

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By CHAIRMAN JOHN COBB, on February 6, 1995, at 8:00 a.m.

ROLL CALL

Members Present:

Rep. John Cobb, Chairman (R)
Sen. Charles "Chuck" Swysgood, Vice Chairman (R)
Rep. Beverly Barnhart (D)
Sen. James H. "Jim" Burnett (R)
Rep. Betty Lou Kasten (R)
Sen. John "J.D." Lynch (D)

Members Excused: None.

Members Absent: None.

Staff Present: Mark Lee, Legislative Fiscal Analyst
Lois Steinbeck, Legislative Fiscal Analyst
Connie Huckins, Office of Budget & Program Planning
Douglas Schmitz, Office of Budget & Program Planning
Ann Boden, Committee Secretary

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

Committee Business Summary:

Hearing: DEPARTMENT OF SOCIAL & REHABILITATIVE SERVICES: Child Support Enforcement Program
Executive Action: DEPARTMENT OF SOCIAL & REHABILITATIVE SERVICES: Director's Office, Eligibility Determination, State Assumed County Administration Operations & Technology

{Tape: 1; Side: A

DEPARTMENT OF SOCIAL AND REHABILITATIVE SERVICES
DIRECTOR'S OFFICE

BUDGET ITEM: Personal Services; Inflation/Deflation; Fixed Costs

Lois Steinbeck, Legislative Fiscal Analyst's (LFA) office, said the LFA issue on personal services no longer remains because of the Department of Social and Rehabilitative Services (SRS) response to this issue.

Motion/Vote: CHAIRMAN JOHN COBB MOVED TO ACCEPT THE EXECUTIVE FOR \$51,377 IN FY96 AND \$53,952 IN FY97 FOR PERSONAL SERVICES; (\$401) IN FY96 AND \$17 IN FY97 FOR INFLATION/DEFLATION; AND (\$25,634) IN FY96 AND (\$25,194) IN FY97 FOR FIXED COSTS. Motion CARRIED unanimously.

BUDGET ITEM: Rent

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT THE EXECUTIVE FOR \$14,782 IN EACH YEAR OF THE BIENNIUM FOR RENT. Motion CARRIED 4-2 with SEN. CHUCK SWYSGOOD and SEN. JIM BURNETT voting no.

BUDGET ITEM: Equipment

Ms. Steinbeck commented that six computers would be replaced each year of the biennium which means each FTE gets a new computer every other year. Peter Blouke, Director of Social Rehabilitative Services, informed the subcommittee that the old computers are provided to staff who do not have computers.

No motion was made.

BUDGET ITEM: Debt Service

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT THE EXECUTIVE FOR (\$5,567) IN EACH YEAR OF THE BIENNIUM. Motion CARRIED unanimously.

BUDGET ITEM: Personal Service Reductions

Motion/Vote: REP. BETTY LOU KASTEN MOVED TO ACCEPT THE EXECUTIVE FOR (1.00) FTE IN EACH YEAR OF THE BIENNIUM AND (\$21,738) IN FY96 AND (\$21,818) IN FY97 FOR PERSONAL SERVICE REDUCTIONS. Motion CARRIED 5-1 with CHAIRMAN COBB voting no.

{Tape: 1; Side: A; Approx. Counter:8.9}

ELIGIBILITY DETERMINATION PROGRAMBUDGET ITEM: LFA issue with eligibility determination program

Ms. Steinbeck explained the LFA funding issue. SRS agreed with the LFA that the split between state special revenue and federal revenue was not accurate. The non-assumed counties are being asked to pick up costs that should be borne by the federal government. An acceptance by the subcommittee of the LFA issue would increase federal funding and decrease state special revenue funding.

Motion/Vote: CHAIRMAN COBB MOVED TO CHANGE THE ALLOCATION OF FUNDS FOR THE ELIGIBILITY DETERMINATION PROGRAM TO COMPRISE WITH THE LFA RECOMMENDATION OF 49.13 PERCENT OF TOTAL EXPENDITURES. Motion CARRIED unanimously.

BUDGET ITEM: Personal Services; Inflation/Deflation; Fixed Costs

Motion/Vote: REP. KASTEN MOVED TO ACCEPT THE EXECUTIVE FOR \$28,821 FOR FY96 AND \$55,924 FOR FY97 FOR PERSONAL SERVICES; \$3 IN FY96 AND \$6 IN FY97 AND ZERO EACH YEAR OF THE BIENNIUM FOR FIXED COSTS. Motion CARRIED 5-1 with CHAIRMAN COBB voting no.

BUDGET ITEM: Supplies and materials

CHAIRMAN COBB asked if the Department was charging counties for providing them with forms. Bob Mullen, Fiscal Officer, Family Assistance Division, replied yes, the inventory of forms which was distributed free has been depleted.

CHAIRMAN COBB asked if the amount of \$20,821 each year of the biennium proposed by the executive was in addition to what was previously spent for supply costs. Dr. Blouke, said the amount is a combination of federal and state special revenue and is above the program's normal supplies and materials expenditures.

REP. BEVERLY BARNHART asked where the funding came from for the counties to pay for the materials. Ms. Steinbeck replied from property tax revenue.

No motion was made.

BUDGET ITEM: Equipment and Loans

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT THE EXECUTIVE FOR (\$10,013) IN EACH YEAR OF THE BIENNIUM FOR EQUIPMENT AND LOANS. Motion CARRIED unanimously.

BUDGET ITEM: Personal Service Reductions

Ms. Steinbeck said that three eligibility technicians were deleted but didn't know which counties would be impacted. **Dr. Blouke** said that SRS attempts to shift FTE's as needs and caseloads change in both assumed and non-assumed counties. He said that the SRS will eliminate the FTE, but if caseload increases where the elimination was made SRS will transfer staff to that area.

Motion: REP. KASTEN MOVED TO ACCEPT THE EXECUTIVE (3.00) FTE IN EACH YEAR OF THE BIENNIUM AND (\$270,002) IN FY96 AND (\$272,265) IN FY97 FOR PERSONAL SERVICE REDUCTIONS.

Discussion: REP. BEVERLY BARNHART asked to consider action on this item along with the package for discussion and action on welfare reform. Without objection the subcommittee agreed to include this item with the welfare reform package.

Motion Withdrawn: REP. KASTEN WITHDREW THE MOTION.

{Tape: 1; Side: A; Approx. Counter:18.1}

STATE ASSUMED COUNTY ADMINISTRATION PROGRAM

Ms. Steinbeck said that the difference between the assumed and non-assumed county administration is that in the assumed counties the state share of costs is from the general fund instead of county revenues. She told the subcommittee that the funding issue was the same as for the Eligibility Determination Program.

Motion/Vote: REP. KASTEN MOVED TO CHANGE THE ALLOCATION OF FUNDS FOR THE STATE ASSUMED COUNTY ADMINISTRATION PROGRAM TO COMPRISE WITH THE LFA RECOMMENDATION OF 49.4 PERCENT FROM GENERAL FUND AND 50.6 PERCENT FROM FEDERAL FUNDS. Motion CARRIED unanimously.

BUDGET ITEM: Personal Services; Inflation/Deflation; Fixed Costs

Motion/Vote : REP. KASTEN MOVED TO ACCEPT THE EXECUTIVE FOR \$13,232 IN FY96 AND \$17,772 IN FY97 FOR INFLATION/DEFLATION; AND (\$2,433) IN EACH YEAR OF THE BIENNIUM FOR FIXED COSTS. Motion CARRIED unanimously.

No motion was made on Personal Services.

BUDGET ITEM: Rent

Dr. Blouke said the state-assumed counties charge SRS rent for use of county offices.

Ms. Steinbeck said historically the rent change has been about 2%, but the Executive Budget includes a 4% increase. If the subcommittee uses the historical figures it would save about \$45,000 over the biennium.

REP. BARNHART asked how rent will be effected by welfare reform. **Dr. Blouke** feels it will significantly decrease upon co-location of services and offices.

No motion was made.

BUDGET ITEM: Supplies and Materials

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT THE EXECUTIVE FOR \$10,000 IN EACH YEAR OF THE BIENNIUM FOR SUPPLIES AND MATERIALS. Motion FAILED 2-4 with CHAIRMAN COBB and SEN. LYNCH voting yes.

BUDGET ITEM: Communications and Contracted Services

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT THE EXECUTIVE FOR \$5,047 IN EACH YEAR OF THE BIENNIUM FOR COMMUNICATIONS AND CONTRACTED SERVICES. Motion CARRIED unanimously.

BUDGET ITEM: Equipment

CHAIRMAN COBB asked if the division has an equipment replacement plan. **Dr. Blouke** said there isn't a plan and this budget is primarily to replace some of the computers that were on line prior to the TEAMS project coming up in 1990/91.

REP. BARNHART asked why computer discs are being purchased in both the supplies and the equipment budgets. **Ms. Steinbeck** explained that small office equipment under \$1,000 can be purchased in the supply category and not be accounted on the state-wide property management system. If the agency wants the item accounted on the state-wide system, it must be purchased in the equipment category.

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$6,475 IN EACH YEAR OF THE BIENNIUM FOR EQUIPMENT. Motion CARRIED 4-2, with SEN. SWYSGOOD and SEN. BURNETT voting no.

BUDGET ITEM: Loans

Motion/Vote: REP. KASTEN MOVED TO ACCEPT (\$4,016) IN EACH YEAR OF THE BIENNIUM FOR LOANS. Motion CARRIED unanimously.

{Tape: 1; Side: A; Approx. Counter:31.9}

OPERATIONS & TECHNOLOGY DIVISIONBUDGET ITEM: Personal Services; Inflation/Deflation; Fixed Costs:

Mike Billings, Administrator, Operations and Technology Division, SRS, briefly spoke on the statewide present law adjustments.

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$206,828 IN FY96 AND \$221,715 IN FY97 FOR PERSONAL SERVICES; (\$347,171) IN FY96 AND (\$411,511) IN FY97 FOR INFLATION/DEFLATION; AND \$241,294 IN FY96 AND \$91,431 IN FY97 FOR FIXED COSTS. Motion CARRIED unanimously.

BUDGET ITEM: Contracted Services

Ms. Steinbeck said SRS made significant accruals against contracted services in FY94. When the legislature removes the accruals from the base budget, they are in excess of the other contracted services increases that will be considered.

Mr. Billings said the facilities management contracts are comprised of actual operation and maintenance support provided by the contractor who built the system. The main reasons for this is because the state does not pay enough to attract and/or maintain the level of employee necessary to deal with these complex systems and it is difficult for any one to maintain a computer code developed by someone else.

CHAIRMAN COBB asked for an explanation of the LFA issue which says the mainframe costs are too high. Mr. Billings explained this was an inadvertent inclusion of roughly \$2 million that should not have been in this part of the budget. Because the deflation rate is slightly lower than had been anticipated, it should be \$788,000 rather than \$800,000.

Motion/Vote: SEN. SWYSGOOD MOVED TO REMOVE \$1,104,893 OF STATE MAINFRAME COMPUTER PROCESSING COSTS IN EACH YEAR OF THE BIENNIUM. Motion CARRIED unanimously.

CHAIRMAN COBB asked the Department to explain the inflation rate for the Medicaid Management Information System (MMIS). Mr. Billings said built into the contract is a cost of living adjustment that is based on the consumer price index, which automatically inflates the cost of the MMIS contract. He said the Department hopes to have this contract renewed July 1, 1995.

Motion/Vote: CHAIRMAN COBB MOVED TO APPROVE \$1,345,919 IN FY96 AND \$1,387,301 IN FY97 FOR THE MMIS OPERATIONS CONTRACT. Motion CARRIED unanimously.

SEN. BURNETT left the meeting.

CHAIRMAN COBB asked SRS if they would prefer that action wait on the other contract items. Mr. Billings said there should be more

information prior to the end of the session and SRS would prefer action wait until this information is available.

Ms. Steinbeck explained LFA issues with the SEARCHS contracts.

No motions were made on TEAMS FM contract, SEARCHS mainframe processing, SEARCHS FM contract, or contract services.

{Tape: 1; Side: B}

Motion/Vote: CHAIRMAN COBB MOVED TO APPROVE \$29,944 IN EACH YEAR OF THE BIENNIUM FOR OTHER CONTRACT CHANGES. Motion CARRIED 4-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM: Rent

Motion/Vote: REP. BARNHART MOVED TO ACCEPT THE EXECUTIVE FOR \$117,279 IN FY96 AND \$119,318 IN FY97 FOR RENT. Motion FAILED 2-3 with REP. BARNHART and SEN. LYNCH voting yes.

BUDGET ITEM: Equipment

CHAIRMAN COBB asked if FAIM costs are part of welfare reform. Mr. Billings confirmed FAIM is part of welfare reform.

Motion/Vote: SEN. SWYSGOOD MOVED TO ACCEPT THE EXECUTIVE FOR \$113,919 IN FY96 AND \$62,511 IN FY97 FOR EQUIPMENT, SEGREGATING FAIM COSTS FOR EQUIPMENT. Motion CARRIED unanimously.

No motions were made on other adjustments.

BUDGET ITEM: ISD Subscriptions

Ms. Steinbeck said these are monthly charges that are assessed for each personal computer hooked to the statewide data network, which is \$36 a month. The executive budget funds these as if they were on-line from day one, but there is a long waiting line to be connected. The subcommittee may want to consider prorating the addition of these charges.

Mr. Billings said SRS agrees with the prorated implementation.

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT THE PHASE IN OF THE ISD SUBSCRIPTIONS AS PROPOSED BY THE LFA SEGREGATING ANY FAIM SUBSCRIPTIONS OR COSTS. Motion CARRIED 3-2 with REP. KASTEN and SEN. SWYSGOOD voting no.

BUDGET ITEM: Computer costs - TEAMS

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT THE EXECUTIVE NEW PROPOSAL FOR COMPUTER COSTS - TEAMS, SEGREGATING FAIM COSTS. Motion CARRIED 4-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM: ISD Subscriptions - TEAMS; SEARCHS ISD Subscriptions

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT THE EXECUTIVE NEW PROPOSAL FOR ISD SUBSCRIPTION - TEAMS AND SEARCHS ISD SUBSCRIPTIONS, SEGREGATING FAIM SUBSCRIPTIONS. Motion CARRIED 3-2 with REP. KASTEN and SEN. SWYSGOOD voting no.

BUDGET ITEM: MEDICAID Fraud Increase/Justice

Nancy Ellery, Administrator, Medicaid Services Division, SRS, said this unit would investigate and prosecute both provider and recipient fraud in the Medicaid program. This funding will be transferred to the Department of Justice for administration of the unit. SEN. ETHEL HARDING has introduced a bill this session which gives SRS the statutory authority to create the unit and impose penalties. EXHIBIT 1 Medicaid fraud does exist in Montana and has been estimated to be as much as \$30 million. This is a 75%:25% federal to state match and is required under the federal homeless act. Using the worker's comp fraud unit as an example, this program should more than pay for itself after the first year. Montana is one of nine states without a fraud unit.

Mike Batista, Administrator, Law Enforcement Services Division, Department of Justice, said the criminal investigation bureau, which is has the welfare fraud and worker's compensation fraud units would be responsible for the Medicaid fraud unit. The worker's compensation fraud recovers \$5 for every \$1 spent. In welfare fraud, \$800,000 has been recovered in the first year. The Medicaid fraud unit would be staffed similarly to the other fraud units, with 7 FTE. It generally takes six months to a year per fraud case. SRS has reported they would have referred 34 cases last year if there had been a Medicaid fraud unit. Nevada, which is comparable to Montana in the amount of Medicaid money in the state, realized a savings of \$2 million the first year and increased staff from 5 FTE to 12 FTE.

Motion/Vote: SEN. SWYSGOOD MOVED TO ACCEPT THE EXECUTIVE FOR \$100,000 IN EACH YEAR OF THE BIENNIUM FOR MEDICAID FRAUD INCREASE/JUSTICE, CONTINGENT UPON APPROVAL OF SB 294 AND TO INCLUDE LANGUAGE IN HB 2 ALLOWING THE DEPARTMENT OF JUSTICE TO ESTABLISH FTE'S IF IT FINDS THAT DOING SO IS MORE EFFICIENT THAN CONTRACTING. SRS IS DIRECTED TO OUTLINE THE METHODOLOGY FOR DETERMINING IF FTE ARE MORE EFFICIENT THAN CONTRACTED SERVICES AND REPORT METHODOLOGY TO THE LEGISLATIVE FINANCE COMMITTEE. Motion CARRIED unanimously.

BUDGET ITEM: Personal Services Reductions

Motion/Vote: SEN. SWYSGOOD MOVED TO ACCEPT THE EXECUTIVE FOR (4.00) FTE AND (\$59,640) IN FY96 AND (4.00) FTE AND (\$59,853) IN FY97 FOR PERSONAL SERVICES REDUCTIONS. Motion CARRIED unanimously.

{Tape: 1; Side: B; Approx. Counter:26.2}

**HEARING ON DEPARTMENT OF SOCIAL AND REHABILITATIVE SERVICES
CHILD SUPPORT ENFORCEMENT PROGRAM**

Lois Steinbeck, LFA, reported on LFA issues with the child support enforcement division (CSED) budget. During FY94, total CSED collections did not keep pace with previous years and CSED should address its plans to increase revenue collections to support the 1997 biennium Executive budget request. During the last regular session an increase in FTE was authorized. In FY95 an additional 12 FTE are scheduled to be hired and CSED is requesting annualization of operating costs to support these FTE because they will incur operating costs for hires in 1995 but would be evaluated base expenditures in FY94. The issue is the Executive budget eliminates 7 of these FTE as a personal services reduction, so the annualization of costs should not be equivalent to 12 FTE.

A segment of the welfare reform proposal is in CSED's new proposals. SRS has pledged, as one of the major parts of cost neutrality, raising CSED revenue collections by 40% of \$3.6 million - roughly \$1.4 million annualized. That wouldn't come on-line until the 1999 biennium because of the delay in start-up costs and in collections. The welfare reform proposal is funded from general fund, the rest of CSED costs are from state special revenue. The subcommittee may want to consider offset to the general fund from these increased revenues, and how to separate the amount of new money from welfare reform versus ongoing collections to know which is going to be deposited in the general fund.

May Anne Wellbank, Administrator, Child Support Enforcement Division, gave an overview of the division. CSED was enacted into law in 1975 and falls under Title VI-D of the Social Security Act. The original mission of the program was to enforce and collect support for families receiving AFDC. In 1984 the mission was expanded to include services to families not receiving AFDC. On the national level statistics show for every \$5 collected from non-AFDC families, one dollar in public welfare is saved. The non-AFDC families population has expanded greatly over the past 10 years, by FY90 it was larger than the AFDC caseload. For FY97 it is projects non-AFDC cases will be over 60% of the caseload, serving almost 36,000 non-welfare families. **EXHIBIT 2** By FY90 the collections for non-AFDC and AFDC were approximately equal with at about \$4.8 million each. CSED

enforces medical support as well as child support. There is a bill that will be introduced this session, which meets federally mandated requirements, that enhances the ability to enforce the collection of medical support.

SEN. LYNCH asked if CSED gets a fee from collection of non-AFDC support. **Ms. Wellbank** said there are no fees for non-AFDC. The state keeps 40% of AFDC collections for reimbursement and returns 60% to the federal government for reimbursement. If more is collected than that AFDC amount, that additional collection goes to the AFDC client.

CHAIRMAN COBB asked if it is legal for the state to charge fees for non-AFDC support. **Ms. Wellbank** said it is legal but experiences in other states show it is not very effective. Montana is considering some straight fees, such as a \$25 application fee, but nothing based on a percentage of collections.

Ms. Wellbank said projections for FY97 estimate non-AFDC collections to exceed \$28.6 million compared to an estimated \$12 million in AFDC collections. The increase is caseload and requires CSED to depend greatly on an automated system. SEARCHS has been implemented during the past two years and is the first, and only in the country, automated case management and accounting data processing system to meet federal certification requirements. This system allows better interface with other in-state, federal and out-of-state CSED data bases.

All AFDC cases are automatically referred to the CSED for services. Collection of past due child support is used to reimburse the state for AFDC benefits paid and collection of regular current support helps the family move from welfare dependency to self-sufficiency. Non-AFDC clients may also apply for services. Other states also refer cases to Montana when the parent owing support lives in Montana. **EXHIBIT 2, Graph 3** Federal procedure has very strict time frames for provision of services and if CSED doesn't keep up with these time frames federal funding can be withdrawn.

REP. LYNCH asked if CSED is involved in divorce decrees. **Ms. Wellbank** answered CSED is not involved in custody and visitation arrangements, but can change child support payments if it's not a reasonable amount.

REP. KASTEN asked if there was a need to shift child enforcement attorneys to a pro-active intervention role at the court levels. **Ms. Wellbank** said this has not been a problem area and would not be an effective use of FTE.

CHAIRMAN COBB asked if Medicaid is considered as medical support and can it be made clear through welfare reform that it is medical support. **Ms. Wellbank** answered that Medicaid is sometimes considered support and sometimes written into support

orders that as long as the child remains on Medicaid the obligated parent doesn't need to provide insurance. There is a bill to comply with the federal requirements of OBRA that includes Medicaid as supports. Once that bill passes CSED will modify all support orders to make sure it's clear that the obligated parent needs to provide medical support.

Ms. Wellbank said the federal government routinely conducts audits to insure CSED is in compliance with federal regulations and requirements for processing a case. Audit failures can result in loss of federal funding for the state AFDC program. CSED has passed all audits with flying colors. With the conversion to SEARCHS, increase in caseloads and tighter federal time-frames on paternity establishments the division has fallen behind in recent years. CSED has its own hearing office which minimizes a need for an extensive legal staff, because CSED generally doesn't need to take action in district court. Income withholding is the most successful and consistent pay source. Almost \$10 million was collected through wage withholding in FY94. Other sources for collection are through personal checks, collections from other states, and income tax offsets.

{Tape: 2; Side: A}

The AFDC caseloads are more time consuming, initially, than non-AFDC cases because often paternity has to be established and obligator have to be located. Non-AFDC cases generally have paternity already established and are easier to locate the obligator. Non-AFDC clients, however, are (in general) more demanding and want their cases resolved quickly, thus taking more staff time just answering phone calls and listening to complaints. Approximately half of the 42,000 AFDC cases are in the enforcement state. 6,000-7,000 cases are currently making regular payments.

SEN. LYNCH asked if back payment can be collected if the child has turned 18 before the obligator is located. **Ms. Wellbank** answered any accrued amount since the order was established can be collected for 10 years after the child reaches the age of majority.

Funding for the CSED is 34% state special revenue and 66% federal funds. This is the first year state general fund has been used. State special revenue funds are generated through the state share of AFDC in state collections and federal collection incentives. On AFDC collections the state keeps 40%, with of that passed on to county governments. Part of the 40% is an incentive of 6% of all AFDC collections and 6% of non-AFDC collections up to 115% of AFDC collections. No incentive is allowed for non-AFDC collections above the 115%. If incentives were allowed on all non-AFDC dollars it would have been an additional \$1 million.

Ms. Wellbank said CSED has been able to fund the non-federal portion of operating expenses with revenue raised since its inception. Because of the greatly increasing non-AFDC cases, which have a lower revenue return than AFDC cases, CSED was forced in FY94 to use most of the cash reserves in the state special revenue account. Projections for FY95 and FY96 estimate revenue to the state special revenue fund to barely equal expenditures from this account. In FY95 only 7 of an authorized 12 new FTE were hired because of the revenue shortfall. The AFDC annual collections increased in FY93 by a \$273,000 and actually decreased by over \$57,000 in FY94. Therefore revenue remained relatively constant from FY92 through FY94 but the case load and expenses increased by almost 25%. Ground was lost due to the conversion to SEARCHS, but that should be recouped in this biennium. SEARCHS has now been on line for over a year and is showing a positive change in AFDC collections. AFDC collections for the first six months of FY95 exceed the first 6 months of FY94 by over \$290,000 and exceed FY93 by over \$250,000. Based on the workload being down with SEARCHS, CSED is estimating a growth in AFDC collections of \$1.7 million annually exclusive of welfare reform. If this prediction holds true CSED will have enough revenue to support the submitted budget for FY96 and FY97.

CHAIRMAN COBB asked if CSED would be able to pay back a loan, if the legislature were to authorize funds to assist with the current cash flow problem. **Ms. Wellbank** said the welfare reform proposals would enable a loan to be repaid. Currently CSED is borrowing funds that will be repaid when the tax collections come at the end of the fiscal year.

SEN. SWYSGOOD asked how fees for non-AFDC cases will be established and proven to be commensurate with service. **Ms. Wellbank** said fees would be based on services rendered - such as an application fee. Also real costs, such as a fee for federal tax offset and the cost of review and modification of support orders. These costs can be easily identified and passed on to non-AFDC clients. In consideration of fees, there will also be ability-to-pay considerations so some non-AFDC clients would not be required to pay when they can't afford to.

SEN. SWYSGOOD commented that this free assistance to non-AFDC clients often keeps them from becoming AFDC clients. On the other hand the legislature needs to determine if this savings is adequately offset by the cost of providing the service.

Ms. Wellbank said the budget request does not include any additional FTE because the division is looking at contracting and privatization. The budget includes the reduction of 7 FTE which were eliminated from the budget because the particular FTE were vacant at the time. SRS has committed to replacing these FTE as needed.

{Tape: 1; Side: B}

HB 2, as enacted by the 1993 legislature, required CSED to conduct a review of child support privatization projects in other states. Most states are in the same position as Montana, the public is reluctant to add additional FTE to government so state agencies are looking at privatization. Most of these efforts have not been in place long enough to provide a cost benefit analysis. Other states have reported privatization is not necessarily cost effective but it is the only alternative because of FTE reduction. Internally CSED has identified two areas that could prove to be beneficial if privatized - customer service and hard-to-locate cases. CSED gets up to 4,000 phone calls a week. A customer service line could answer 80-90% of the questions through the SEARCHS system. The RFP for this service is almost ready to go out for bid. Privatizing the search for hard-to-find obligator will not only save staff time, but ensure a more thorough search as the private agency would have more time to devote to the search. A result would be more cases would move to the enforcement status and CSED FTE would have more cases to work.

Modifications are CSED's biggest area of complaint and needs special attention. The process of modification - to revise court orders - is extremely labor intensive. It is very backlogged, with 2,600 backlog cases now and 6,200 backlog cases estimated for the end of FY96 at current FTE levels. There are 6 FTE currently and it would take 12 to clear up the backlog. Approximately 50 cases can be cleared a month, but new cases are coming in at the rate of about 200 a month. Federal mandate requires every AFDC case be reviewed every 36 months and non-AFDC cases must be reviewed as requested. Cases are handled on a first come, first serve basis. There are emergency reviews done for people going on Social Security, but obligator who have recently lost jobs or had significant income decreases are not treated as emergency cases. The review process for AFDC cases have resulted in an average increase in the ordered amount of \$35 per month. The total increase in AFDC monthly obligations is almost \$3,000 for the 84 cases completed, which will increase CSED revenue by about \$15,000 annualized. This is not enough to fund this unit. Because of budget considerations, CSED chose to add FTE to the regular case work staff in hopes of bringing up revenue which in turn could help fund the modifications unit.

ADJOURNMENT

Adjournment: 11:55 a.m.



JOHN COBB, Chairman



for _____
PAULA CLAWSON, Recording Secretary

JC/pc

HUMAN SERVICES AND AGING

Joint Appropriations Subcommittee

ROLL CALL

DATE ~~7-2~~ 26-95

| NAME | PRESENT | ABSENT | EXCUSED |
|------------------------------------|---------|--------|---------|
| Rep. John Cobb, Chairman | ✓ | | |
| Rep. Beverly Barnhart | ✓ | | |
| Rep. Betty Lou Kasten | ✓ | | |
| Sen. Chuck Swysgood, Vice Chairman | ✓ | | |
| Sen. J.D. Lynch | ✓ | | |
| Sen. Jim Burnett | ✓ | | |

Lors, Bonnie

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: Prslm Svcs; Inf/dest; fixed costs
Cobb Accp

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

~~6-0~~ - need
6-0 Lynch
vote

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: #1 Rent - Cobb accept

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | | X |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | X |

3-2
4-2

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6 BILL NO. _____ NUMBER _____

MOTION: ^{H/S} laying - no motion

5-50

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-75 BILL NO. _____ NUMBER _____

MOTION: H6 Debt Svc. - Cobb

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

5-0
6

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: #1 Floor Soc. Reduction - Kasten

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | X |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | X | |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | X | |

B-50

4-1
5

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: Change allocation of funds County funds
Cobb ^{Change} funding for eligibility deter. program
should be funded according to LFA recomm w/funds
@ 49.1390

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

B-46
8-0
6

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: Pront Sues; Inff / deff; Sued case - Kasten

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | X |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | X | |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | X | |

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5-1

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: #4 Supplies & Materials - no motion

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

B-47

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-16-95 BILL NO. _____ NUMBER _____

MOTION: #5 Equip & Loans - CONDO

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | X | |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | X | |

B-47

60

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: #2 Prison Soc Reductions - Kasten
- withdraw - to include w/ welfare
reform

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

3-48

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

St Assumed
to Admin

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: - Kasten accept LFA ~~issue~~ re comm
funding where state spec. @ 49.4% for
state assumed. to. Admin.

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | X | |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | X | |

B-51

6-0

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

no motion #1

DATE _____ BILL NO. _____ NUMBER _____

MOTION: # 1, 2, 3 ~~from~~ ~~Secs~~; infla/defla; fixed
costs - Kasten 2 & 3 only
infla/defla; fixed costs

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

B-58

60

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE _____ BILL NO. _____ NUMBER _____

MOTION: #4 - Rent - no motion

8-58

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 12-6-95 BILL NO. _____ NUMBER _____

MOTION: #5 Supplies & Materials - Cobb

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | | X |
| Rep. Betty Lou Kasten | | X |
| Sen. Chuck Swysgood, Vice Chairman | | X |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | ✓ |

2-4

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 5-6-95 BILL NO. _____ NUMBER _____

MOTION: H6 Comm. & Contracted SWS - Cobb

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | X | |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | X | |

B-58

5-0

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-93 BILL NO. _____ NUMBER _____

MOTION: #7 Igou - Cobb

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | | X |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | X |

3-2
4

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: #8 Loans - Kasten

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | ✓ | |
| Rep. Betty Lou Kasten | ✓ | |
| Sen. Chuck Swysgood, Vice Chairman | X | |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | ✓ | |

B. 58

50

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

*Operations
&
Technology*

DATE 2-6-93 BILL NO. _____ NUMBER _____

MOTION: 1, 2, 3 Prone Soc; Cliff de la; Luid cas
- Cobb

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

B-77

*65-0
Ce -0*

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: Swysgood Computer Processing Charges
remove from budget (Table 17)

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

15 18

~~6-0~~
6-8

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: MMS Oper. Contract - Cobb 1.3

Acpt

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

6-0

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE _____ BILL NO. _____ NUMBER _____

MOTION: (no - motions - TEAMS) SEARCHES Mainframe
(no motion)

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-98 BILL NO. _____ NUMBER _____

MOTION: #4 Contract Svcs.

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

B-77

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-98 BILL NO. _____ NUMBER _____

MOTION: Cobb - other contract changes

accr 29,944 ea. yr of kien

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | | X |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | |

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B-1

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: #5 - Rent - Barnhart

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | X |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | | X |
| Sen. Chuck Swysgood, Vice Chairman | | X |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | |

1-3

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: #6 Equip ~~connected~~ - Acpt

Cobb minus welfare reform proposals equipment

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

3-0

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE _____ BILL NO. _____ NUMBER _____

MOTION: # 7 other Adjustments - no mot.

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | |
| Sen. J.D. Lynch | | |
| Sen. Jim Burnett | | |

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-95 BILL NO. _____ NUMBER _____

MOTION: ^{Opp} - accept LFA phase in of data
network subscription (Table 19) & include
any welfare reform related issues

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | | X |
| Sen. Chuck Swysgood, Vice Chairman | | X |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | |

By 80
free
new
prop

2-2
5

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE _____ BILL NO. _____ NUMBER _____

MOTION: Cobb Accept #2 minus FAIM

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | | |
| Rep. Beverly Barnhart | | |
| Rep. Betty Lou Kasten | | |
| Sen. Chuck Swysgood, Vice Chairman | | X |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | |

3-1
4

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE _____ BILL NO. _____ NUMBER _____

MOTION: Cobb - accept 3 1/2 4 less FAIM

ISP Subscriptions

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | | X |
| Sen. Chuck Swysgood, Vice Chairman | | X |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | |

2-2

HUMAN SERVICES & AGING

ROLL CALL VOTE

Joint Appropriations Subcommittee

DATE 2-6-93 BILL NO. _____ NUMBER _____

MOTION: Supp govt Accp Contingent upon

#5 Approval of SB 293 to maintain language in HB2
allowing Dept. Just. ~~ability~~ to establish FTE's of
~~has authority to~~ more efficient than

| NAME | AYE | NO |
|------------------------------------|-----|----|
| Rep. John Cobb, Chairman | X | |
| Rep. Beverly Barnhart | X | |
| Rep. Betty Lou Kasten | X | |
| Sen. Chuck Swysgood, Vice Chairman | X | |
| Sen. J.D. Lynch | X | |
| Sen. Jim Burnett | | |

Contracting
Dept of
Just must
outline
methodology
for determining
if FTE are
more effic.

5-0

than contracted
Dres & report
it to LFC

- how determined effectiveness
- report cost effective studies
to

DEPARTMENT OF JUSTICE Creation of a Medicaid Fraud Control Unit

Background

The Omnibus Budget Reconciliation Act of 1993 mandates that all states operate medicaid fraud and abuse control units by January 1, 1995, unless they can demonstrate that operating the unit would not be cost effective. Montana is one of nine states that does not yet have a medicaid fraud control unit.

For the first decade after medicaid was established, it operated with few controls against fraud. Inadequate controls combined with escalating multimillion dollar expenditure levels have made a substantial amount of fraud a reality. Medicaid revenues in the United States have increased from \$1.5 billion when the program began to an estimated 91 billion in FY 92.

Medicaid fraud is committed by virtually all kinds of providers, including physicians, nursing homes, hospitals, laboratories, dentists, home health care agencies, and durable medical equipment companies.

Purpose of Unit

Medicaid fraud control units are federally funded, state law enforcement entities that investigate and prosecute provider fraud and violations of state laws relating to fraud in the administration of the medicaid program. In addition, the units are required to review complaints of patient abuse and neglect in all residential health care facilities that receive medicaid funds.

Federal law requires that medicaid fraud units are staffed by attorneys, investigators and auditors trained in the complex litigation aspects of health care fraud. The units also must be separated and distinct from their respective state medicaid programs. For this reason, they are usually located in the state attorney general's office.

The state medicaid agency (SRS) is required to enter into an agreement with the unit to refer all suspected cases of provider fraud to the unit and to comply with the unit's requests for provider records or computerized data that is kept by the agency.

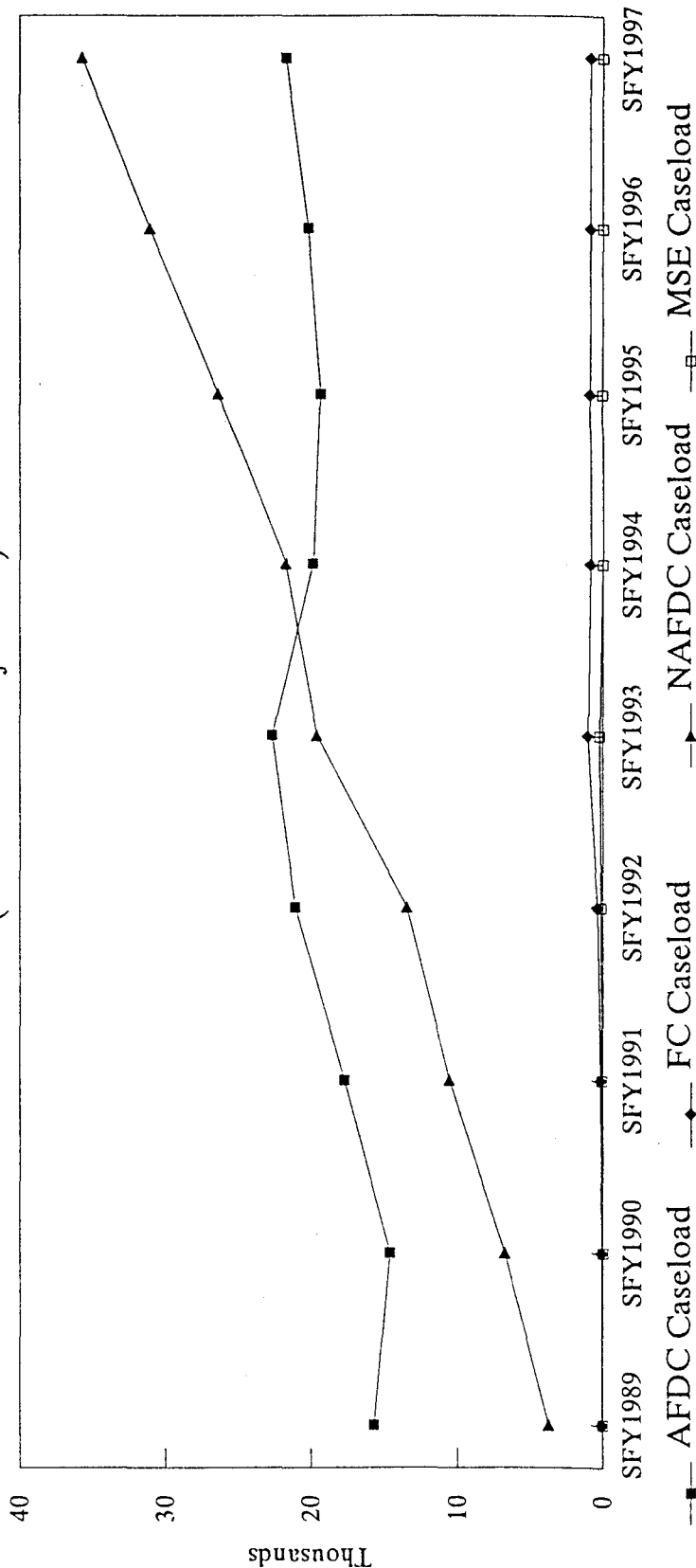
Typical fraud schemes which would be investigated by a medicaid fraud unit include:

- billing for services not rendered,
- double billings,
- misrepresenting the nature of services provided,
- providing unnecessary services, and
- falsifying cost reports.

EXHIBIT 2
 DATE 2/6/95
 HB Mtg #1

| | TOTAL CASES | AFDC CASES | FC CASES | NAFDC CASES | MSE CASES |
|---------|----------------|---------------|-------------|----------------|--------------|
| SFY1989 | 19,348 | 15,630 | 35 | 3,683 | 0 |
| SFY1990 | 21,379 | 14,583 | 63 | 6,733 | 0 |
| SFY1991 | 28,426 | 17,651 | 161 | 10,539 | 75 |
| SFY1992 | 34,900 | 21,016 | 353 | 13,412 | 119 |
| SFY1993 | 43,320 | 22,627 | 987 | 19,530 | 176 |
| SFY1994 | 42,235 | 19,765 | 799 | 21,671 | N/A |
| SFY1995 | 46,431 | 19,280 | 800 | 26,351 | N/A |
| SFY1996 | 51,956 | 20,125 | 800 | 31,031 | N/A |
| SFY1997 | 58,139 | 21,628 | 800 | 35,711 | N/A |

CSED Total Caseload (Actuals and Projections)



TOTAL AFDC/NAFDC COLLECTIONS

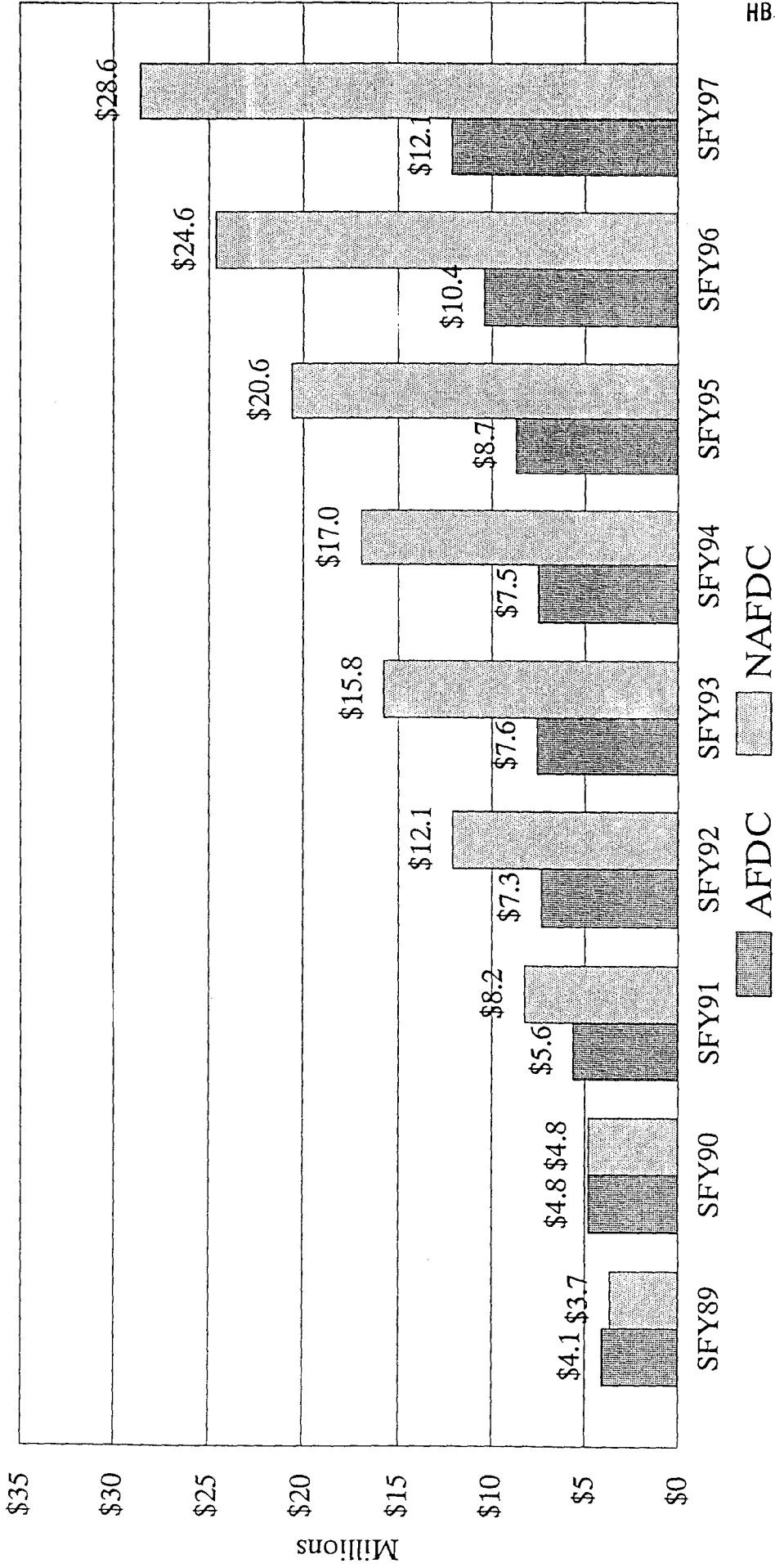
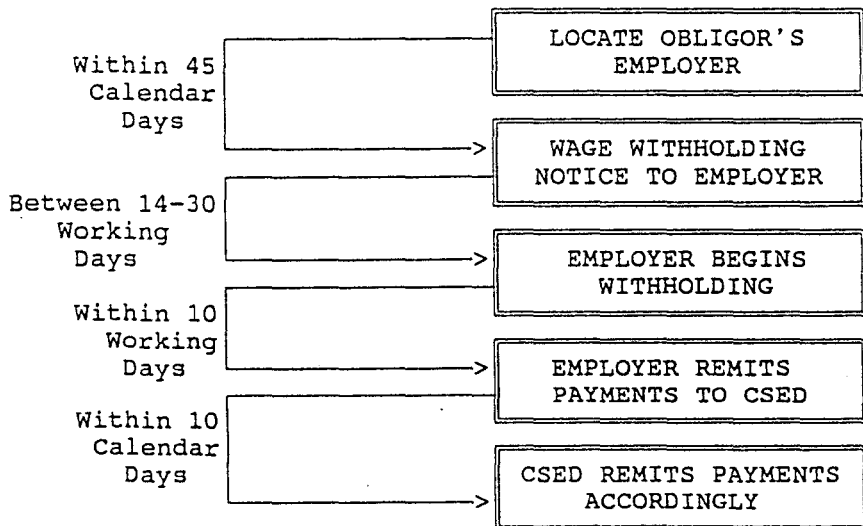
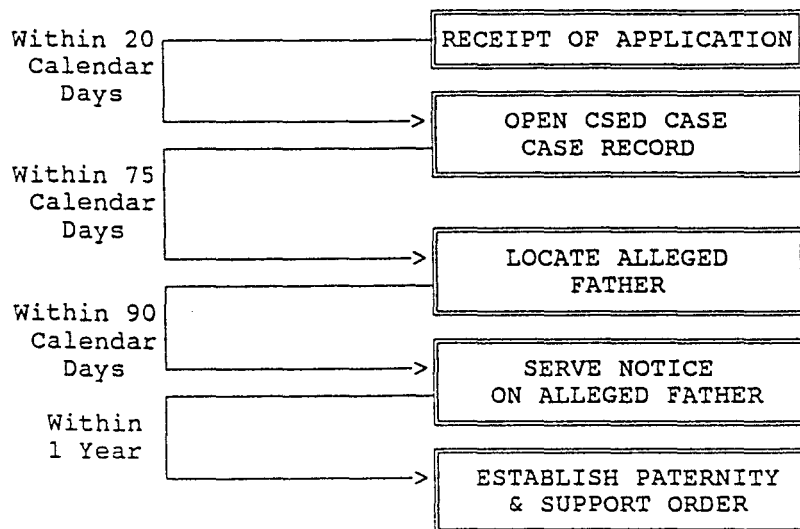


EXHIBIT 2
 DATE 2/6/95
 HB _____

STANDARDS OF CSED PROGRAM OPERATIONS

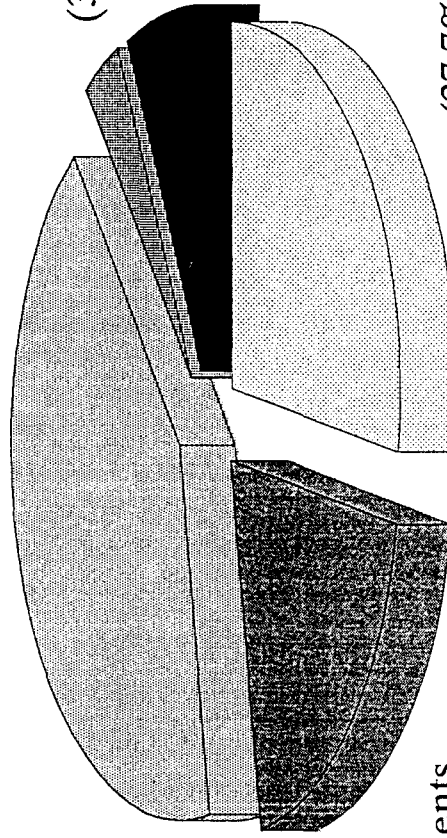
(As Required by Federal Regulations)



Payment Source

FFY94 Child Support Collections

(42.1%) Income Withholding



(19.4%) Regular Payments

(27.7%) From Other States

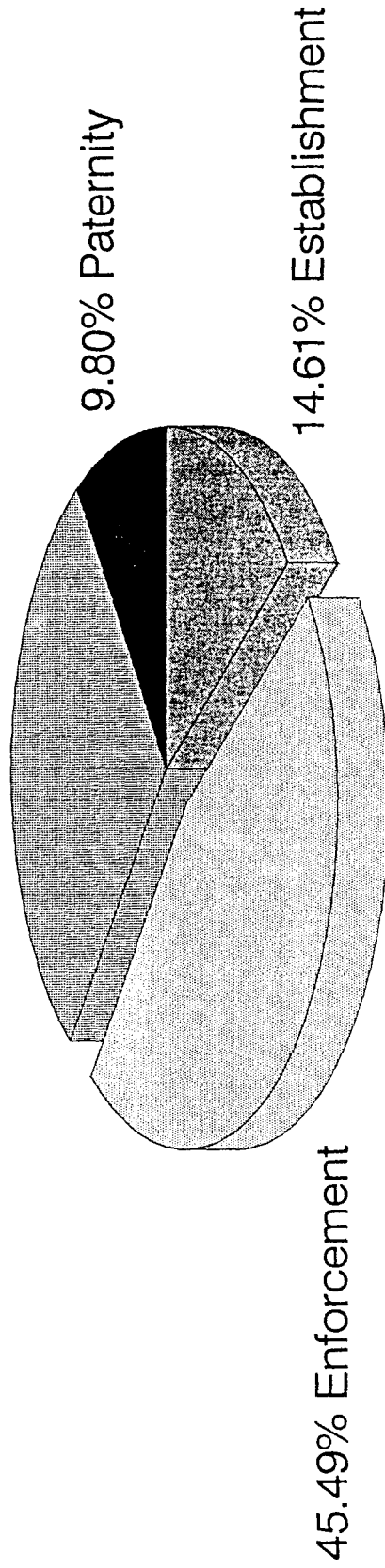
(3.5%) Unemployment Ins.

(7.3%) Tax Offsets

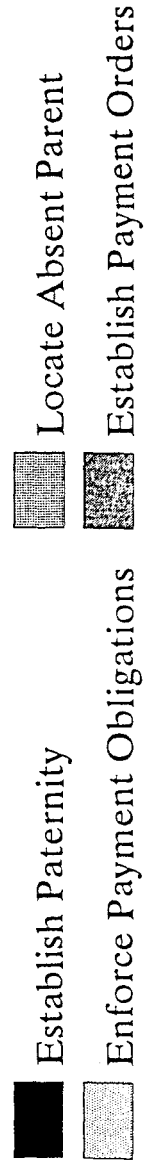
Distribution of Total* Caseload Status

42,848 Cases

29.34% Locate



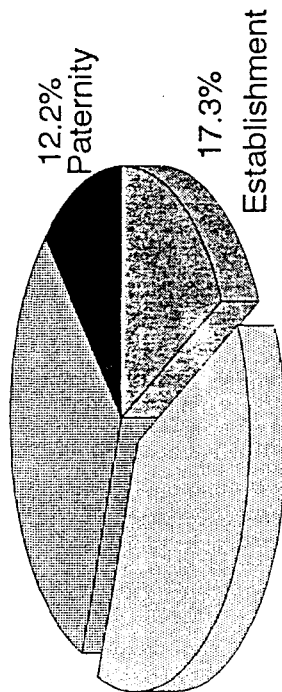
*Not included is .76% Pending



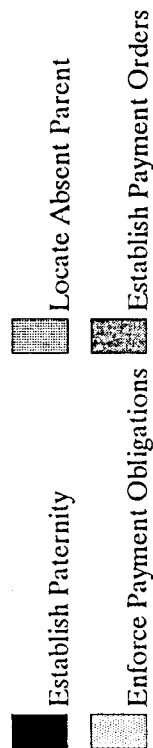
Distribution of AFDC Caseload Status

19,060 Cases

32.2% Locate



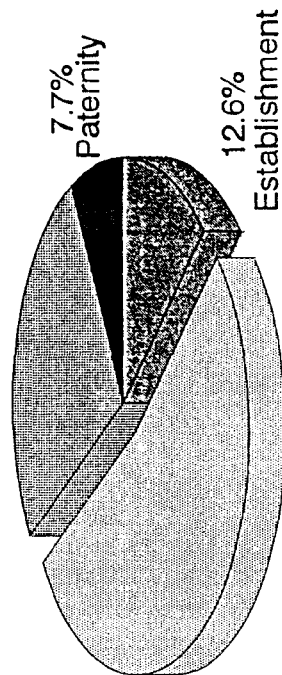
38.3% Enforcement



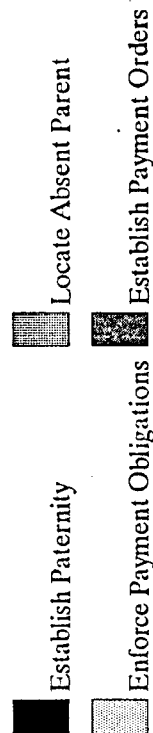
Distribution of NAFDC Caseload Status

23,788 Cases

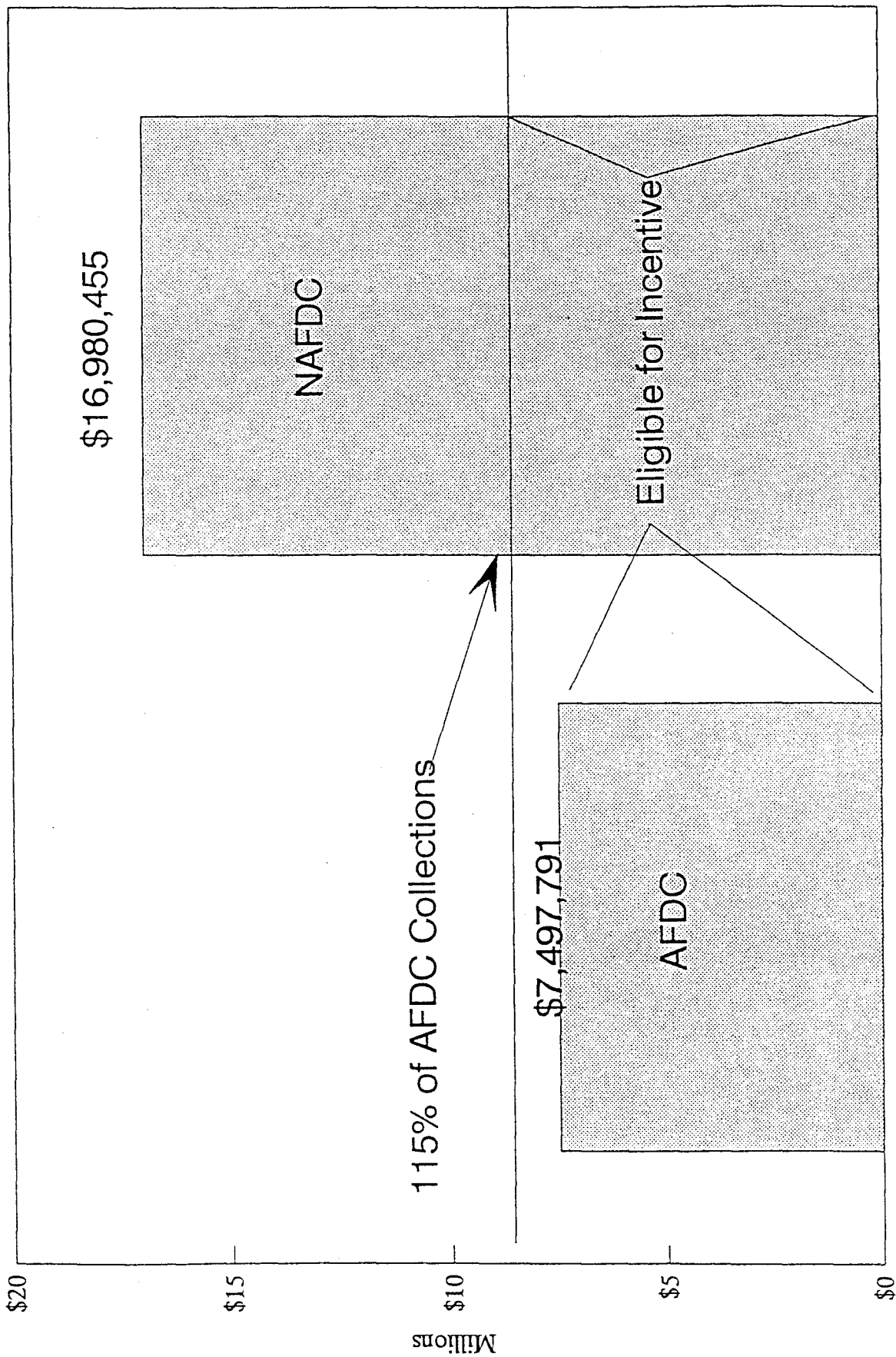
26.3% Locate



53.4% Enforcement



FY94 CSED Collections



STATE SHARE REVENUES/EXPENDITURES

*without Welfare Reform

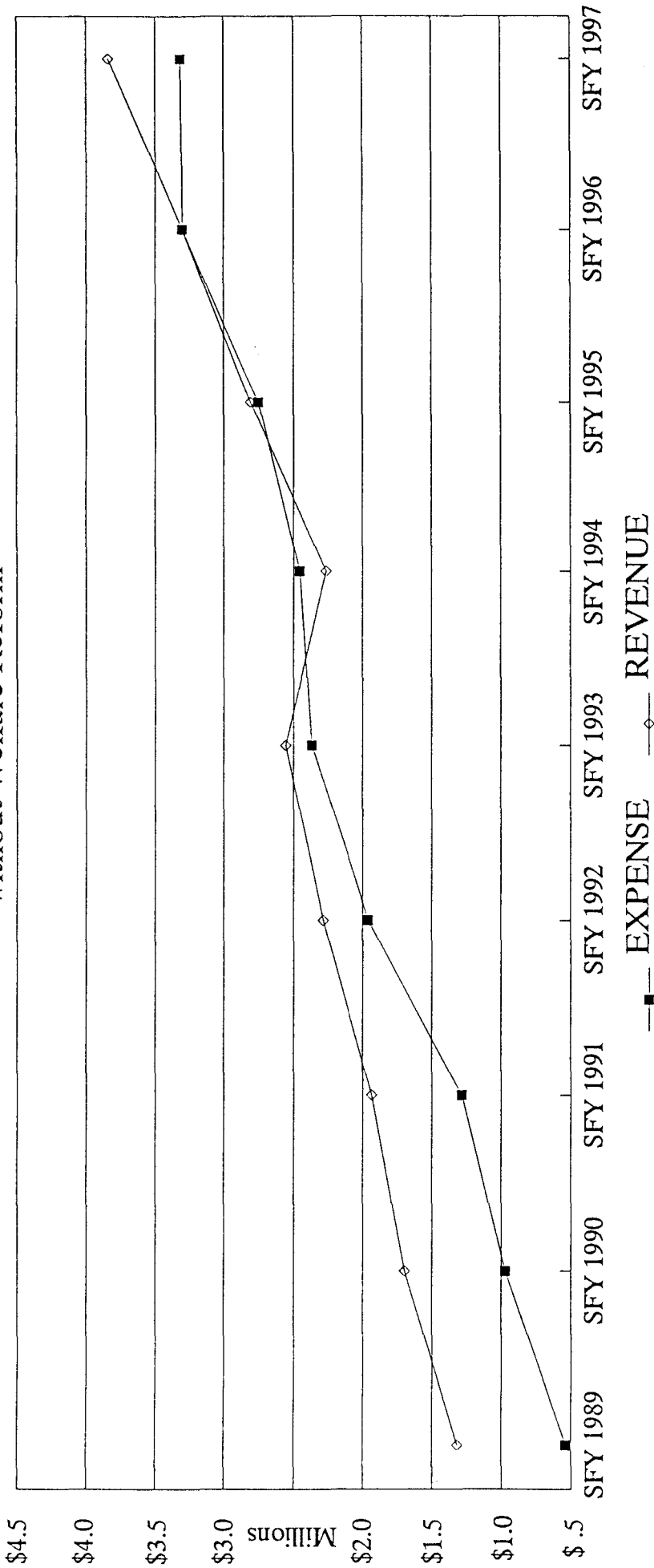


EXHIBIT 2
 DATE 2/6/95
 HB _____

AFDC/NAFDC COLLECTIONS

Differences from Year to Year

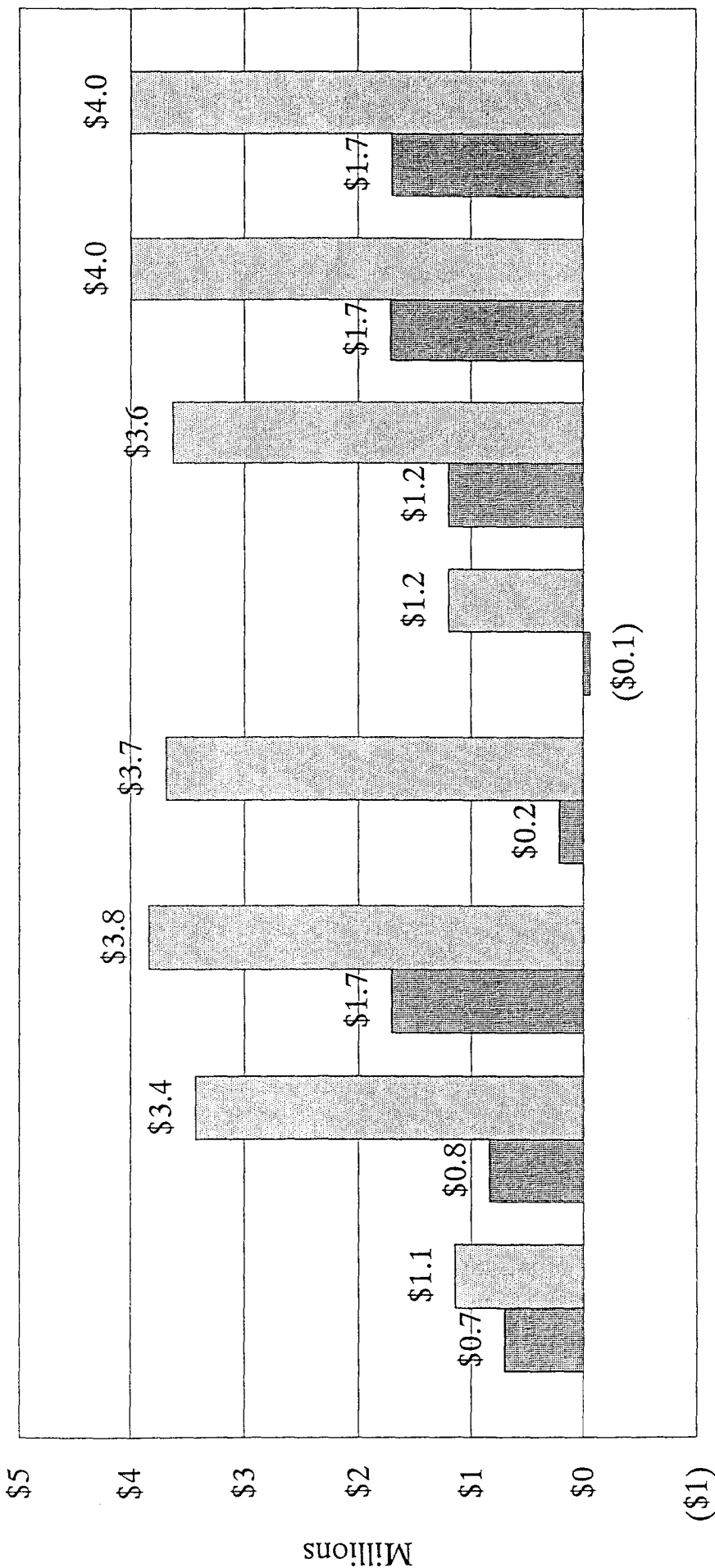


EXHIBIT 2
 DATE 2/6/95
 HB _____