

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By CHAIRMAN JOHN COBB, on February 9, 1995, at 8:05 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: Lois Steinbeck, Legislative Fiscal Analyst
Connie Huckins, 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: MEDICAID OVERVIEW.
Executive Action: DEPARTMENT OF SOCIAL & REHABILITATIVE SERVICES: Family Assistance Program; State Assumed County Administration Program; Child Support Enforcement Program; Developmental Disabilities Planning & Advisory Council; Visual Services Program; Disability Determination Program; Telecommunications Devices for the Deaf Program.

EXECUTIVE ACTION ON FAMILY ASSISTANCE PROGRAM

Tape No. 1:a:6.3

BUDGET ITEM Benefits - AFDC:

Lois Steinbeck, LFA Office, explained the two handouts she provided to the subcommittee. (EXHIBITS 1 & 2)

Motion: CHAIRMAN JOHN COBB MOVED TO INCLUDE LANGUAGE IN HB 2 WHICH SETS THE AFDC PAYMENT LEVEL AT 40.5 PERCENT OF THE FEDERAL POVERTY LEVEL.

Discussion: SEN. JIM BURNETT asked what the percentage of increase was over the base. Ms. Steinbeck replied that if bienniums are compared it would be a three to four percent total increase.

Vote: Motion CARRIED 4-1 with REP. BETTY LOU KASTEN voting no. (SEN. CHUCK SWYSGOOD was not present for this vote.)

Motion: CHAIRMAN COBB MOVED TO ACCEPT THE LFA 1997 BIENNIUM AFDC BENEFITS ESTIMATE (EXHIBIT 2).

Discussion: SEN. J.D. LYNCH asked what the \$131 represented in the executive under AFDC benefits. Ms. Steinbeck said it was the change between FY94 expenditures and the amount that was in the executive budget for present law.

She pointed out that this motion combined the new proposal for caseload adjustments into present law and that caseload increases should not have been a new proposal.

SEN. BURNETT asked if the base would be increased. Ms. Steinbeck replied that the base was increased because the executive budget includes the caseload in growth as a new proposal.

Vote: Motion CARRIED 5-0. (SEN. SWYSGOOD was not present for this vote.)

BUDGET ITEM Benefits - Emergency AFDC:

Tape No. 1:A:12.3

Bob Mullen, Fiscal Officer, distributed and explained a handout given to the subcommittee which covers benefit programs, and transfers. (EXHIBIT 3).

Motion/Vote: SEN. LYNCH MOVED TO APPROVE \$175,000 IN EACH YEAR OF THE BIENNIUM FOR EMERGENCY AFDC BENEFITS. Motion CARRIED 3-2 with REP. KASTEN and SEN. BURNETT voting no. (SEN. SWYSGOOD was not present for this vote.)

BUDGET ITEM Benefits - JOBS:

Tape No. 1:A:17.4

Motion: SEN. LYNCH MOVED TO APPROVE \$176,877 IN FY96 AND \$188,127 IN FY97 FOR JOBS.

Discussion: Mr. Mullen emphasized that with the welfare reform initiative it is critically important to expand this benefit. CHAIRMAN COBB asked if it is possible for the Department to

conduct a follow-up of this program after one year. **Dr. Peter Blouke** said it is possible, but in many instances people leave the state and contact is lost. He said a search could be conducted through the Department of Labor.

Vote: Motion CARRIED unanimously.

BUDGET ITEM Benefits - Food Stamp Job Search:

Tape No. 1:A:20.6

Discussion: CHAIRMAN COBB asked if this money goes to the Job Service. **Mr. Mullen** replied that the Job Service is one of the contractors, as are HRDCs.

Motion/Vote: SEN. LYNCH MOVED TO APPROVE \$131,087 EACH YEAR OF THE BIENNIUM FOR FOOD STAMP JOB SEARCH. Motion CARRIED 5-1 with REP. COBB voting no.

BUDGET ITEM Benefits - Other:

Tape No. 1:A:22.1

Discussion: Ms. Steinbeck stated that other benefits change \$419,625 each year of the biennium. **Dr. Blouke** pointed out that other benefits outlined by the executive budget are 100 percent federal funds and help keep people from going onto welfare.

Motion/Vote: SEN. LYNCH MOVED TO APPROVE \$96,908 EACH YEAR OF THE BIENNIUM FOR LIEAP; (\$314,216) EACH YEAR OF THE BIENNIUM FOR WEATHERIZATION; \$413,723 EACH YEAR OF THE BIENNIUM FOR THE COMMUNITY SERVICE BLOCK GRANT; \$188,376 EACH YEAR OF THE BIENNIUM FOR THE HOMELESS GRANT; AND \$34,834 EACH YEAR OF THE BIENNIUM FOR FOOD STAMP OUTREACH. Motion CARRIED unanimously.

BUDGET ITEM Transfers:

Tape No. 1:A:23.2

Discussion: Ms. Steinbeck explained that transfers were largely transfers to the Department of Labor & Industry to manage JOBS and Food Stamp Jobs Search activities. She indicated that transfers have increased by \$356,000 over the biennium and that funding for JOBS transfers is a mix of general fund and federal fund monies and Food Stamp Job Search transfers are federally funded.

Motion/Vote: SEN. LYNCH MOVED TO APPROVE \$113,487 EACH YEAR OF THE BIENNIUM FOR JOBS TRANSFERS; \$42,799 EACH YEAR OF THE BIENNIUM FOR FOOD STAMP JOB SEARCH TRANSFERS; AND \$22,015 EACH YEAR OF THE BIENNIUM FOR FOOD STAMP OUTREACH TRANSFERS. Motion CARRIED 5-1 with REP. COBB voting no.

Motion/Vote: CHAIRMAN COBB MOVED TO REQUIRE A FOLLOW-UP OF ALL JOB PLACEMENTS FOR ONE YEAR AS A CONDITION OF APPROVAL OF JOBS CONTRACTS, AND TO PROVIDE A REPORT TO THE NEXT LEGISLATURE. Motion CARRIED unanimously.

BUDGET ITEM Debt Service:

Tape No. 1:A:30.5

Motion/Vote: REP. KASTEN MOVED TO ACCEPT (10,378) EACH YEAR OF THE BIENNIUM FOR DEBT SERVICE. Motion CARRIED unanimously.

BUDGET ITEM Personal Services Reductions:

Tape No. 1:A:31.3

Ms. Steinbeck distributed a revised copy of the executive welfare reform request. (EXHIBIT 4)

Motion/Vote: SEN. SWYSGOOD MOVED TO ACCEPT (3.00) EACH YEAR OF THE BIENNIUM AND (\$270,002) IN FY96 AND (\$272,265) IN FY97 FOR PERSONAL SERVICES REDUCTIONS, BUT TAKE THE REDUCTIONS FROM OPERATING EXPENSES NOT VACANCY SAVINGS. Motion CARRIED unanimously.

EXECUTIVE ACTION ON STATE ASSUMED COUNTY ADMINISTRATION PROGRAM

Tape No. 1:A:34.6

BUDGET ITEM Rent:

Bob Mullen discussed the attached handout. (EXHIBIT 5)

Discussion: SEN. SWYSGOOD asked if the FY96-97 figures were negotiated with the counties. Mr. Mullen replied that they were not. SEN. SWYSGOOD asserted that if the Department pulled out of the offices, the counties would be hard pressed to find any other tenants who would pay \$86,000. Dr. Blouke said the state will only allow departments to pay up to \$8.25 a square foot and the buildings rented by the Department were not lavish facilities. He said the reason for the amount is due to the number of employees the Department has.

Motion/Vote: SEN. LYNCH MOVED TO APPROVE A 4 PERCENT RENT INCREASE OVER THE BIENNIUM, \$12,460 IN FY96 AND \$22,078 IN FY97. Motion FAILED 2-4 with SEN. LYNCH and REP. KASTEN voting yes.

BUDGET ITEM Personal Services:

Tape No. 1:A:44.8

Motion/Vote: REP. KASTEN MOVED TO ACCEPT \$205,185 IN FY96 AND \$232,450 IN FY97 FOR PERSONAL SERVICES. Motion CARRIED 5-1 with REP. COBB voting no.

EXECUTIVE ACTION ON CHILD SUPPORT ENFORCEMENT PROGRAM

Tape No. 1:A:46.8

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

Tape No. 1:A:47.2

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT 12.00 FTE EACH YEAR OF THE BIENNIUM AND \$1,069,970 IN FY96 AND \$1,092,609 IN FY97 FOR PERSONAL SERVICES; \$12,764 IN FY96 AND \$21,126 IN FY97 FOR INFLATION/DEFLATION; AND \$744 EACH YEAR OF THE BIENNIUM FOR FIXED COSTS. Motion CARRIED unanimously.

BUDGET ITEM Contracted Services:

Tape No. 1:A:48.5

Motion/Vote: SEN. LYNCH MOVED TO ACCEPT \$474,136 EACH YEAR OF THE BIENNIUM FOR CONTRACTED SERVICES. Motion CARRIED unanimously.

BUDGET ITEM Annualization of Operating Costs:

Tape No. 1:A:52.7

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$205,552 EACH YEAR OF THE BIENNIUM FOR ANNUALIZATION OF OPERATING COSTS MINUS THE REDUCTION OF OPERATING COSTS THAT REFLECT (7.00) FTE AND (\$40,877) EACH YEAR OF THE BIENNIUM. Motion CARRIED unanimously.

BUDGET ITEM Rent:

Tape No. 1:A:55.5

Discussion: Mary Ann Wellbank, Administrator, said the increases reflect the actual costs of the offices to house the additional 42.00 FTE received in the first year of the biennium appropriated by the 1993 Legislature.

Motion: CHAIRMAN COBB MOVED TO ACCEPT \$99,063 IN FY96 AND \$474,136 IN FY97 FOR RENT.

Discussion: SEN. LYNCH asked where the Department found the buildings. Ms. Wellbank replied that all buildings are rented privately. SEN. LYNCH asked if it was possible to get more than a one-year lease on the buildings so rent costs wouldn't increase every year. Dr. Blouke responded that the cost increases are calculated in the five year leases as well. SEN. SWYSGOOD asked if most of the office spaces rented were new or old facilities. Ms. Wellbank said that most offices are older, and some spaces have been converted from grocery stores.

Vote: Motion CARRIED unanimously.

BUDGET ITEM Other Communication Costs:

Tape No. 1:A:59.4

Discussion: Ms. Wellbank commented the reason for this cost is that the Child Support Enforcement Program regional offices experienced difficulty with computer communications.

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$65,016 EACH YEAR OF THE BIENNIUM FOR OTHER COMMUNICATIONS COSTS. Motion FAILED 3-3 with SEN. BURNETT, SEN. SWYSGOOD and REP. KASTEN voting no.

BUDGET ITEM Equipment:

Tape No. 1:A:60.2

Motion/Vote: SEN. LYNCH MOVED TO ACCEPT \$14,559 IN FY96 AND \$19,010 IN FY97 FOR EQUIPMENT. Motion CARRIED unanimously.

BUDGET ITEM Debt Service/Other Adjustments:

Tape No. 1:A:62.2

Motion/Vote: REP. KASTEN MOVED TO ACCEPT (\$641) EACH YEAR OF THE BIENNIUM FOR DEBT SERVICE/OTHER ADJUSTMENTS. Motion CARRIED unanimously.

BUDGET ITEM Personal Services Reductions:

Tape No. 1:A:64.2

Motion/Vote: SEN. LYNCH MOVED TO ACCEPT (7.00) FTE EACH YEAR OF THE BIENNIUM AND (\$258,510) IN FY96 AND (\$260,434) IN FY97 TOTAL FUNDS FOR PERSONAL SERVICES REDUCTIONS. Motion CARRIED 4-2 with REP. COBB and SEN. SWYSGOOD voting no.

Ms. Steinbeck said that no requirement has been established for the Child Support Enforcement Program to deposit \$607,055 of child support collections revenue into the general fund. She asked if the subcommittee wanted to require a deposit of revenue to the general fund.

Motion: CHAIRMAN COBB MOVED TO INCLUDE LANGUAGE IN HB 2 TO REQUIRE THE DEPARTMENT TO DEPOSIT THE EXCESS ACCOUNT BALANCE OF \$607,055 CHILD SUPPORT COLLECTIONS IN THE GENERAL FUND.

Discussion: Dr. Blouke expressed his reluctance to be required to be locked into a specific dollar amount because the funds are estimates. He said he would agree to making the deposit into the general fund account if the Legislature's intent is to deposit revenue accrued as a result of additional savings from welfare reform.

CHAIRMAN COBB WITHDREW HIS MOTION TO WORK ON LANGUAGE.

SEN. SWYSGOOD agreed with the Department. He did not want to set the amount of money required for deposit because if the Department was unable to collect an excess for the required amount, the Department would have to look at other means for the deposit.

Tape No. 2:A:3.8

Discussion: **REP. COBB** distributed and discussed the attached Child Support Caseload Distribution sheet. (**EXHIBIT 6**). He said that the purpose is to allocate approximately \$800,000 general fund money to the Department in order to increase collections approximately an additional \$7 million.

Jack Lowney, Chief, Administrative Services Bureau, stated that the figures in **EXHIBIT 6** are conservative estimates.

SEN. SWYSGOOD said he may support this if he were provided with information outlining what effects the subcommittee action has had on the Child Support Enforcement division as well as the Department of Family Services' budget.

REP. COBB indicated that he felt that this will save money down the road, and didn't want to wait three years for welfare reform to start or prolong the positive effect it would have on children.

REP. KASTEN asked if the approximate \$800,000 would be in addition to the estimated \$3.6 million the Department would receive for welfare reform. **REP. COBB** said the \$3.6 wouldn't be received for three years. He said this is to move forward at a faster pace and that the Legislature could either begin now, or wait three years. **Ms. Wellbank** indicated that the Division compared AFDC collections to other states and found that Idaho is the most aggressive collector in the nation. She commented that caseloads are similar to Montana's, and with concentrated focus on this effort she felt welfare collections could be drastically increased.

SEN. LYNCH asked what the total number of FTE would be under the new proposal. **REP. COBB** replied 22.00 FTE.

SEN. SWYSGOOD asked the Department what impact this proposal would have on his welfare bill. **Dr. Blouke** replied that it would have no impact on the welfare bill and that it does not increase the cost of welfare reform.

Motion: **CHAIRMAN COBB** MOVED TO ALLOCATE \$756,427 GENERAL FUND FOR THE ANNUAL COSTS OF CHILD SUPPORT ENFORCEMENT COLLECTIONS OUTLINED IN **EXHIBIT 6**. Motion FAILED 2-4 with **REP. COBB** and **REP. BARNHART** voting yes.

EXECUTIVE ACTION ON DEVELOPMENTAL DISABILITIES PLANNING &
ADVISORY COUNCIL

Tape No. 2:A:16.9

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

Tape No. 2:A:17.1

Motion/Vote: REP. KASTEN MOVED TO ACCEPT. \$32 EACH YEAR OF THE BIENNIUM FOR PERSONAL SERVICES; \$399 IN FY96 AND \$607 IN FY97 FOR INFLATION/DEFLATION; AND \$14 EACH YEAR OF THE BIENNIUM FOR FIXED COSTS. Motion CARRIED 5-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM Contracted Services:

Tape No. 2:A:17.4

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$21,923 IN FY96 AND \$21,375 IN FY97 FOR CONTRACTED SERVICES. Motion CARRIED 5-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM Rent:

Tape No. 2:A:18.8

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$641 IN FY96 AND \$981 IN FY97 FOR RENT. Motion CARRIED unanimously.

BUDGET ITEM Benefits; Accounting Entity Transfers:

Tape No. 2:A:19.2

Motion/Vote: SEN. LYNCH MOVED TO ACCEPT \$52,066 EACH YEAR OF THE BIENNIUM FOR BENEFITS; AND (\$9,659) EACH YEAR OF THE BIENNIUM FOR ACCOUNTING ENTITY TRANSFERS. Motion CARRIED 5-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM Personal Services Reductions:

Tape No. 2:A:20.5

Motion: REP. KASTEN MOVED TO ACCEPT (\$3,739) EACH YEAR OF THE BIENNIUM FOR PERSONAL SERVICES REDUCTIONS.

Substitute Motion/Vote : SEN. SWYSGOOD MOVED TO ACCEPT (\$3,739) EACH YEAR OF THE BIENNIUM BUT TO BE REMOVED FROM OPERATING EXPENSES RATHER THAN VACANCY SAVINGS. Motion FAILED 3-3 with REPS. BARNHART and KASTEN and SEN. LYNCH voting no.

Vote: Motion FAILED 3-3 with REP. COBB, SEN. SWYSGOOD, and SEN. BURNETT voting no.

EXECUTIVE ACTION ON VISUAL SERVICES PROGRAM

Tape No. 2:A:22.9

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

Tape No.2:A:23.6

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$35,764 IN FY96 AND \$38,523 IN FY97 FOR PERSONAL SERVICES; (\$742) IN FY96 AND (\$1,008) IN FY97 FOR INFLATION/DEFLATION; AND ZERO FIXED COSTS EACH YEAR OF THE BIENNIUM. Motion CARRIED 5-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM Contracted Services:

Tape No. 2:A:23.7

Motion/Vote: REP. KASTEN MOVED TO ACCEPT \$927 EACH YEAR OF THE BIENNIUM FOR CONTRACTED SERVICES. Motion CARRIED unanimously.

BUDGET ITEM Rent:

Tape No. 2:A:24.6

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$1,871 IN FY96 AND \$3,215 IN FY97 FOR RENT. Motion CARRIED unanimously.

BUDGET ITEM Equipment:

Tape No. 2:A:25.8

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$6,395 EACH YEAR OF THE BIENNIUM FOR EQUIPMENT. Motion CARRIED unanimously.

BUDGET ITEM Benefits - 1997 Biennium Provider Rate Increase;
Annualization of 1995 Biennium Increase:

Tape No. 2:A:26.6

Discussion: Ms. Steinbeck spoke on the LFA issues.

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT \$37,578 IN FY96 AND \$55,296 IN FY97 FOR 1997 BIENNIUM PROVIDER RATE INCREASE; AND \$17,819 EACH YEAR OF THE BIENNIUM FOR ANNUALIZATION OF 1995 BIENNIUM INCREASE. Motion CARRIED 5-1 with SEN. SWYSGOOD voting no.

BUDGET ITEM Personal Services Reductions:

Tape No. 2:A:28.7

Motion: SEN. LYNCH MOVED TO ACCEPT (\$6,037) GENERAL FUND AND (\$28,345) TOTAL FUNDS IN FY96 AND (\$6,087) GENERAL FUND AND (\$28,578) TOTAL FUNDS IN FY97 FOR PERSONAL SERVICES REDUCTIONS.

Substitute Motion/Vote: SEN. SWYSGOOD MOVED TO ACCEPT (\$6,037) GENERAL FUND AND (\$28,345) TOTAL FUNDS IN FY96 AND (\$6,087) GENERAL FUND AND (\$28,578) TOTAL FUNDS IN FY97 FOR PERSONAL SERVICES REDUCTIONS, BUT TO BE REMOVED FROM OPERATING EXPENSES AND NOT VACANCY SAVINGS. Motion CARRIED 4-2 with REP. BARNHART and SEN. LYNCH voting no.

EXECUTIVE ACTION ON DISABILITY DETERMINATION PROGRAM

Tape No. 2:A:30.5

BUDGET ITEM All Present Law Adjustments Proposed by the Executive:

Tape No. 2:A:30.5

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT ITEMS 1 THROUGH 9 FEDERAL FUNDS LISTED UNDER PRESENT LAW ADJUSTMENTS FOR THE DISABILITY DETERMINATION PROGRAM. Motion CARRIED 5-0. REP. KASTEN did not cast a vote.

BUDGET ITEM Personal Services Reductions:

Tape No. 2:A:32.1

Motion/Vote: SEN. SWYSGOOD MOVED TO ACCEPT (\$63,520) TOTAL FUNDS IN FY96 AND (\$63,865) TOTAL FUNDS IN FY97 FOR PERSONAL SERVICES REDUCTIONS. Motion CARRIED 4-1 with SEN. LYNCH voting no. REP. KASTEN did not cast a vote.

EXECUTIVE ACTION ON TELECOMMUNICATIONS DEVICES FOR THE DEAF PROGRAM

Tape No. 2:A:35.7

BUDGET ITEM All Present Law Adjustments Proposed by the Executive:

Tape No. 2:A:35.7

Motion/Vote: CHAIRMAN COBB MOVED TO ACCEPT ITEMS 1 THROUGH 6 LISTED UNDER PRESENT LAW ADJUSTMENTS FOR THE TELECOMMUNICATIONS DEVICES FOR THE DEAF PROGRAM. Motion CARRIED 5-0. REP. KASTEN did not cast a vote.

BUDGET ITEM Personal Services Reductions:

Tape No. 2:A:36.1

Motion/Vote: REP. BARNHART MOVED TO ACCEPT (\$4,806) TOTAL FUNDS IN FY96 AND (\$4,826) TOTAL FUNDS IN FY97 FOR PERSONAL SERVICES REDUCTIONS. Motion CARRIED 5-0. REP. KASTEN did not cast a vote.

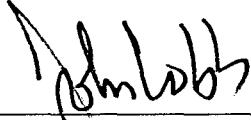
HEARING ON MEDICAID

Tape No. 2:A:37.3


Nancy Ellery, Administrator, distributed and discussed the attached presentation. (EXHIBIT 7).

ADJOURNMENT

Adjournment: 11:55 a.m.



REPRESENTATIVE JOHN COBB, Chairman



ANN BODEN, Secretary

JC/ab

HUMAN SERVICES AND AGING

Joint Appropriations Subcommittee

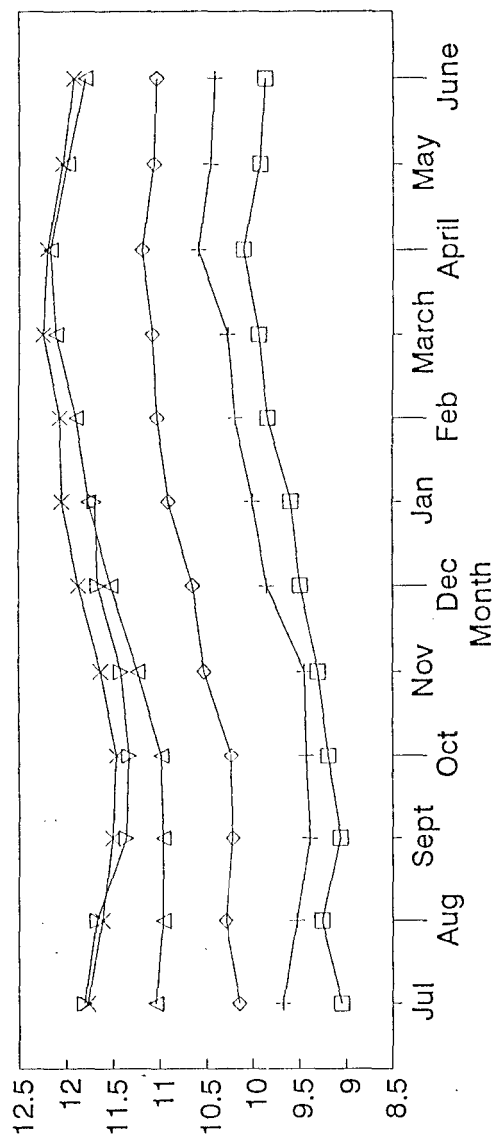
ROLL CALL

DATE 2-9-98

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	✓		

EXHIBIT 1
 DATE 2-9-95
 HB _____

Average Monthly AFDC Caseloads
 Fiscal 1990 to Fiscal 1995



AFDC Cases
 (Thousands)

□ FY90 + FY91 ◇ FY92 △ FY93 × FY94 ▽ FY95

Monthly Change in AFDC Caseload, Total Monthly Payments, and Average Cost per Case from Fiscal 1990 to Fiscal 1995																								
Month	Fiscal Year 1990			Fiscal Year 1991			Fiscal Year 1992			Fiscal Year 1993			Fiscal Year 1994			Fiscal Year 1995								
	Cases	Cost/Case	Total Cost	Cases	Cost/Case	Total Cost	Cases	Cost/Case	Total Cost	Cases	Cost/Case	Total Cost	Cases	Cost/Case	Total Cost	Cases	Cost/Case	Total Cost						
July	9,048	\$328.87	\$2,976,514	N/A	9,675	\$338.19	\$3,271,990	-1.96	10,141	\$357.89	\$3,629,319	-2.59	11,043	\$356.66	\$3,938,608	0.07	11,766	\$356.45	\$4,194,003	(0.21)	11,805	\$357.25	\$4,217,303	(0.91)
August	9,254	332.85	3,080,239	2.28	9,523	339.58	3,237,670	(1.57)	10,292	358.81	3,692,825	1.49	10,963	356.72	3,910,709	(0.72)	11,612	343.41	3,987,686	(1.31)	11,671	350.07	4,085,628	(1.14)
Sept	9,056	334.27	3,027,150	(2.14)	9,382	342.34	3,211,841	(1.48)	10,211	357.27	3,648,134	(0.79)	10,962	353.95	3,879,992	(0.01)	11,499	343.26	3,947,197	(0.97)	11,333	348.30	3,954,205	(2.72)
Oct	9,191	335.08	3,079,707	1.49	9,428	343.05	3,234,286	0.45	10,237	356.65	3,651,042	0.25	10,984	352.64	3,873,427	0.20	11,460	344.46	3,947,456	(0.34)	11,330	350.17	3,967,399	(0.20)
Nov	9,298	335.03	3,115,084	1.16	9,444	341.68	3,226,816	0.17	10,523	351.33	3,657,049	2.79	11,232	352.24	3,956,338	2.25	11,628	343.89	3,998,703	1.47	11,407	354.18	4,040,119	0.68
Dec	9,490	334.98	3,178,933	2.06	9,850	342.88	3,377,375	4.30	10,649	353.65	3,766,065	1.20	11,521	354.34	4,082,303	2.57	11,870	344.25	4,086,237	2.08	11,662	350.64	4,089,128	2.24
Jan	9,589	330.27	3,156,984	1.04	9,999	338.87	3,388,371	1.51	10,903	349.33	3,808,782	2.39	11,757	350.51	4,121,001	2.05	12,041	343.45	4,135,641	1.44	11,669	350.08	4,092,127	0.23
Feb	9,839	333.91	3,285,385	2.61	10,194	344.52	3,512,010	1.95	11,031	348.00	3,838,829	1.17	11,888	352.76	4,163,552	1.11	12,063	344.77	4,158,905	0.18				
March	9,935	334.11	3,319,406	0.98	10,281	343.97	3,536,310	0.85	11,080	349.82	3,875,951	0.44	12,111	352.43	4,268,295	1.88	12,247	344.58	4,220,024	1.53				
April	10,104	331.37	3,348,207	1.70	10,590	342.33	3,623,698	3.01	11,189	344.94	3,853,479	0.98	12,170	349.92	4,258,581	0.49	12,201	340.58	4,155,434	(0.38)				
May	9,927	329.86	3,274,549	(1.75)	10,462	341.11	3,568,694	(1.21)	11,065	344.24	3,809,054	(1.11)	11,985	348.70	4,179,198	(1.52)	12,035	339.85	4,090,047	(1.36)				
June	9,868	329.60	3,252,500	(0.59)	10,411	340.10	3,540,800	(0.49)	11,035	342.71	3,781,773	(0.27)	11,791	346.13	4,081,195	(1.62)	11,914	337.65	4,022,753	(1.07)				
Total	9,550	\$332.50	\$38,104,638		9,937	\$341.60	\$40,731,461		10,696	\$351.04	\$45,058,302		11,534	\$352.17	\$48,743,199		11,861	\$343.86	\$48,944,086		Appropriation		\$51,336,076	

1997 Biennium Executive Budget and LFA AFDC Benefits Estimate

Caseload/Payment	Base Budget	Estimate Fiscal 1995	Estimate Fiscal 1996	Estimate Fiscal 1997
<u>Executive Request</u>				
Original Request	\$48,927,633	\$49,780,318	\$51,184,682	\$52,633,208
Annual Change		1.74%	2.82%	2.83%
Revised Request		<u>49,525,310</u>	<u>51,123,294</u>	<u>52,504,287</u>
Annual Change		1.22%	3.23%	2.70%
Revised Request Over (Under) Original Request		<u>(\$255,008)</u>	<u>(\$61,388)</u>	<u>(\$128,921)</u>
General Fund Difference		<u>(\$69,107)</u>	<u>(\$17,330)</u>	<u>(\$37,348)</u>
Monthly Caseload	11,861	11,767	11,793	11,759
Annual Change		-0.79%	0.22%	-0.29%
Average Payment	\$343.85	\$350.73	\$361.25	\$372.09
Annual Change		2.00%	3.00%	3.00%
<u>LFA Estimate</u>				
Total Cost	\$48,927,633	\$49,642,964	\$50,957,242	\$52,262,274
Annual Change		1.46%	2.05%	2.56%
Monthly Caseload	11,861	11,838	11,804	11,760
Annual Change		-0.19%	-0.29%	-0.37%
Average Payment	\$343.85	\$349.47	\$359.74	\$370.33
Annual Change		1.63%	2.94%	2.94%
<u>Exec./LFA Comparison</u>				
Total Cost				
Exec. Over (Under) LFA			\$166,052	\$242,013
General Fund Difference			\$46,876	\$70,111

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c) Day Care

FY94 Actual	FY94 Appropriated	FY95 Contracts	FY96 Request	Actual Change	Approp Change		FY97 Request	Actual Change	Approp Change
2,786,161	3,059,862		3,099,079	312,918	39,217		3,051,822	265,661	(8,040)

d) JOBS

FY94 Actual	FY94 Appropriated	FY95 Contracts	FY96 Request	Actual Change	Contract Change		FY97 Request	Actual Change	Contract Change
2,620,231		2,797,108	2,797,108	176,877	0	7103	2,808,358	188,127	0
596,643		710,130	710,130	113,487	0	8101	710,130	113,487	0

e) Food Stamp Job Search

FY94 Actual	FY94 Appropriated	FY95 Contracts	FY96 Request	Actual Change	Contract Change		FY97 Request	Actual Change	Contract Change
470,963		602,050	602,050	131,087	0	7103	602,050	131,087	0
248,801		291,600	291,600	42,799	0	8101	291,600	42,799	0

f) Other Benefits

FY94 Actual	FY94 Appropriated	FY95 Contracts	FY96 Request	Actual Change	Contract Change		FY97 Request	Actual Change	Contract Change
8,709,748		8,806,656	8,806,656	96,908	0	LIEAP	8,806,656	96,908	0
2,902,083		2,587,867	2,587,867	(314,216)	0	Weather	2,587,867	(314,216)	0
1,702,263		2,115,986	2,115,986	413,723	0	CSBG	2,115,986	413,723	0
162,985		351,361	351,361	188,376	0	Homeless	351,361	188,376	0
4,760		39,594	39,594	34,834	0	F/S Outreach	39,594	34,834	0

8) Transfers

FY94 Actual	FY94 Appropriated	FY95 Contracts	FY96 Request	Actual Change	Contract Change		FY97 Request	Actual Change	Contract Change
596,643		710,130	710,130	113,487	0	JOBS	710,130	113,487	0
248,801		291,600	291,600	42,799	0	F/S Job Search	291,600	42,799	0
131,240		153,255	153,255	22,015	0	F/S Outreach	153,255	22,015	0
976,684	0	1,154,985	1,154,985	178,301	0		1,154,985	178,301	0

9) Debt Service - (DELETE)

SRS - Family Assistance Division - Present Law Adjustments

7) Benefits

EXHIBIT 3
DATE 2-9-95
HB _____

a) AFDC - Combines Present Law and New Proposal and adjusts New Proposal amount

FY94 Actual	FY94 Appropriated	FY95 Contracts	FY96 Request	Change	FY97 Request	Change
48,927,633			48,927,633	48,927,633	48,927,633	48,927,633
			2,257,049	2,195,661	3,705,575	3,576,654
				(61,388)		(128,921)
			51,184,682	51,123,294	52,633,208	52,504,287

UPDATED AFDC BUDGET PROJECTIONS

Assumptions FAD/SRS
1/09/95

Caseload - Avg. Monthly
FY96 11,793
FY97 11,759

Cash Payment - Avg. Monthly
FY96 \$361.25
FY97 \$372.09

Annual Total Cost
FY96 \$51,123,294
FY97 \$52,504,287

Assumes 3% increase in cash payment due to Federal Poverty Index projected changes.

b) Emergency AFDC

FY94 Actual	FY94 Appropriated	FY95 Contracts	FY96 Request	Change	FY97 Request	Change
140,565			175,000	34,435	175,000	34,435

Actual \$\$

FY92	250,753
FY93	197,158
FY94	140,565
Average	196,159

COMPARISON OF ORIGINAL TO REVISED EXECUTIVE
WELFARE REFORM BIENNIAL REQUEST

Program/Funding	Original Request		Revised Request		Revised Over (Under) Original (Biennial)	
	Gen. Fund	Total	Gen. Fund	Total	Gen. Fund	Total
<u>Family Assistance Program</u>						
Administrative Costs	\$1,031,541	\$2,248,082	\$1,031,541	\$2,248,082	\$0	\$0
Equipment	4,600	9,200	0	0	(4,600)	(9,200)
AFDC Caseload Growth	515,734	1,790,042	620,457	2,213,716	104,723	423,674
Child Care	818,170	2,650,000	506,828	1,697,496	(311,342)	(952,504)
JOBS Benefits	0	0	0	1,679,424	0	1,679,424
Sub-Total Assist. Payments	<u>\$2,370,045</u>	<u>\$6,697,324</u>	<u>\$2,158,826</u>	<u>\$7,838,718</u>	<u>(\$211,219)</u>	<u>\$1,141,394</u>
<u>County Administration</u>						
Non-Assumed Counties	\$0	\$61,030	\$0	\$61,030	\$0	\$0
Assumed Counties	<u>65,007</u>	<u>130,014</u>	<u>65,006</u>	<u>130,013</u>	<u>(1)</u>	<u>(1)</u>
Sub-Total County Admin.	<u>\$65,007</u>	<u>\$191,044</u>	<u>\$65,006</u>	<u>\$191,043</u>	<u>(\$1)</u>	<u>(\$1)</u>
<u>Operations and Technology Division</u>						
TEAMS FM Contract	\$182,700	\$365,400	\$182,700	\$365,400	\$0	\$0
Computer Processing Costs	\$77,733	\$282,667	\$77,733	\$282,667	(0)	0
Data Network Connections	<u>\$15,768</u>	<u>\$31,536</u>	<u>\$15,768</u>	<u>\$31,536</u>	<u>0</u>	<u>0</u>
Sub-Total Ops. and Tech.	<u>\$276,201</u>	<u>\$679,603</u>	<u>\$276,201</u>	<u>\$679,603</u>	<u>(\$0)</u>	<u>\$0</u>
Child Support Enforcement	<u>\$622,436</u>	<u>\$1,830,690</u>	<u>\$622,436</u>	<u>\$1,830,690</u>	<u>\$0</u>	<u>\$0</u>
Sub-Total Expenditure Increases	<u>\$3,333,689</u>	<u>\$9,398,661</u>	<u>\$3,122,469</u>	<u>\$10,540,054</u>	<u>(\$211,220)</u>	<u>\$1,141,393</u>
<u>Medical Assistance</u>						
Benefit Reductions	<u>(\$997,323)</u>	<u>(\$3,230,982)</u>	<u>(\$913,344)</u>	<u>(\$2,209,783)</u>	<u>\$83,979</u>	<u>\$1,021,199</u>
Sub-Total Expenditure Increases With Benefit Reductions	<u>\$2,336,366</u>	<u>\$6,167,679</u>	<u>\$2,209,125</u>	<u>\$8,330,271</u>	<u>(\$127,241)</u>	<u>\$2,162,592</u>
General Fund Revenue from Child Support Enforcement Collections*	<u>\$0</u>	<u>\$0</u>	<u>(\$607,055)</u>	<u>(\$607,055)</u>	<u>(\$607,055)</u>	<u>(\$607,055)</u>
Grand Total Executive Request*	<u>\$2,336,366</u>	<u>\$6,167,679</u>	<u>\$2,816,180</u>	<u>\$8,937,326</u>	<u>(\$734,296)</u>	<u>\$1,555,537</u>

*Child support enforcement general fund revenues are shown as reductions to general fund expenditures since revenue increases offset general fund expenditures.

PROGRAM 06 - STATE ASSUMED COUNTY ADMIN RENT COSTS

EXHIBIT 5
DATE 2-7-95
HB _____

02/07/95

County	FY '94 ACTUAL	FY '95 RENT	%	FY96 @4%	%	FY97 @4%	%
Cascade	82,865	82,865		86,152		89,598	
Deer Lodge	17,719	17,719		18,422		19,159	
Flathead	56,713	56,713		58,963		61,321	
Lake	21,802	24,660		25,638		26,664	
Lewis & Clark	71,664	74,481		77,436		80,533	
Lincoln	20,823	20,823		21,649		22,515	
Mineral	2,412	9,179		9,543		9,925	
Missoula	60,811	60,704		63,112		65,637	
Park	13,063	12,920		13,433		13,970	
Powell	5,928	5,928		6,163		6,410	
Ravalli	26,329	26,775		27,837		28,951	
Silver Bow	52,965	54,269		56,422		58,679	
Total	433,096	447,036	3%	468,437	5%	487,174	4%
				455,977	2%	465,096	2%
Difference				12,460		22,078	

CHILD SUPPORT CASELOAD DISTRIBUTION

	October 1994	Locate Cases	Locate Redistributed	Average FY95 Collections	Average Per Payor
Pending	217		217		
Locate	12,438	(4,196)	8,242		
Paternity Establishment	4,106		4,106		
Order Establishment	6,082	962	7,044		
Enforcement	19,403	3,234	22,637	\$2,294,629	\$228
AFDC Payors	3383		3,383	\$673,177	\$199
NAFDC Payors	6840		6,840	\$1,609,862	\$242
Foster Care Payors	45		45	\$11,590	\$258

EXHIBIT 9
DATE 2-9-95

	(1) Paternity/Locate Establishment Team	(2) Seven Welfare Liaisons	(3) SEARCHS	(4) 2% Employee Incentive	(5) Modifications	(6) Native American Liaisons	(7) Foster Care Liaisons
Pending							
Locate		(840)		(1,034)		(360)	(120)
Paternity Establishment	(2,400)	(840)		(205)		(360)	(120)
Order Establishment				(352)			
Enforcement	2,400	1,680	1,132	1,591		720	240
Collection Increase							
AFDC	\$999,201	\$2,081,575	\$471,227	\$728,626	\$75,600	\$299,760	
NAFDC	\$2,389,529	\$0	\$1,126,912	\$1,742,464		\$716,859	
Foster Care	\$17,203	0	\$8,113	\$11,404	\$0	\$5,161	\$384,891

Annual Costs							
FTE	0.00	7.00	0.00	0.00	12.00	3.00	1.00
Total Funds	\$975,264	\$284,452	\$300,000	49,422	\$460,008	\$115,002	\$40,636
State General Funds	\$331,590	\$96,714	\$102,000	\$16,803	\$156,403	\$39,101	\$13,816
Federal Funds	\$643,674	\$187,738	\$198,000	\$32,618	\$303,605	\$75,901	\$26,820

Cost/Benefit \$3.49 \$7.32 \$5.35 \$50.23 \$0.16 \$8.88 \$9.47

(1) Contract to attack backlog in Locate and paternity establishment. Estimated 100 cases completed per 24 workers for twelve months. Collection increase based on percentage of enforcement cases actually paying times the average monthly collection.

(2) Add seven FTE to Child Support Enforcement Division to increase accuracy, timeliness and completeness of Welfare referrals. Assumes seven workers complete 10 locates and 10 paternity establishments each month. All collections would be for AFDC. Collections estimated based on total percent of enforcement cases in paying status.

(3) Increase BDM contract for maintenance of SEARCHS system to attack backlog of priority changes to the accounting system. Estimated system problems affect 5% of enforcement cases and that these cases would now become regular payors.

(4) An incentive to employees would increase efficiency of workers and result in a 5% increase in the number of locates, paternities and orders that are established. Increased collections estimated based on percent of enforcement in paying status times the appropriate average collection.

(5) Add twelve staff to the Modifications unit to attack the backlog of modifications. Each worker would average 15 modifications per month which would result in an increase of \$35 per AFDC order. Focus would be placed on AFDC orders first.

(6) Add three FTE to Child Support Enforcement Division to act as liaisons with Tribal officials. These liaisons would work to increase the cooperation between the Tribes and Child Support Enforcement Division. Estimated that the liaisons would increase the number of locates and paternities established by 10 each per month.

(7) Add foster care liaison to increase communication between the Department of Family Services and OSED. This liaison would increase referral and thus the number of locates and paternities established by 10 per month.

EXHIBIT 7
DATE 2-9-95
HB _____

DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES

MEDICAID SERVICES DIVISON

Presentation to:

The Human Services Appropriations Sub-committee

February 9, 1995

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

HOUSE OF REPRESENTATIVES
VISITORS REGISTER

Human Services & Aging

SUB-COMMITTEE

DATE 2-9-95

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