measuring and evaluating the department's success in protecting clients and improving child day care; and
 - developing forms, checklists and other resources to assist department staff and contracted service providers.

Protective Services Division Goals:

- to provide consultation, technical assistance and training to regional administrators and social worker supervisors on policies and procedures;
- to increase the recovery of federal funds;
- to establish and implement a quality control system for case records management;
- to improve DFS services to Native Americans;
- to encourage permanent plans for children in the agency's care and custody for two years or longer;
- to coordinate and collaborate with SRS on child support, child care, services to individuals with developmental disabilities, and the Inpatient Psych program.

REGIONAL OPERATIONS DIVISION
Richard Kerstein, Administrator

Division Overview:

The Regional Operations Division is the department's newest division. Created as a distinct division in July 1992, Regional Operations encompasses the agency's five service regions:

- North Central Region
- Southwestern Region
- South Central Region
- Western Region
- Eastern Region

Every year, the Department of Family Services receives approximately 9,000 child abuse and neglect referrals affecting some 14,000 children. The department also receives approximately 1,500 reports of elder abuse, a number that is expected to grow rapidly in the near future. Of the division's 260 direct care staff, 63% are social workers, 12% are DD targeted case managers, and 25% are family resource specialists. They are responsible for:

- investigating all allegations of abuse and neglect of Montana's children and elderly;
- the direct provision of protective services to adults and children;
- case management services for adults with developmental disabilities; and
- licensing family foster homes, group homes, day care centers, child care agencies, adult foster homes, DD group homes, and child placing agencies.

Each region is administered by a regional administrator, and is afforded an equitable number of social workers to perform those protective service functions. Each region is advised by a Local Youth Services Advisory Council which serves as the link between local communities and the department. (There are three such councils in the Eastern Region.)

As part of its protective services responsibility, the Regional Operations Division manages the \$15 million foster care budget. This requires approving placements and authorizing financial payment for all children who are placed in family foster care, group care or residential treatment. This placement approval and payment authority covers placements made, not only by DFS social workers, but for children placed out of their homes by Montana's Youth Court (probation) staff.

Regional Operations Division Goals:

- to work with and, where necessary, reactivate and strengthen the local youth services advisory councils;
- to standardize procedures for managing the foster care budget;

- to develop regional prevention plans for the prevention of child abuse and neglect;
and
- to establish benchmarks/best practice standards for child protective services and adult protective services and assess staff allocation.

DIVISION ACCOMPLISHMENTS

Administrative Support Division FY 91-92:

- **Developed and implemented a billing system and procedures for case management services for adults with developmental disabilities.**
- **Coordination of Medicaid payments:** Division staff developed and implemented procedures to coordinate payments from the Medicaid program and DFS for under age 21 Inpatient Psychiatric and residential treatment.
- **Developed a new random moment time study** to properly record and make the best use of federal funding sources for field staff. In prior years DFS used the system developed by SRS. DFS developed a new system with appropriately weighted, in-depth questions that better reflect the functions of the field staff. The new system provides a more equitable method of determining the proper funding source, allows on-line computer entry of social worker activities, and provides immediate access to that information.
- **Installed personal computers in field offices** throughout the state. Division staff supported the state office computer network and two smaller networks (Mountain View and Aging), and provided technical assistance, support and training to field staff.
- **Developed a new computerized system to track youth** placed under the Interstate Compact on Juveniles (ICJ). The ICJ covers youth either placed in Montana from other states, or placed into another state by Montana.
- **Computerized a number of existing forms** that were previously completed manually and distributed the computerized formats to local offices.
- **Obtained a model information management system and prototype from the State of Iowa:** Division staff reviewed other state systems and determined that Iowa's design most closely matched Montana's technical requirements. The Iowa model will be used as the basis for refining our requirements and designing our database.
- **Implemented new accounting policies that are consistent throughout the department.** In addition, more training has been provided to personnel at all levels, with adequate supervision and review of work to help reduce errors.
- **Developed a system to properly record and track all DFS equipment.**
- **Prepared and implemented 117 contracts with day care providers** expending funds received from the Day Care Block grant.

- **Implemented contracts with Native American Tribes** for the provision of foster care services to IV-E eligible tribal children.

Community Services Division FY 91-92:

- **New family-based services programs:** Requests for proposals were issued and eight new contracts were awarded for family-based services programs in Billings, Bozeman, Butte, Great Falls, Havre, Helena, Kalispell and Missoula. Each program will serve 20 families annually and will prevent the out-of-home placement of at least one child or youth from 75% of the families served. The Division provided initial training through Homebuilders for all FBS staff in the state.
- **New therapeutic foster care programs:** Requests for proposals were issued and two new contracts were awarded for therapeutic foster care programs in southwestern and northwestern Montana. The programs will serve 12 youth. A new contract was awarded to In-Care Network, a therapeutic foster care program serving 4 Native American children.
- **Group home contracts issued:** An eight-bed home for boys who have completed chemical dependency treatment began operation in Jefferson City. A former foster care home in Trout Creek expanded its program and was approved as a 12-bed group home. An eight-bed group home in Helena expanded its program from a regular group home to an intermediate care facility. A new 16-bed child care agency in Condon was awarded a contract and will serve three or four additional youth who are placed by DFS or youth court probation.
- **Statewide on-site visits:** CSD staff visited all of the licensed youth group homes and child care agencies under contract with DFS this past year to obtain a clear profile of where each of the programs "fit" in the continuum of care, and provided technical assistance or consultation to several boards of directors and/or their staff.
- **Matching funds for AWARE facility:** The Division provided matching funds to enable AWARE, Inc., a provider of Intensive Therapeutic Group Care, to secure funding to build three new group homes in Butte. These homes serve 12 youth who would have been placed out of state.
- **Developed a single application for residential care:** The new single application was developed through the Public-Private Advisory Task Force and the Montana Residential Child Care Association and has been implemented by the department and provider agencies.
- **Developed a "Residential Care Resource Directory":** The new directory was developed, printed and disseminated to social workers, probation officers, other placing agencies and providers.

- **Collaborative initiative for emotionally disturbed youth:** CSD participated with the DFS Protective Services Division, the Mental Health Division of the Department of Corrections and Human Services (DCHS) and the Child and Adolescent Service System Project, on the development of a formal agreement and DFS and DCHS contracts with the Board of County Commissioners in Missoula county. The joint effort resulted in a "Missoula County Plan for Services for Seriously Emotionally Disturbed Children and Youth" which will guide state and local-level funding efforts for the continuum of services in Missoula County.

Juvenile Corrections Division FY 91-92:

- **Developed a plan to restructure Montana's juvenile corrections system:** The plan calls for a comprehensive, statewide classification system, reduced reliance on secure care facilities, and the creation of a range of community-based programs.
- **Created a bi-partisan task force** to assist the department in restructuring the juvenile corrections system. The task force includes representatives of Montana's legislature, judiciary, probation officers, and educational and mental health systems.
- **Engaged two national groups to provide technical assistance** to Montana's restructuring effort: the Center for the Study of Youth Policy and the American Correctional Association (ACA). The ACA will assist with financing and contracting issues. Center for the Study of Youth Policy consultants are assisting in the development of a placement guideline and in marketing aspects. Both groups are providing assistance at no cost to Montana.
- **Developed a Placement Guideline:** With the assistance of the Center for the Study of Youth Policy and the task force, the division has designed a classification instrument that will help judges and probation officers decide which youth are appropriate for placement in secure care.
- **Implemented SJS treatment guideline:** JCD adopted the "Strategies for Juvenile Supervision (SJS)" intervention guideline. The SJS assists staff in developing intervention plans for delinquent youth. Training was provided to division staff, probation officers, private care providers, and detention facility staff.
- **Reassigned staff to improve services:** Two half-time positions were reassigned to aftercare in high referral areas. A state office position was created to coordinate field services. Mid-management institutional staff were reassigned to direct care and quality control positions.
- **Improved staff training** by scheduling ongoing education for all institutional staff members.

- **Employed a full-time division psychologist** to assist in developing and enhancing institutional and community-based treatment programs. The psychologist will assist in identifying youth who are seriously mentally ill, and finding alternative, appropriate placements.
- **Implemented treatment teams in Pine Hills and Mountain View schools:** This multi-disciplinary approach improves staff coordination and ensures greater consistency in implementing treatment plans for youth.
- **Eliminated the 45-day evaluation program at Pine Hills School** by providing a coeducational evaluation program at Mountain View School. (Because the legislature required that DFS begin charging counties for evaluations, between July 1 and October 31, 1992, only six evaluations were requested, compared to approximately 40 for the same time period in previous years.)
- **Developed a system to address interstate compact demands:** The division implemented a system that more quickly and efficiently responds to receiving and sending states' requests.

Protective Services Division FY 91-92:

- **Increased Services to Native American families:**
 - DFS has negotiated & signed state/tribal agreements with all seven reservations so Native American children can meet federal requirements to receive federal foster care (IV-E) funding.
 - DFS has negotiated purchase-of-service contracts with tribes on four reservations allowing the tribes to hire staff to manage IV-E foster care services. The contracts allow DFS to carry out its legal mandate to serve eligible Native American children and greater utilization of federal funds. The contracts also allow tribes to hire staff and make payments to foster parents.
- **Revised Children Services and Administrative policy manuals:** The DFS policy manual had not been updated since the agency was created, a fact that was noted in legislative audits. The revision process included all levels of DFS field staff and focused on clarifying essential requirements. Legal cites were updated.
- **New format for policy training:** Under the new policy training format, regional administrators and supervisors are trained by central office staff. Supervisors then train their staff. On-site regional training allows supervisors the opportunity to clarify policy requirements, and encourages interaction between supervisors and central office staff.

- **Targeted Case Management for the Developmentally Disabled:** By implementing targeted case management for adults with developmental disabilities, Montana now has social workers and supervisors whose sole responsibility is to provide services to developmentally disabled individuals. This has resulted in lower caseloads, better services to clients, and the recovery of additional federal funds through Medicaid.
- **Child Care & Development Block Grant:** DFS successfully applied for a federal grant for \$2.5 million to improve and expand child care resources in Montana. The grant was designed to make child care available to low-income working families, and to improve the quality of child care services through provider training and training of DFS day care licensing and payment staff. Each month, the grant has provided day care assistance to the families of approximately 600 children.
- **Creation of Child Care Advisory Council:** The 1989 Legislature mandated that an advisory council be established for child care in Montana. DFS provides staff for the council, and has assisted in creating and distributing the state's first child care state plan, which includes recommendations on all aspects of child care.
- **Uniform sliding fee scale for all child care programs:** DFS and SRS collaborated to establish a uniform sliding fee scale for all child care programs requiring co-payment administered by the two agencies. The uniform sliding fee scale makes program administration easier and is less confusing to the families needing child care.
- **Statewide Resource & Referral agency coverage:** Child care Resource and Referral (R&R) agencies were expanded to cover every area of Montana. R&Rs help families find quality care, assist new child care providers, train child care providers, and determine families' eligibility for various day care programs. DFS funded a Resource and Referral Coordinator to standardize and improve the services available statewide.
- **VISTA volunteer mentor project and foster parent recruitment/retention project:** DFS received a grant from the federal government for VISTA volunteers to help older children in foster care prepare for independent living through a mentor program. VISTAs have also assisted in the recruitment and retention of family foster parents. Two hundred new foster families were recruited through efforts by VISTA volunteers.
- **Youth camp:** Through the federal Independent Living grant, a youth camp was held for foster children 16 years of age and older to further develop the skills needed to live independently.

- **Participation Agreement with the Montana Casey Program:** A private/public partnership agreement was signed between DFS and Casey Family Foster care program. Casey provides case management and supplemental services while DFS provides basic room and board. The agreement frees DFS staff and provides a permanent home for the child.
- **Post adoption services to adoptees of the Shodair program:** Montana Children's Home (Shodair) ceased being an adoption agency in 1992. DFS assumed responsibility for assuring that people adopted through that agency have access to background information from the records of the defunct agency.
- **Collaborative research with Montana State University:** DFS collaborated with Montana State University on a research project which provided important analysis of child abuse and neglect data from the state protective service information system. MSU graduate students and faculty were provided with an opportunity to work with real data to do research on behalf of children.

Regional Operations Division Accomplishments and Ongoing Initiatives:

Since the division was created in July 1992, its accomplishments are limited and are therefore included with the initiatives section.

- **Standardized foster care budget reporting:** Fiscal officers in each region have been trained to use a standardized reporting format which includes the date a child is placed and the cost, and which places greater emphasis on the date of discharge to allow more accurate and timely foster care budget predictions.
- **Redistribution of Staff/Service Benchmarks:**
 - Phase I (completed): Staff allocation in relation to the number of reports of both child abuse and neglect, and elder abuse, has been reviewed by region. Comparisons completed include the population of children and the elderly to the number of social workers assigned to each region; and the percentage of child abuse and neglect reports to the percentage of total staff in each region.
 - Phase II: This will entail an analysis of current staff use, comparing direct service, supervisory and administrative support staff.
 - Phase III: The final phase will be the reallocation and actual transferring of staff among regions as necessary to ensure an equitable distribution.
- **Development of regional prevention plans:** Much has been accomplished to further the department's philosophical belief that family support is a preferable protection system to child removal. Making the child's or the elderly person's own home safe is

both more cost effective and more therapeutically sound than the long-term removal of people, young or old, from their homes.

Notable prevention/family support initiatives include:

- **Contract with the Montana Council for Families (MCF)** for their direct assistance in developing regional prevention plans. MCF staff will meet with regional administrators and local youth services advisory councils in each region. Since the prevention of child abuse and neglect is, in the final analysis, the only solution to controlling the increase in demand for child abuse and neglect treatment services, each region needs to take an active role in collaborating with existing prevention agencies and organizations. The Montana Council for Families contract will allow regions to assume a lead role in facilitating the prevention planning process, culminating in the development of five regional prevention planning documents.
- **Formation of Billings Elder Abuse Prevention Chapter:** On October 19, 1992, the Billings chapter of the National Committee for the Prevention of Elder Abuse became the first such chapter formed in the United States. As such, the Billings group received some start-up funding from the U.S. Office on Aging. The Action Agency in Montana is currently interested in developing other projects similar to the VISTA project that led to the formation of the Billings chapter. It is hoped that the Billings model can be replicated throughout the state, and that elder abuse prevention programs can be instituted in each region.
- **Increased regional involvement in prevention networks:** Regional administrators will increase their involvement with local prevention networks, specifically the local prevention councils that operate in several communities throughout Montana (including Kalispell, Columbia Falls, Missoula, Butte, Helena, and Bozeman.) The Billings Prevention Council's volunteer community caring program this year received an award as the President's 868th Point of Light.
- **Regional involvement in formation of Healthy Start programs:** Based on the Hawaii Healthy Start model, prevention programs in a number of Montana communities are working toward establishing para-professional, family support programs. Western Montana and Bozeman are particularly active. Each region and the broader department need to support this activity and tie it into their prevention plans.

INTERAGENCY COORDINATION AND COLLABORATION

The Traditional Approach

Traditionally in human services, agency organization and program administration have dictated how services are provided. As funding at all levels has become tighter, the tendency has been to focus increasingly on the requirements of various funding sources, rather than on the needs of clients.

The Collaborative Approach

The Department of Family Services is working with other Montana human service agencies to ensure that the service system's primary focus is on the client. To do this, Montana's human service agencies must plan and operate on a much broader, system-wide basis. And they must cooperate to achieve a common goal -- the creation of a service system that will reduce the need for out-of-home care by developing more comprehensive community-based services that focus on the family.

Specific Accomplishments and Initiatives

1. Interagency Task Force on Refinancing (DCHS, DHES, DFS, OPI and SRS)

The Refinancing task force serves as a planning and monitoring vehicle, which prioritizes potential projects, ensures that progress is being made, and resolves any problematic issues. Joint cost containment initiatives include the following:

- Management of out-of-state placements of youth is being considered from the perspective of the total cost to the state, including educational costs.
- Rule changes to limit client eligibility for in-patient psychiatric care are also being considered.

Refinancing Initiatives include the following:

- Medicaid has been expanded to include therapeutic group and foster homes. By providing a higher level of care in the community, this provides children and their families with an alternative to residential treatment.
- The state Title IV-A plan has been amended, rules revised and training conducted to increase the number of clients served, primarily through increasing federal funding. Title IV-A Emergency Assistance funds will be used to cover part of the staff cost for child abuse and neglect investigations, with the increased federal recovery to begin in FY 93.

- An effort is also underway to make more children eligible for Social Security Income (SSI), and to thereby free state general fund for other services.

2. Services to Seriously Emotionally Disturbed Youth
(DCHS Mental Health Division, DFS Protective Services and Community Services Divisions, Missoula County and providers in the Missoula area)

Through a pilot project which began in Missoula in December 1991, community-based alternatives to higher levels of care are being developed for seriously emotionally disturbed youth. Planning for these services is being conducted at the local rather than the state level.

3. Case Management for Adults 16 and over with Developmental Disabilities
(SRS Developmental Disabilities Division, DCHS Special Services Division, and DFS Protective Services Division)

Under the coordinated case planning implemented in October 1991, case managers are able to "broker" services to ensure that clients are referred to the services they need. The emphasis of the program is on planning for each individual client, and to thereby ensure that the services provided effectively meet each client's needs.

4. Child Day Care
(DFS Protective Services Division and SRS Family Assistance Division)

- A jointly funded market rate study of day care rates will be used as the basis for rates for all state-paid child care programs, regardless of agency.
- The Governor's Advisory Council State Child Care plan focuses on improving the quality and affordability of child care.
- A joint effort has been made to ensure timely payment to providers on behalf of parents, and to enforce the requirement that some parents make a co-payment toward their day care costs.

CHALLENGE

The Department has identified several challenges which will be addressed in the next biennium. The work of this subcommittee and the legislature will be instrumental in meeting these challenges. Much of what we discuss these next two weeks will be an effort to address these topics.

1. Montana's youth service system is in need of basic reform. The goal of system reform is simply stated: to move toward a service system designed to reduce the need for out-of-home care by developing more comprehensive community-based services that focus on the family.

Implementing system reform is considerably more complex because it requires investing in services for children and families at the front end of the system, while continuing to serve those already in need of intensive services at the back end of the system.

2. The current system of financing inpatient and residential psychiatric treatment must be reassessed. We must have a policy which provides needed care, allows families to contribute fairly to the costs, and limits this service to youth who cannot be served in other settings. Inpatient and residential treatment must be part of a system, and all the system's key players must be involved in the design activities.

The medicaid issue is one piece of a larger issue. Specifically, how are we to meet the needs of Montana's youth who are severely emotionally disturbed? The answer to this question will require cooperation, careful experimentation, and a strong commitment to services in Montana in the least restrictive setting.

3. Montana's youth correction system has reached a crossroads. Its current institutional-based approach will no longer adequately address the number or needs of its clients. We must choose between building additional secure facilities or embracing a more therapeutic and community-based approach. The sooner this decision is made the more successful the transition will be. Past experience in adult mental health and corrections clearly points toward reform of this system.
4. The management structure of DFS must continue to evolve and improve. The Legislature must be clearly informed of the costs of developing and bringing on-line a management information system and the costs of delaying this project.

The Department will request the maximum flexibility possible in meeting reductions in operating costs. While no part of the Department can be reduced without impact, the direct care staff are operating with caseloads which should not be increased.

EXHIBIT 3
DATE 2/1/93
SB _____

Following the Legislative session, the Department will continue to review its regional structure to ensure uniform application of policy and the most efficient role for field administrative personnel.

EXHIBIT 4
DATE 2/1/93

FISCAL YEAR 1992
ANNUAL REPORT
TO THE
STATE FAMILY SERVICES
ADVISORY COUNCIL



Helena, Montana
January 1993

The original is stored at the Historical Society, 225 North Roberts Street, Helena, MT 59620-1201. The phone number is 444-2694.

HOUSE OF REPRESENTATIVES
VISITOR'S REGISTER

Feb 1, 1993 COMMITTEE HUMAN SERVICES BILL NO. _____
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Jim Smith	MIRCCA - MTPOA		
Richard Kersten	DFS		
Ann Gilkey	DFS		
Gary Walsh	DFS		
Charles Morrison	DFS		
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Don Shea	MLIC		
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SHARON HOFF	MT Council for Families		
AI DAVIS	DFS		
Debra Mayhew	Montana Health Care		

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

