

## **MINUTES**

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

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

**Call to Order:** By **CHAIRMAN JOHN COBB**, on February 12, 1993, at 8:00 A:M.

#### **ROLL CALL**

**Members Present:**

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

**Members Excused:** None

**Members Absent:** None

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

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

**Committee Business Summary:**

Hearing: NONE  
Executive Action: DEPARTMENT OF FAMILY SERVICES

**SEN. WATERMAN** recognized **Bobbie Jean Curtis** who had been presented the previous day with an award by the First Lady for service to special needs children.

**Ms. Lois Steinbeck, LFA**, asked for formal direction from this committee on how to reflect the actions taken by the committee in meeting its HR 2 target. Previously when she developed a sheet for the committee, she had included all actions the committee had taken including revenue increases and the assumption of county poor fund obligations as meeting the target. She asked for formal direction as to whether to include these or not in meeting the target.

**Motion/Vote:** SEN. WATERMAN moved that the committee accept revenue increases and the assumption of county poor fund obligations as meeting the target. Motion CARRIED unanimously.

Mr. Jim Smith, Montana Association of Home and Services for Children, said they had spent the 22 hours allotted them in developing five necessary steps to reduce the budget of DFS.  
EXHIBIT 1

**EXECUTIVE ACTION ON DEPARTMENT OF FAMILY SERVICES**

Tape No. 1:Side 1

EXHIBIT 2

**Motion/Vote:** REP. WANZENRIED moved that \$2.7 million be put into MIS; it was amended by CHAIRMAN COBB to say that the money remains in the MIS program. Motion CARRIED unanimously.

**Motion:** CHAIRMAN COBB moved to eliminate the "Family of One" rule by April 1, 1993.

**Substitute Motion/Vote:** CHAIRMAN COBB moved that the reasonable classification of children in the Montana Medicaid plan be changed to only those children in DFS custody and that the rule change be implemented no later than July 1, 1993. Motion CARRIED unanimously.

**Motion/Vote:** CHAIRMAN COBB moved to reappropriate general fund savings from the supplemental appropriations for inpatient and residential youth psychiatric treatment for family-based services in DFS in FY 94 and FY 95. Motion CARRIED unanimously.

**Motion/Vote:** CHAIRMAN COBB moved to eliminate optional Medicaid service for inpatient psychiatric care. Motion CARRIED unanimously.

CHAIRMAN COBB said that between the "Family of One" and the elimination of optional Medicaid service, the committee has saved about \$10.5 million.

**Motion/Vote:** CHAIRMAN COBB moved to appropriate \$2.0 million of general fund monies for those no longer provided inpatient youth psychiatric care for the FY 95 biennium. This would specify line item appropriation and specify that no funds may be transferred into appropriations but funds may be transferred out. Motion CARRIED unanimously.

**Motion:** REP. WANZENRIED moved to have DFS work on better use of general fund so that they can become Medicaid eligible. Motion was withdrawn.

**Motion/Vote:** CHAIRMAN COBB moved to give the department \$1.0 million plus of general fund monies for the biennium. Motion CARRIED unanimously.

**Motion/Vote:** CHAIRMAN COBB moved to accept all language on MIS; take out all priority language and make language for SRS no later than July 1995. Motion CARRIED unanimously.

**Motion:** SEN. WATERMAN moved that the department must use and develop additional services, within appropriation limitations, that are family focused, child centered, culturally competent, and community-based. Motion was withdrawn.

**EXHIBIT 3**

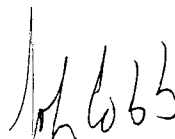
**Motion/Vote:** SEN. WATERMAN moved to restore the five-percent cuts throughout the DFS budget. Motion CARRIED unanimously.

**Motion/Vote:** SEN. WATERMAN moved to accept budget modifications for MIS in Management Support program in DFS. Motion CARRIED with REP. KASTEN voting no.

**Motion/Vote:** SEN. KEATING moved to accept the funding issue for regional staff. The executive budget included more general fund than the LFA current level for two reasons, both related to the reimbursement of DD case management services. Motion CARRIED with CHAIRMAN COBB voting no.

**ADJOURNMENT**

**Adjournment:** 10:00 A:M



JOHN COBB, Chairman



BILLIE JEAN HILL, Secretary

JC/bjh

HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

ROLL CALL

DATE

2-12-88

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 Dec 12, 1993 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: Move it out in M.I.S. @  
\$2.7M Gen Fund and remains  
in M.I.S.

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 Sept 12, 1993 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: move that the reasonable classification of children in the Montana  
state Medicaid plan to only those children in DFS custody

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

# HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

## ROLL CALL VOTE

DATE Dec 12 1993 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: Reappropriate  
Reappropriate only general fund savings  
from the supplemental appropriations for  
inpatient and residential youth psychiatric treatment  
for family-based services in fiscal '94 & '95

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 Feb-12, 1993 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: Eliminate optional Medicaid service for  
inpatient psychiatric care

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	

*passes*



# HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

## ROLL CALL VOTE

DATE Feb 12, 1993 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: Appropriate \$2.1M Gen Fund for the  
195 biennium Services for those no longer  
provided inpatient youth psychiatric care.

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	

Specify that line items approp; Specify that no  
 funds may be transferred into appropriations but  
 funds may be transferred out

# HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

## ROLL CALL VOTE

DATE 2-12-93 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: move to have Dept work on letter

using G F so that can become medical  
eligible.

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

*Withdrawn*

# HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

## ROLL CALL VOTE

DATE 2-12-93 BILL NO. general funds NUMBER

MOTION: Give them \$1.1 million plus  
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 2-18-93 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: (MIS) accept all language  
Take out all priority & make some language  
for SRS. no later than July, 1995.

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

# HOUSE OF REPRESENTATIVES

HUMAN SERVICES

SUB-COMMITTEE

## ROLL CALL VOTE

DATE 2-12-93 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: Move to restore 5% cuts throughout budget

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

# HOUSE OF REPRESENTATIVES

HUMAN SERVICES SUB-COMMITTEE

## ROLL CALL VOTE

DATE 2-12-93 BILL NO. \_\_\_\_\_ NUMBER \_\_\_\_\_

MOTION: That I accept Mod for M.I.S  
for Management Support  
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

HUMAN SERVICES

SUB-COMMITTEE

## ROLL CALL VOTE

DATE 2-18-93 BILL NO. Regional Steps NUMBER

MOTION: Blending issue for - The Exec budget  
inc. more G.F. than the LEF current level for  
two reasons. Both reasons are related to the reimbursement  
of D & N case management services.

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	

*Jim Smith*

PROPOSAL TO REDUCE THE BUDGET OF  
THE DEPARTMENT OF FAMILY SERVICES

1  
2-12-93  
HB

Providers of children's psychiatric services cannot support the current options for reducing the DFS budget. The option presented below represents a compromise which reduces the scope of the Medicaid program, cuts the administrative budget of the Department, reduces out-of-state services paid with 100 percent general fund with in-state services and places a small parental contribution on Foster Care.

The advantages of this proposal include the continuation of hospital and residential treatment. The proposal requires sacrifices by providers, DFS and Foster Care.

Necessary Steps

Biennial Savings

Limit eligibility under the "Family of One rule" to children in custody of DFS.  
Reduce eligibility for Medicaid services as proposed by DFS 2/9/93.

\$2,500,000

Retain "5 percent reduction" in personal services.

\$1,686,756

Delay implementation of DFS management information system for 6 months. Final payments would be made in the next biennium.

\$ 135,000

Expand treatment options located in Montana to replace services provided outside Montana. Options include therapeutic home care, inpatient residential, LTC group and the Missoula waiver project. DFS would focus on cost effective treatment, maximizing federal matching funds. Savings reflect expected lower unit costs of service, shortened length of stay, and more effective treatment.

\$ 350,000

Foster Care parental contribution.

\$ 130,000

TOTAL SAVINGS

\$4,801,756



## **SUGGESTED PLAN FOR REPRIORITIZING APPROPRIATION AUTHORITY FOR THE DEPARTMENT OF FAMILY SERVICES**

1. Eliminate the family of 1 rule
  - a. Require the change to be made by or be effective by April 1, 1993
  - b. Implement the change in the supplemental bill (House Bill 3)
2. Reappropriate any general fund savings from the supplemental appropriations for inpatient and residential youth psychiatric treatment for family-based services fiscal 1994 and fiscal 1995
3. Implement DGR (diagnostically-related group) for inpatient psychiatric treatment
4. Require youth courts to determine parental ability to contribute to care of adjudicated child by March 1, 1993
  - a. Require youth courts to review parental contributions for foster care by January 1, 1994
5. Eliminate optional medicaid service for inpatient psychiatric care
6. Appropriate \$2,000,000 general fund for the 1995 biennium (if needed) for residential services
  - a. Line item appropriation to prevent use of the funds for any other purpose
7. Appropriate \$2.7 million general fund for the child welfare management information system
  - a. Line item appropriation to prevent use of the funds for any other purpose
  - b. Adopt language preventing overexpenditure of appropriation
  - c. Transfer funds from "de-assumption" of county poor fund obligations
8. Appropriate a lump sum for all refinancing revenue and youth court collections from fiscal 1993
9. Reduce DFS budget by \$5 million general fund over the 1995 biennium

DATE 2-12-93

HB

The department is appropriated \$2,150,000 in federal funds each year of the biennium to develop family-support services for children at risk of abuse or neglect, children that have been referred for abuse or neglect, or children placed in or that are at risk of being placed in juvenile corrections facilities. The development of additional services is contingent on recovery of federal funds through department refinancing initiatives and the collection of parental contributions from parents of children in foster care. The department may add up to 6.0 new FTE to implement the refinancing strategies. The department must present to the 54th Legislature a report including the number and types of services developed, the number of children and families served, and the effectiveness of the services delivered.

It is the intent of the legislature that annualized expenses for the operation of the child welfare management information system (MIS) not exceed \$1,500,000 annually. This amount includes expenses for any 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 non-personal services costs directly charged to the management and operation of the system. The department may not proceed with the development of the MIS until it has certified to the Office of Budget and Program Planning and to the Legislative Finance Committee that the projected annualized operation costs of the system will not exceed the limit imposed in this statement of intent. If the department elects to contract for operation of the system on a privately-owned and operated mainframe or mid-range computer, the department must submit a comparison to the Office of Budget and Program Planning and to the Legislative Finance Committee of the cost of operating the system on the state mainframe computer managed by the Department of Administration. The Department of Administration must estimate rate changes that would occur due operation of the child welfare MIS on the state mainframe. If statewide cost savings are greater than the private contract cost savings, the department must operate the child welfare system on the state mainframe computer.

The department is directed to develop a child welfare management information system (MIS). The appropriation in item (management information system) must be expended only for development and operation of the MIS. The department must develop the most comprehensive MIS possible within the appropriation in item (MIS). If the appropriation is not sufficient to fund development of the entire system, system components must be developed in the following priority order: 1) foster care and adoption; 2) protective services; 3) juvenile corrections; 4) licensing; 5) accounting/fiscal; 6) utilities; and 7) case management services for the developmentally disabled.

The department must use and develop additional services, within appropriation limitations, that are family focused, child centered, culturally competent, and community based. The department must use the least restrictive, most appropriate services with the goal of preserving families.

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DATE 2-12-93  
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OUTLINE OF REFINANCING PROJECTS

	<u>FY 94</u>	<u>FY 95</u>
<u>IV-A EMERGENCY ASSISTANCE:</u>		
Social Worker activity related to investigation of initial reports of child abuse or neglect	\$690,000	\$690,000
Short term direct services for clients meeting emergency assistance eligibility such as: shelter care, family based services and therapy	126,000	126,000
<u>MEDICAID FUNDING FOR THERAPEUTIC GROUP CARE:</u>		
Redefining services provided by therapeutic group providers so the therapy portion of the program meets medicaid eligibility criteria. Current contracts with 4 providers	380,000	380,000
<u>SSI CLIENT ELIGIBILITY:</u>		
Contingency fee contract to review and file for SSI payments for current clients in the foster care programs. Estimate based on an average increase of 210 new foster placements becoming eligible	330,000	330,000
Subtotal	1,526,000	1,526,000
Possible increase in SSI recovery based on more eligible clients or longer average stay in the DFS system	365,000	365,000
Total	\$1,891,000	\$1,891,000

FY 94

FY 95

Community Based Corrections Programs:

Establishing community programs for placement of youth in the corrections system will allow the possibility of accessing federal funds such as Title IV-E or for parental participation. The current executive modification request anticipates 66,000/year. Changes in our current community programs could generate an additional 60,000/year

\$136,000 \$136,000

CAH.D.T. 2  
DATE 2-12-93  
HB

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## DEPARTMENT OF FAMILY SERVICES

## Agency Summary

DATE 2-12-93

HB

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	599.60	583.60	573.33	603.18	(29.85)	573.33	603.18	(29.85)
Personal Services	16,723,666	17,267,930	17,736,649	18,578,954	(842,305)	17,838,361	18,683,258	(844,897)
Operating Expenses	4,471,132	4,497,679	5,536,231	4,421,760	1,114,471	5,501,671	4,378,156	1,123,515
Equipment	191,083	75,925	127,289	129,273	(1,984)	108,731	110,806	(2,075)
Grants	6,415,957	5,402,894	6,567,340	6,338,808	228,532	6,565,794	6,337,226	228,568
Benefits and Claims	20,756,100	23,417,936	25,918,831	28,217,073	(2,298,242)	26,921,097	29,555,553	(2,634,456)
Total Costs	\$48,557,940	\$50,662,364	\$55,886,340	\$57,685,868	(\$1,799,528)	\$56,935,654	\$59,064,999	(\$2,129,345)
<b>Fund Sources</b>								
General Fund	31,022,245	30,115,197	36,401,141	37,059,517	(658,376)	37,487,305	38,379,721	(892,416)
State Revenue Fund	2,960,980	3,045,735	3,047,478	3,032,911	14,567	3,048,190	3,047,105	1,085
Federal Revenue Fund	14,574,714	17,501,432	16,437,721	17,593,440	(1,155,719)	16,400,159	17,638,173	(1,238,014)
Total Funds	\$48,557,940	\$50,662,364	\$55,886,340	\$57,685,868	(\$1,799,528)	\$56,935,654	\$59,064,999	(\$2,129,345)

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 Regional Staff Program 2  
 Juvenile Corrections Program 3  
 Community and Protective Services Program 5

Exec. Over(Under) LFA  
 Fiscal 1994 Fiscal 1995

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## DEPARTMENT OF FAMILY SERVICES

## Agency 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	599.60	583.60	573.33	603.18	(29.85)	573.33	603.18	(29.85)
Personal Services	16,723,666	17,267,930	17,736,649	18,578,954	(842,305)	17,838,361	18,683,258	(844,897)
Operating Expenses	4,471,132	4,497,679	5,536,231	4,421,760	1,114,471	5,501,671	4,378,156	1,123,515
Equipment	191,083	75,925	127,289	129,273	(1,984)	108,731	110,806	(2,075)
Grants	6,415,957	5,402,894	6,567,340	6,338,808	228,532	6,565,794	6,337,226	228,568
Benefits and Claims	20,756,100	23,417,936	25,918,831	28,217,073	(2,298,242)	26,921,097	29,555,553	(2,634,456)
Total Costs	\$48,557,940	\$50,662,364	\$55,886,340	\$57,685,868	(\$1,799,528)	\$56,935,654	\$59,064,999	(\$2,129,345)
<b>Fund Sources</b>								
General Fund	31,022,245	30,115,197	36,401,141	37,059,517	(658,376)	37,487,305	38,379,721	(892,416)
State Revenue Fund	2,960,980	3,045,735	3,047,478	3,032,911	14,567	3,048,190	3,047,105	1,085
Federal Revenue Fund	14,574,714	17,501,432	16,437,721	17,593,440	(1,155,719)	16,400,159	17,638,173	(1,238,014)
Total Funds	\$48,557,940	\$50,662,364	\$55,886,340	\$57,685,868	(\$1,799,528)	\$56,935,654	\$59,064,999	(\$2,129,345)

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Exec. Over(Under) LFA  
 Fiscal 1994 Fiscal 1995

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6911 01 00000 DEPARTMENT OF FAMILY SERVICES Program Summary						Management Support		
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	41.75	51.50	38.50	41.50	(3.00)	38.50	41.50	(3.00)
Personal Services	1,264,775	1,811,281	1,299,327	1,399,467	(100,140)	1,301,844	1,402,430	(100,586)
Operating Expenses	838,232	759,286	1,126,915	1,046,777	80,138	1,037,403	955,262	82,141
Equipment	77,045	10,166	30,990	31,366	(376)	32,005	31,706	299
Grants	4,758,260	0	4,755,425	4,874,093	(118,668)	4,754,584	4,873,216	(118,632)
Total Costs	\$6,938,314	\$2,580,733	\$7,212,657	\$7,351,703	(\$139,046)	\$7,125,836	\$7,262,614	(\$136,778)
<b>Fund Sources</b>								
General Fund	2,136,408	1,907,084	2,390,791	2,365,068	25,723	2,339,120	2,311,129	27,991
State Revenue Fund	14,806	14,784	15,000	16,500	(1,500)	15,000	16,500	(1,500)
Federal Revenue Fund	4,787,099	658,865	4,806,866	4,970,135	(163,269)	4,771,716	4,934,985	(163,269)
Total Funds	\$6,938,314	\$2,580,733	\$7,212,657	\$7,351,703	(\$139,046)	\$7,125,836	\$7,262,614	(\$136,778)

**Page References**

LFA Budget Analysis (Vol. II) p. B-97 to B-98  
Executive Budget pp. B-53 to B-54

**Current Level Differences**

**5% PERSONAL SERVICES REDUCTION**—The joint House Appropriations and Senate Finance and Claims committees removed 3.0 FTE and associated personal services costs. The executive current level also removes these 3.0 FTE. The LFA current level listed in the table above includes the FTE.

**GRANT ADMINISTRATION**—The executive current level base in the Director's Office is higher than the LFA current level due to an accounting change to reflect the recovery of grant administration funds in the program. The LFA continues the accounting practice followed in fiscal 1992 and budgets the administrative funds in the respective federal grant cost.

**AGING GRANTS**—The executive includes \$67,398 more in grants over the biennium than does the LFA current level. The difference is due to removal of 1.0 FTE to comply with the 5% personal services reduction requirement in House Bill 2. Legislative action has also removed this the FTE. The subcommittee may wish to allocate the reduction in personal services to grants.

**AGING FEDERAL BENEFITS**—The LFA current level includes a higher estimate of federal grant funds available for aging benefits.

**MINOR DIFFERENCES IN OPERATING, EQUIPMENT, AND INFLATION****TOTAL CURRENT LEVEL DIFFERENCES**

**FUNDING**—This program is funded from general fund, federal funds, and state special revenue. The Director's Office is funded from general fund, recovery of some administrative expenses from charges to federal grants, and state special revenue which funds adoption service contracts. Aging services administration is funded from federal funds and general fund. Other administrative and aging benefits are funded with a mix of federal funds and general fund.

**FUNDING ISSUE**—The executive includes \$53,714 more in general fund over the biennium than the LFA current level because of the way indirect costs are included in the respective budgets.

**Budget Modifications**

**MANAGEMENT INFORMATION SYSTEM**—This budget modification includes 2.0 FTE and \$274,492 general fund in fiscal 1994 and \$315,375 general fund in fiscal 1995 to develop a management information system. System implementation was originally authorized by the 1991 Legislature in House Bill 569, which included appropriation of \$823,963 (\$547,339 general fund) and anticipated that the department would contract with the Department of Administration for system development. The January 1992 special session reduced the general fund appropriation to \$286,589 and the department hired its own staff to complete development of the system. This budget modification anticipates that the system would be implemented state wide by the end of

Exec. Over(Under) LFA  
Fiscal 1994 Fiscal 1995

(100,140) (100,140)

78,323 78,323

no action

33,681 33,717

no action

(152,349) (152,349)

no action

1,439 3,671

(139,046) (136,778)

25,723 27,991

no action

384,593 492,344

the 1995 biennium.

**AGING LEGAL DEVELOPER**— This modification would add 1.0 FTE and federal funds to develop legal services for the elderly and help educate them on their legal rights and obligations.

**AGING FOOD STAMPS**— This budget modification includes federal authority to continue an outreach food service program for the elderly. This project was started by budget amendment in the 1993 biennium.

#### Language and Other Issues

**POSITIONS VACANT 12-92**— The joint House Appropriations and Senate Finance and Claims committees voted to remove positions vacant 12-92. An accountant position, removed due to this action, has since been filled by the department.

**ALZHEIMER'S DEMONSTRATION PROGRAM**— The department has received a federal grant award to conduct a demonstration project. The department will receive federal funds in the 1995 biennium to continue the grant. The Executive Budget does not include a budget modification for these funds.

**INFORMATION, COUNSELING, AND ASSISTANCE**— The department has received a federal grant for information, counseling, and assistance for the elderly. The grant will continue in the 1995 biennium. The Executive Budget does not include a budget modification for these funds.

**PREVENTIVE HEALTH GRANT**— The department has received a federal grant award for preventive health services for elderly Montanans. This grant will continue in the 1995 biennium. The Executive Budget does not include a budget modification for the funds.

#### LANGUAGE INCLUDED IN HOUSE BILL 2 BY THE 1991 LEGISLATURE

The continuum of service plan is to be presented to the Legislative Finance Committee during calendar 1991 for its review and comment. After review by the committee and consideration of recommendations, and upon implementation of the plan, all funds are to be spent in accordance with the plan. The goal of the plan is to develop a comprehensive child welfare service system by July 1, 1993. The system must include but not be limited to family-based services, foster care, therapeutic foster care, group care, residential treatment, and psychiatric hospitalization for youth. Funds appropriated for the youth foster care program may not be transferred to the medicaid program administered by the department.

The department may not issue a contract for the refinancing project until the contract has been reviewed by the Legislative Finance Committee.

EXHIBIT

3

DATE

2-12-93

HB

36,066

34,866

157,349

157,349

30,330

30,459

155,500

155,500

31,802

84,340

84,340



Management Support

1/7/93

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

EXHIBIT 3  
DATE 2-12-93  
HB \_\_\_\_\_

		Total Personal Services		FTE		Total FTE Removed	Non-Approp. FTE
Position #	Position Description	Fiscal 1994	Fiscal 1995	Removed by 5% Reduction	Removed by Being Vacant		
All or Partial General Fund Positions							
	5% Reduction						
03002*	Fiscal Officer	44,851	45,239	1.00		1.00	
00267	Program Officer	33,003	34,433	1.00		1.00	
00673	Administrative Officer	30,484	30,516	1.00		1.00	
Adjustment to tie to LFA Actual		(8,198)	(10,048)				
Subtotal 5% Reduction		\$100,140	\$100,140	3.00	0.00	3.00	
Positions Vacant 12-92							
00130	Accountant	30,330	30,459		1.00	1.00	
Subtotal Vacant Positions		\$30,330	\$30,459	0.00	1.00	1.00	
Non-General Fund Positions							
None							
Subtotal		0	0	0.00	0.00	0.00	0.00
TOTAL		\$130,470	\$130,599	3.00	1.00	4.00	0.00

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

6911 02 0000

DEPARTMENT OF FAMILY SERVICES

Program Summary

Regional Staff

HB

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	336.95	344.20	323.35	335.20	(11.85)	323.35	335.20	(11.85)
Personal Services	9,285,766	10,077,051	9,820,624	10,159,167	(338,543)	9,848,634	10,187,779	(339,145)
Operating Expenses	2,012,296	2,646,244	2,329,408	1,379,784	949,624	2,344,106	1,394,503	949,603
Equipment	48,471	42,365	31,079	40,400	(9,321)	33,467	46,685	(13,218)
Grants	(189)	5,402,894	0	0	0	0	0	0
Benefits and Claims	0	23,417,936	0	1,006,716	(1,006,716)	0	1,006,716	(1,006,716)
Total Costs	\$11,346,344	\$41,586,490	\$12,181,111	\$12,586,067	(\$404,956)	\$12,226,207	\$12,635,683	(\$409,476)
<b>Fund Sources</b>								
General Fund	6,622,703	22,469,521	7,496,758	7,386,728	110,030	7,541,949	7,426,444	115,505
State Revenue Fund	963,723	2,701,636	995,930	995,930	0	995,930	995,930	0
Federal Revenue Fund	3,759,917	16,415,333	3,688,423	4,203,409	(514,986)	3,688,328	4,213,309	(524,981)
Total Funds	\$11,346,344	\$41,586,490	\$12,181,111	\$12,586,067	(\$404,956)	\$12,226,207	\$12,635,683	(\$409,476)

Page References

LFA Budget Analysis (Vol. II) pp. B-99 to B-100  
Stephens Budget pp. B-54 to B-55

Current Level Differences

**5% PERSONAL SERVICES REDUCTION**—The joint House Appropriations and Senate Finance and Claims committees removed 11.85 FTE and associated personal services costs. The current level executive budget includes these reductions, while the LFA current level listed in the above table does not.

**ADMINISTRATIVE/INDIRECT COSTS**—The executive current level base is higher than the LFA current level due to an accounting change to reflect the recovery of grant administration funds in the program. The LFA continues the accounting procedures used by the department in fiscal 1992 and budgets the administrative funds in the respective federal grant cost.

**CONTRACTED SERVICES**—The executive current level budgets case management services for developmentally-disabled clients in contracted services while the LFA includes the budget for these services in benefits and claims (see the following issue).

**BENEFITS AND CLAIMS**—The LFA current level includes DD case management services in benefits and claims while the executive includes the same amount for such services in operating costs (see previous issue).

**EQUIPMENT**—The executive and LFA current level each include replacement of office equipment. However, the LFA current level funds replacement of three more copying machines each year of the biennium than does the executive.

**MINOR OPERATING AND INFLATION DIFFERENCES**

**TOTAL CURRENT LEVEL DIFFERENCES**

**FUNDING**—This program is funded with a mix of general fund, state special revenue, and federal funds. General fund provides the match for services eligible for federal medicaid and Title IV-E and Title IV-A funds. General fund picks up 100% of the costs associated with services that do not qualify for federal reimbursement. State special revenue is county reimbursement for regional staff costs.

**FUNDING ISSUE**—The executive budget includes more general fund than the LFA current level for two reasons. Both reasons are related to the reimbursement of DD case management services. First, such services were funded by the 1991 Legislature at the standard medicaid match rate, assuming that all clients served would be eligible to receive medicaid services. However, some clients were not medicaid eligible and services for those clients were 100% general funded. The executive includes a higher level of general fund in recognition of the non-medicaid client mix than does the LFA. Second, DD case managers were removed from the department random moment time study. (The random moment time study is used to determine the portion of staff costs attributable to the general fund and federal funds.) When their duties were not included, the portion of costs attributable to the general fund increased. The executive includes a higher

Exec. Over(Under) LFA  
Fiscal 1994 Fiscal 1995

(338,543) (339,145)

(60,000) (60,000)

*no action*

1,006,716 1,006,716

*no action*

(1,006,716) (1,006,716)

*no action*

(9,321) (13,218)

2,908 2,887

(404,956) (409,476)

112,805 121,785

HOUSE OF REPRESENTATIVES  
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