

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION**

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

**Call to Order:** By Chairman Cobb, on January 3, 1995, at 10:00 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: SRS Overview

**Tape:** Due to malfunction of microphone there is no recording of this proceeding.

**CHAIRMAN JOHN COBB** explained to the members present that the overview would be held to help the new members gain an understanding of the department, as well as to submit any questions to the department that may arise in preparation for discussion of the budget or additional information the subcommittee feels necessary.

#### **HEARING ON DEPARTMENT OF SRS OVERVIEW**

**Peter Blouke, PhD, Director of the Department of Social and Rehabilitation Services (SRS)** distributed a program overview to

the subcommittee. The majority of his presentation follows material included in this overview. It is marked and attached as **EXHIBIT 1.**

**Dr. Blouke** reported that SRS is responsible for administering the majority of Montana's human service programs. SRS is one of the largest agencies in state government. During FY95, it is authorized 988.45 FTE and has an appropriation of \$470 million. **Dr. Blouke** continued his overview presentation as follows:

#### DIRECTOR'S OFFICE

##### Program Summary:

The primary function of the Director's Office is to provide overall policy direction and coordination for the various programs administered by the department. It is funded through a federally-approved internal cost allocation plan. This plan charges all of the department's non-general fund revenue sources.

The Director's office also includes the Office of Legal Affairs, which supervises the overall legal efforts of the department, and Personnel Services, which is responsible for the administration of the employee classification and pay plans.

#### FAMILY ASSISTANCE

##### Program Summary:

The Family Assistance Division (FAD) is responsible for the overall coordination and management of public assistance programs in the State of Montana. Funding for the administrative program is approximately 78 percent federal funds and 22 percent general fund.

The Division is organized into four teams, one bureau and a division management council. The Teams and Bureau are responsible for development, implementation, coordination and monitoring of policy for programs.

##### Food Stamp Program:

The Food Stamp program is a federal program for low-income individuals and families designed to supplement basic nutritional dietary requirements. Eligibility for the program is determined based on financial criteria established by the federal government.

Food Stamp benefits are 100 percent federally funded and are not included as part of the SRS budget. The federal government reimburses the state at a 50/50 match rate for the administrative costs associated with the Food Stamp program.

The average monthly caseload projected for FY96 is 28,715, FY97 is 29,300.

**Questions, Responses, and Discussion:**

**SENATOR CHARLES "CHUCK" SWYSGOOD** asked whether or not SRS was responsible for investigation of the abuse and fraud connected with the Food Stamp Program. **Dr. Blouke** replied that SRS is proposing a Medicaid fraud unit that will be managed by the Department of Justice to address this problem. Currently, SRS receives and reviews complaints, which are then forwarded to the Department of Justice for further processing.

**CHAIRMAN COBB** inquired if the food stamp outreach program had an impact in the number of additional food stamp cases. **Dr. Blouke** indicated that the most significant impact was primarily to the elderly.

**REPRESENTATIVE BEVERLY BARNHART** asked to obtain information regarding fraud and abuse broken down by the age groups of food stamp recipients.

**Community Services Block Grant:**

The Community Services Block Grant (CSBG) is a federal-authorized and funded block grant program intended to reduce the causes and consequences of poverty. It functions as a major delivery system for a number of federal and state human services.

Although the grant is administered by the Department, the majority of funds are allocated to 10 regional Human Resource Development Councils (HRDCs). HRDCs prepare and submit to SRS annual work plans and budgets which are reviewed for consistency with federal and state regulations, then forwarded to the federal government for funding. About \$1,900,000 CSBG funds cover core administrative, planning and direct delivery costs.

**Questions, Responses, and Discussion:**

**SENATOR J.D. LYNCH** asked for information to clarify the difference between federal and state fiscal years and their relationship to the CSBG.

**Weatherization:**

This program provides funds to local HRDCs and tribal organizations to install energy saving measures in low-income people's homes. Specific weatherization measures, (i.e., insulation, caulking, furnace repair and replacement) are decided on after each home has had an energy audit completed to determine what would be most cost-effective.

Funding for the Weatherization program is primarily federal funds from the Department of Energy and Department of Health and Human Services Low-Income Energy Assistance Program (LIEAP). SRS is notified annually of available funding by each department.

Effective in FY95, Montana Power Company will enter an agreement with SRS to allow their funds to complement the federal effort through the SRS provider network.

**Questions, Responses, and Discussion:**

**CHAIRMAN COBB** asked how many homes have been weatherized and how many are yet to be weatherized. He also questioned whether or not the federal government has plans to eliminate this program.

**Dr. Blouke** replied that he would furnish the information at a later date. He also commented that there is speculation that this program will be cut at the federal level.

**SENATOR SWYSGOOD** asked if this program interfaces with oil overcharge funds.

**CHAIRMAN COBB** asked a question related to the Food Stamp Program, and inquired as to why the food stamp issuance costs have increased. He wanted to know if it was related to contracts with San Francisco firms.

**Low Income Energy Assistance Program (LIEAP):**

LIEAP has become one of the major public assistance programs available to low-income clients. About 22,000 households received benefits of nearly \$6,500,000. The program makes more discretionary income available to families by paying a portion of their winter heating bills. Eligibility is determined using a series of matrix tables. Supplemental payments are also available to very low-income households and emergency payments for unforeseen energy-related events are also allowed.

This program is funded with 100 percent federal funding from the Department of Health and Human Services. Fifteen percent can be used for weatherization if the state chooses. 44,000 households are expected to be served for FY96-97.

**Questions, Responses, and Discussion:**

**SENATOR SWYSGOOD** inquired whether or not the oil overcharge funds were also connected to this program.

**Homeless Assistance Grants:**

The goal of the Homeless Assistance Grants is to provide funds for the renovation, rehabilitation or operating costs of homeless shelters and for the provision of follow-up and long-term services to help homeless people escape poverty.

This program is funded with 100 percent federal funding from the Departments of Health and Human Services, and Housing and Urban Development. The Department is notified of funding levels on an annual basis.

Although allocations for Homeless Assistance are administered by SRS, the majority of funds (95 percent by federal law) are allocated to the 10 regional HRDCs. HRDCs then determine the shelters to be assisted and services to be delivered.

Performance indicators for FY96-97 total 40 HRDC workplans approved, 40 HRDC contracts issued, and 20 on-site evaluations.

**Questions, Responses, and Discussion:**

**CHAIRMAN COBB** asked to get information outlining who receives federal homeless funds through contracts with HRDCs.

**Food Distribution Programs:**

The Food Distribution section provides USDA commodity food assistance to low-income individuals/families and nonprofit organizations who serve low-income individuals/families.

The food benefits are provided free of charge to the state of Montana by the federal government.

Currently the Department, in conjunction with the Office of Public Instruction, is in the process of building a new warehouse facility located in Helena to serve as a distribution center for the state.

**Questions, Responses, and Discussion:**

**SENATOR SWYSGOOD** wanted to know if common carriers transport the commodity foods. He also wanted to find out where the shipments originate, what is hauled and what the costs were.

**CHAIRMAN COBB** asked if this program is in jeopardy of being cut at the federal level, and if so, what are the Department's plans?

**SENATOR LYNCH** requested a history of the warehouse building and who determined it should be in Helena.

**Aid to Families With Dependent Children (AFDC):**

The AFDC program is a federal entitlement program administered by SRS to provide temporary financial assistance to needy children and their families. Families eligible for AFDC also receive Medicaid coverage.

In FY94, funding for the AFDC program was 70.92 percent federal funds, 27.26 percent general fund, and 1.82 percent county funds. SRS is not requesting a benefit standard increase for FY96 or 97.

**Questions, Responses, and Discussion:**

**REPRESENTATIVE BARNHART** asked to receive details on how many working poor are receiving services and which types of services.

She also asked for the Department's definition of "working."

**SENATOR LYNCH** expressed his concern regarding a situation he is familiar with where the applicant, living at home, will falsify an address in order to qualify for child care. He asked if such situation was still in effect, and if so, what does the Department do to monitor and control it.

**CHAIRMAN COBB** asked **Dr. Blouke** to provide the subcommittee with an updated AFDC study.

**SENATOR SWYSGOOD** asked what is the minimum AFDC payment level the state can pay. He then inquired what percent of the federal poverty index that minimum would be.

**REPRESENTATIVE BARNHART** asked what assurance is available that AFDC monies allotted for children are being spent solely for that purpose.

Emergency Assistance to Needy Families with Children:

The purpose of this program is to provide such temporary assistance as necessary to ensure the safety and well-being of children who might otherwise be in jeopardy or to provide living arrangements in a home.

Emergency assistance to needy families is funded with 50 percent federal funds and 50 percent state funds for both assumed and non-assumed.

**SENATOR SWYSGOOD** asked if there is a deviation per county based on family need. He also wanted to know if assumed counties spend more emergency AFDC funding than non-assumed counties.

Legal Services Contract:

The Montana Legal Services Association provides legal services under contract to assist indigent persons in obtaining SSI, thus reducing the AFDC caseload and saving general fund dollars. The Montana Legal Services Association contract is funded with 100 percent general fund through a legislative appropriation of \$100,000 for each year of the 1995 biennium.

**CHAIRMAN COBB** asked if the contract is expanded whether it would help get more people qualified for SSI.

Medicaid Eligibility Determination Services (MEDS) Contract:

This contract provides independent determinations for Medicaid eligibility persons who have insufficient work quarters to be considered by SSA or who are ineligible for SSI benefits because of income.

Child Care:

The four child care programs the Department currently administers are JOBS, Transitional, Self-Initiated, and At-Risk. All except At-Risk Child Care include payments for necessary child care assistance required by the federal government as a condition of AFDC.

Job Opportunities and Basic Skills Program (JOBS):

JOBS is designed to assist recipients in becoming self-sufficient by providing needed employment-related activities and support services to avoid long-term dependency on welfare.

The funding for JOBS is 26 percent general fund and 74 percent federal funds.

Questions, Responses, and Discussion:

**REPRESENTATIVE BETTY LOU KASTEN** requested information as to whether resource and referral agencies are being paid to assist JOBS participants to find day care, and if R&R's are necessary.

**CHAIRMAN COBB** asked to be provided with a breakdown of JOBS resolutions by type of resolution/termination and also to identify how many resolutions are due to employment.

**REPRESENTATIVE BARNHART** asked also for data reflecting how many people use multiple services and which ones.

Job Search Program:

The Food Job Search consists of structured and independent job search, work experience, job skills training and barrier resolution for food stamp recipients. Participation is 30 hours per week for 16 weeks.

It is 100 percent federally-funded. Administrative funding is 50 percent federal funds and 50 percent state general funds. Beginning in FY94, employment focused on long-term jobs and short-term job tracking was discontinued.

**CHAIRMAN COBB** asked for information describing what "long-term" job placement means.

IV-A Training Contract:

This contract is in addition to policy and computer training. It is contracted with the University of Montana. This contract was established to provide training opportunities to enhance responsibilities of staff in assisting clients.

Funding for this program is 50 percent federal IV-A funds and 50 percent state funds.

**ELIGIBILITY DETERMINATION****Program Summary:**

The primary function of the program is to determine initial and ongoing eligibility for those persons who have applied for or have been receiving public assistance benefits. Welfare programs operated at county level are administered by twelve state-assumed counties and 44 non-assumed counties.

Assumed counties are those which have turned full responsibility for administration and financial support of local welfare programs over the Department. In exchange, the state receives nine mills from each assumed county. The expense of state-assumed counties is a responsibility of the state general fund.

The non-assumed counties administer and proportionately fund those programs under the direction of SRS as it relates to federally-funded welfare programs. Non-assumed counties' expenses are the responsibility of the individual county.

**Questions, responses, discussion:**

**SENATOR SWYSGOOD** asked for a comparison of caseloads between rural areas versus populous areas and between assumed and non-assumed counties.

**CHAIRMAN COBB** asked what are the Medicaid caseloads of assumed and non-assumed counties.

**SENATOR LYNCH** asked to clarify how the different welfare reform plans work. He also asked to receive a summary of the Gingrich and Clinton proposals.

**REPRESENTATIVE BARNHART** asked if there is any work in progress to conform applications used by HRDC's and SRS for processing by the eligibility technicians.

**Lois Steinbeck, Legislative Fiscal Analyst's Office**, in closing, called the subcommittee's attention to page B-30 of the LFA "Budget Analysis 1997 Biennium." She specified that AFDC caseload estimates differ between the Executive Budget and LFA.

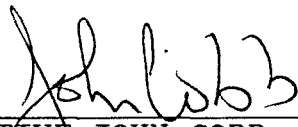
One of the LFA issues, as outlined on page B-43 pinpoints the two issues related to AFDC benefits: a) estimated caseloads and payment levels; and b) combining the new proposal for caseload growth with the AFDC present law budget for a single appropriation.

Another LFA issue **Ms. Steinbeck** discussed was that of Child Care Provider Rate Increase. This issue considers both the present law adjustment and the incremental adjustment in the new proposal. Per federal regulations, states must reimburse daycare providers no less than the 75th percentile of the market rate, based on a survey of day care providers.



ADJOURNMENT

Adjournment: 12:00 p.m.

  
\_\_\_\_\_  
REPRESENTATIVE JOHN COBB, Chair

  
\_\_\_\_\_  
ANN BODEN, Secretary

JC/ab

EXHIBIT 1

DATE 01-03-95

HB                     

# ***DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES***

## ***PROGRAM OVERVIEW***

***Peter S. Blouke, PhD  
Director***

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.

