

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 54th LEGISLATURE - REGULAR SESSION

JOINT SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By **CHAIRMAN JOHN COBB**, on January 9, 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
Ann Boden, Committee Secretary

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

Committee Business Summary:

Hearing: Proposed Reorganization of Human
Services Programs
Executive Action: None.

*{Tape: 1; Side: A; Approx. Counter: 000; Comments: These minutes were recorded
on a VSC Sony Recorder at speed 2.4}*

INFORMATIONAL HEARING ON PROPOSED REORGANIZATION OF HUMAN SERVICES PROGRAMS

Gordon Morris, Director, Montana Association of Counties (MACo), distributed a handout on the proposed reorganization of the Human Services Programs. He has been director of MACo since 1983 and has been involved in the legislative sessions since that time. He gave an overview of the human service programs in general from the perspective of the county spectrum. He noted that counties recognize the partnership and responsibility between county and state government to provide basic human services and to protect

and enhance the lives of Montana citizens. He said counties, in conjunction with the state, are the basic providers of social service and welfare programs. Every county that is working in cooperation with the Department of Social and Rehabilitation Services (SRS) administers and pays some portion of the federal, state and county programs. **EXHIBIT 1**

Mr. Morris commented that counties must be a participant in the planning stages of reorganization. He said counties believe there is unnecessary duplication of services between various agencies at the state level. The hallmark of this session is the coordination between programs, and the combining of services. He felt any program taken into consideration must be flexible in the design of any program when it comes to the county's own unique and diverse needs.

Mr. Morris said that in many cases the counties are called on to provide funding for programs, but have no input from the administration for the services counties are asked to fund. He said county commissioners feel they need a better system of checks and balances in regard to the overall delivery of the programs.

Mr. Morris addressed two specific programs. MACo believes, in reference to child welfare programs, that every parent has the right and responsibility to care for their children in a permanent and ongoing manner. He said that family values need to be re-instilled, and in order to fulfill this role arrangements need to be provided for the family to take care of their children. The majority of single mothers supporting young children need to be considered if any of the support programs are scheduled for a change. **Mr. Morris** said child care services are critical to protect the needs of children in Montana, and they need to improve monitoring and licensing, and the availability of information and referral services for parents needing to choose child care providers.

Mr. Morris closed stating that he views the partnership of the departments as being critical of the whole structure of welfare in Montana. Local officials need to be included as partners in the process and mold those services for long-term care and needs of the welfare system to be met as a more cost effective service for the people in Montana.

Dr. Paul Miller, Department of Sociology (UM) and the Montana Hunger Coalition, distributed a handout on Poverty in Montana. He noted that the comments and his handout are his own study and thoughts and not that of the UofM or the Department of Sociology, nor the Montana Hunger Coalition. He informed the committee the book listed on his handout by Pat Edgar was prepared for the SRS, and he recommended to the members if they want information about public assistance programs over the past few years in Montana, and the migration of people from county to county, they will learn of the abuse of public programs in Montana. **EXHIBIT 2**

Dr. Miller addressed poverty in Montana correlating with his draft on page 2 stating that the poverty level line was established in the early 1960s in response to President John F. Kennedy's administration's attempt to solve the problems of poverty. He felt that the poverty line is inadequate for the minimum nutritional needs to be met by single and two (parent) income families. It states that the line is based on these families paying only 25% of their gross income for housing, when families today are paying 60% to 70% for housing. He said the largest poverty rate changed with children showing that 20% of all the children in Montana lived below the official poverty level in 1990 when the last census was taken, and 24% of those children are under five years of age. The rate of increase in child poverty in Montana in the 1980s was 44.2% with only one other state, Wyoming, with a higher rate of increase in child poverty.

Dr. Miller addressed wages and housing stating that Montana is weak in affordable housing. In the past few months Montana has been recognized as the state with the fastest rate of growth per capita income, but during this same time there has been an decrease in wages. He said this situation is caused by people that are moving into Montana that have high incomes and bring their assets with them.

Dr. Miller addressed the block grant programs where the federal government provides commodities to the population at or below the poverty level. He said if the federal government cuts back on its commodities program that many people will be affected in Montana, mainly the Indian population. He said that of all the Indians in Montana that rely on commodities, over 60% rely solely on commodities. He said there will be a tremendous problem in Montana if the commodities are cut back, and said the reason is the federal government is not subsidizing agriculture at the same rate they are purchasing agricultural products on the market.

Kay Fox, Montana Low-Income Coalition, distributed written testimony addressing the welfare programs, i.e., Child Support Enforcement, Supplemental Security Income (SSI), and other programs that support the population living at or below the poverty level. **EXHIBIT 3**

{Tape: 1; Side: B; Approx. Counter: 2.7; Comments: n/a.}

Sue Mohr, Executive Director of the Montana JTPA (Job Training Partnership Act), distributed a booklet on JTPA, and provided an overview on what JTPA is and what they do. She said JTPA is the administrative office for the private industries council in Montana. She said there are two service delivery areas, one is a Concentrated Employment Program (CEP), and the second one is Balance of State (BOS). The two areas were set up by the county commissioners to administer JTPA funds in Montana. Each of the areas have their own private industry council that are formed by appointments made by the county commissioners. JTPA prepares

youth and unskilled adults for entry into the labor force and provides job training for economically disadvantaged individuals, displaced workers, and others facing serious barriers to employment. The 1982 Federal Legislation provided the financing, while the state and local systems have the authority and flexibility to fund programs that work best in their localities.

EXHIBIT 4

Mike Wingard, Legislative Auditor's Office, distributed a handout on a report of the Juvenile Justice System in Montana, and gave an overview on the legislative audit performed on the Juvenile Justice system. The Legislative Auditor's Office issued a report in June of 1993 that stated there wasn't any juvenile criminal justice system in Montana. He said the audit began with a youth's initial referral to youth probation officers through a youth's discharge from the Department of Family Services (DFS) agreement. The criteria used in the audit included using the American Corrections Association Standards, a study of placement in Montana Juvenile Correction Facilities by the Center for the Study of Youth Policy, and other criteria that included state and federal statutes.

He said, based on the auditor's examination of the youth court process, it was determined that the youth courts make an active effort to treat and/or divert youth away from further involvement from juvenile justice. He noted there are several areas that could use improvement. The juvenile probation officers are not receiving statutorily required training. He felt this contributed to a significant variation in the administration of youth intervention, treatment, and diversion programs, i.e., restitution procedures used by the officers by the crime the youth is allowed to commit before being committed to DFS supervision. He said the youth courts are statutorily required to examine the parents' financial ability to contribute for the cost of care and treatment of the youth committed to the DFS. He noted that these requirements were seldom conducted, and it is rare that any of the parents make any contributions.

Mr. Wingard said after the report was issued, the Governor has requested that the youth justice council become more involved in the re-establishment of the juvenile justice system. He said the DFS submitted a system reform summary floor plan in September of 1993, but the auditor's office found the plan lacked detail in regard to communication, coordination and law as the system should know and change. **Mr. Wingard** said the auditor's office initiated a follow-up on the audit and said that the DFS has indicated they have addressed all of the audits recommendations and are working towards a more systematic approach to juvenile justice.

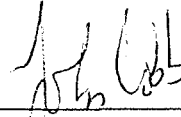
He said there is proposed legislation concerning youth placement committees and a study of the Youth Court Act. Mountain View School is proposing to change from long-term secured care facility for girls to an operation center for an outdoor co-ed

youth camp. The auditor's office evaluation of these changes concluded that there is still a lack of specific detail regarding the changes, plus the office is concerned if the DFS has fully coordinated any of these changes with the youth courts, other state agencies, and within in their own division. He said there is no sex offender program, no placement for girls who are not eligible for the wilderness program or an available program, lack of budgetary details on the operation of the wilderness operation and the impact on the overall division activities, lack of data regarding how the wilderness program will impact or perform, and the youth court acceptance of the changes proposed by DFS.

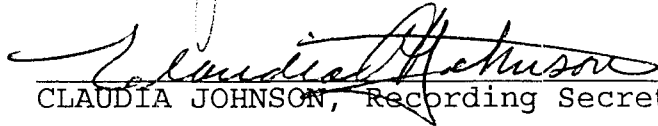
EXHIBIT 5

ADJOURNMENT

Adjournment: 12:00 p.m.



JOHN COBB, Chairman



CLAUDIA JOHNSON, Recording Secretary

JC/cj

HUMAN SERVICES AND AGING

Joint Appropriations Subcommittee

ROLL CALL

DATE 1-9-95

NAME	PRESENT	ABSENT	EXCUSED
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		

Arrived
P 10:00
A. M.

Lois
Mark

Donnie

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES
Proposed Reorganization of Human Service Programs

The following is a preliminary proposal for realignment of Montana's human service programs.

- I. **INTRODUCTION:** After a thorough evaluation of existing programs and organizational structure, the Governor's Task Force to Renew Government has recommended that the health and human service functions of state government be consolidated into a single state agency. Based on the Task Force analysis, Governor Racicot has adopted the majority of the Task Force recommendations and is proposing creation of a new department of Public Health and Human Services. The new department will meet the Governor's criteria for functional similarity, customer convenience and the potential for improved efficiency. Additionally, the reorganization of human service programs at the state level is a critical and necessary first step toward a broader delegation of authority for planning, resource allocation, and day-to-day administration to the regional and local levels.

ADMINISTRATIVE REORGANIZATION

- II. **BACKGROUND:** The current Human Services Subcabinet consists of five Departments: Health and Environmental Sciences; Corrections and Human Services; Family Services; Labor and Industry; and Social and Rehabilitation Services. Functionally, in general terms, the departments provide the following services:
- a. Health and Environmental Sciences: (non-environmental sciences): Preventive Health Services which includes such functions as chronic disease prevention and health promotion, surveillance and control of communicable diseases, immunizations, and support for rape crisis programs; Maternal and Child Health programs such as the federally funded Women Infants and Children (WIC) program that provides nutritional services for low income pregnant women, infants and children, family planning services, perinatal services, children's special health services; Health Services which is responsible for planning and implementation of a statewide emergency medical system, development of the state health plan, administration of the Certificate of Need program; Health Facility Regulation which includes licensing and Medicaid certification, approval of health facility renovation and new construction; and the public drinking water functions of the public health lab.
 - b. Corrections and Human Services (human services only): Mental health services which includes Montana State Hospital, the Center for the Aged and community based services provided through private, non-profit regional mental health centers; Developmental Disabilities services at Montana Developmental Center and Eastmont Human Services Center; Veterans' long term care services; Chemical Dependency services through a network of community

based programs and a state residential treatment program.

c. Family Services:

Protective services for children, youth and adults who are abused and neglected including foster care, child care services; community-based services to enhance the self-sufficiency and independence of elderly and developmentally disabled, administration of two youth correctional facilities (Pine Hills School and Mountain View School) and aftercare services for youth released from correctional facilities.

d. Labor and Industry (human services only):

Administration of federal and state job training programs for a number of targeted populations; apprenticeship programs; Job Service local, state and national job recruitment and referral services, unemployment insurance program.

e. Social and Rehabilitation Services:

Administration of the state welfare programs including Aid to Families with Dependent Children (AFDC), Job training, Child Care services, Food Stamps, Low Income Energy Assistance Program, Weatherization, Food Commodities; Child Support Enforcement Program which is responsible for establishing, enforcing and collecting financial support owed by absent parents; Administration of the Medicaid program which provides medical assistance to low income aged, blind or disabled and to individuals on the AFDC program; Vocational Rehabilitation services to persons with physical or mental disabilities to restore them to gainful employment; Disability Determination of Montana residents who apply for Social Security Disability Insurance and Supplemental Security Income disability benefits; Rehabilitation services for persons who are blind and visually impaired; Developmental Disability services through a state wide network of community based programs including residential, vocational, child and family care programs.

III. RATIONALE: As described below, consolidation of human service programs under a single administrative direction will accomplish four major goals: 1) improve program coordination; 2) increase efficiency and use of scarce public resources; 3) facilitate administrative decentralization; and 4) enhance opportunities for program collocation.

Program coordination and integration will be facilitated through uniformity and consistency of policies, simplification of eligibility and development of a common, department-wide mission and purpose. Dysfunctional families often have multiple problems that require support from a number of different programs. Client access to such an array of services can be better coordinated and more efficiently provided if all of the programs are under a single administrative direction. Communications and policy development will be improved through simplification of the management structure. In

addition, for the general public and legislature, a single human services department will provide clearer lines of accountability for both services and expenditures.

Consolidation of administrative and support functions such as accounting, personnel and facilities management will eventually result in improved efficiency and potential cost savings. Networking of computer systems will be simplified and more accessible to service providers. Staff training can be coordinated resulting in reduced travel and better use of scarce resources. Because many human service programs receive substantial financial support from a variety of federal agencies, consolidation will also increase opportunities to maximize use of available federal funds.

The creation of a single human services department is also seen as a necessary first step towards effective decentralization of human services program administration. Depending on the program, a local service agency may have to deal with the different administrative policies of up to five state agencies. Identifying the appropriate contacts and reconciling the various agency rules, regulations and reporting formats can be extremely frustrating and time consuming. Currently, the five human service departments use several different geographic regions for administrative and planning purposes. The evolution of these various regional designations is based on historical, budgetary, political, and demographic reasons as well as the location of major service provider networks. While the current regional system may serve the individual departments or program needs, the lack of common boundaries across all departments and programs complicates effective statewide planning efforts and the efficient and equitable allocation of increasingly scarce fiscal and personnel resources.

Finally, where appropriate, physical collocation of services can be more easily accomplished if lease and facility management are under the direction of a single agency. However, even without physically collocating, coordination among local programs can be significantly enhanced and the concept of "no wrong door" implemented.

- IV. PROPOSED STRUCTURE:** A new department will be created call the Department of Public Health and Human Services. The majority of programs currently administered by the departments of Social and Rehabilitation Services and Family Services will be transferred to the new department and those departments will be eliminated. The human service functions currently located at the Department of Corrections and Human Services (specifically mental health programs, developmental disabilities programs, substance abuse programs and the Veterans Home) will also be transferred to the new department. Administration of youth correctional programs will be transferred from the Department of Family Services to the Department of Corrections. All of the health related programs currently administered at the Department of Health and Environmental Sciences will be transferred to the new department. This will include health programs located in the Health Services Division, Health Facilities division and the Montana Health Care Authority.

The above program realignment will provide a clearer focus of human service issues within the newly created department. Additionally, the remaining programs at the Department of Corrections will allow that department to refocus resources towards juvenile and adult corrections programs. Transfer of human services programs out of the Department of Corrections will not result in any diminution of services to the remaining correctional population. Instead, a better coordinated array of service will be available through the new Department of Public Health and Human Services.

DECENTRALIZATION

- I. INTRODUCTION:** As proposed here, the term decentralization refers to both the physical location of services in specific geographic areas and the organizational relationship between state level human service departments and regional service providers and consumers.

As noted above, the five human service departments currently use several different geographic regions for administrative and planning purposes. Additionally, the organizational relationship between the state agencies and local service providers varies significantly from agency to agency.

Identification and adoption of common regions for all five human service departments (geographic decentralization) is a relatively simple task. However, without a concomitant adjustment in the fundamental administrative and organizational structure of how the various programs interact at the state level and how they collectively relate to local service providers and consumers (administrative reorganization), designation of common geographic regions will not have a significant impact on the delivery of services.

Organizational decentralization is based on a division of responsibilities between the state department and local regional boards/management groups. The state would retain ultimate responsibility for ensuring appropriate services are provided in each region, however, the actual service delivery, the initial planning, and day-to-day administration could and should be delegated to the regional level.

While there are a number of different organizational models that will need to be evaluated, potentially, the department could appoint a regional administrator who would be physically located in the region and responsible for coordination of all department programs within that region. The regional administrator would participate as a member of a regional human services management group composed of representatives of local human service providers and other agency personnel. Additionally, the regional administrator would serve as liaison between the department and the local human services management group.

It would be the responsibility of the regional management group to coordinate the full array of human service programs within that region. Regional planning and budgeting would take into account the total human service needs of the region rather than, as is the current case, being based on the needs of individual departments. Similarly, at the state level, the newly created department would use the regional concept in planning and budgeting resources. In preparing budgets, the department would be required to coordinate its budget requests to demonstrate the best allocation of state resources to meet the overall human services needs of each region. Although the regions would have an important role to play in planning and budgeting, the department would retain final authority over statewide planning and the allocation of resources.

At the state level, the emphasis would be on overall statewide policy development, legislation, establishment of service standards, liaison with federal programs, monitoring of regional programs to ensure compliance with state and federal law, and the coordination of training, computer programs, financial contracts, purchasing, and personnel administration.

- II. RATIONALE:** Even at the simplest level i.e., geographic decentralization, if common regional boundaries were used by the department, coordination of planning and budgeting to meet local services needs would be improved. For example, the existing five human service departments have overlapping responsibility for a number of different service populations, e.g., developmentally disabled services, job training programs, day care, mental health services for children and youth, and services to the elderly. Currently, there is no systematic way to accurately inventory the services provided to each of these populations so that each agency would know and could compare what services are available. In the absence of common regions, there is a high probability of duplication in planning efforts for these populations, of potentially conflicting services, and of a maldistribution of resources among the regions when all of the resources are considered. Common regions would make the task of statewide planning considerably easier and more meaningful to the general public and the legislature.

For organizational decentralization, the rationale is two fold: 1) a more efficient allocation of increasingly scarce resources; and 2) improved services. By coordinating the planning and budgeting of human services at a common regional level, the departments would be better able to establish priorities, share resources across programs, coordinate services, and avoid duplication. The information used by the state would be information generated by the regional management groups including current resources, identification of local needs and establishment of local priorities. Focusing on budgeting for all human services programs within a region will identify areas of duplication, areas where coordination must be improved and how resources may be shared between programs. Additionally, as more responsibility for planning, evaluation, and administration is delegated to the regional level, there should be a commensurate reduction in personnel at the state level.

Organizational decentralization would improve services through better planning, better use of existing resources, improved communication, and more efficient problem solving. More decisions would be made at the local level where problem arise rather than being sent to Helena for resolution. As responsibility is delegated to the regional level, innovation and flexibility in response to local human services issues is more likely to occur than can realistically be expected at the state level. An intangible benefit, but one which could ultimately have the most significant impact, is the sense of local ownership that would develop for regional programs. To the extent the regional advisory groups, local providers and local consumers feel they have a meaningful role to play in the ongoing planning, development and implementation of human services within their community there will be a corresponding increase in public support for those services. Such support could translate into legislative support, advocacy, and local pressure on local providers to resolve local problems.

As proposed here, decentralization is not a concept that can or should reach full implementation without the input and participation of a broad spectrum of individuals and interest groups, without a dedicated commitment from the executive and legislative branches of government, and without considerable coordination among affected federal agencies. To achieve the full potential of program integration and cost savings will require several years of trial and error, realignment of agency programs and a significant adjustment to the way the Helena bureaucracy views its role and responsibility.

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EXHIBIT 2
DATE 1/9/95
SB _____

POVERTY IN MONTANA

Presented January 9, 1995

by

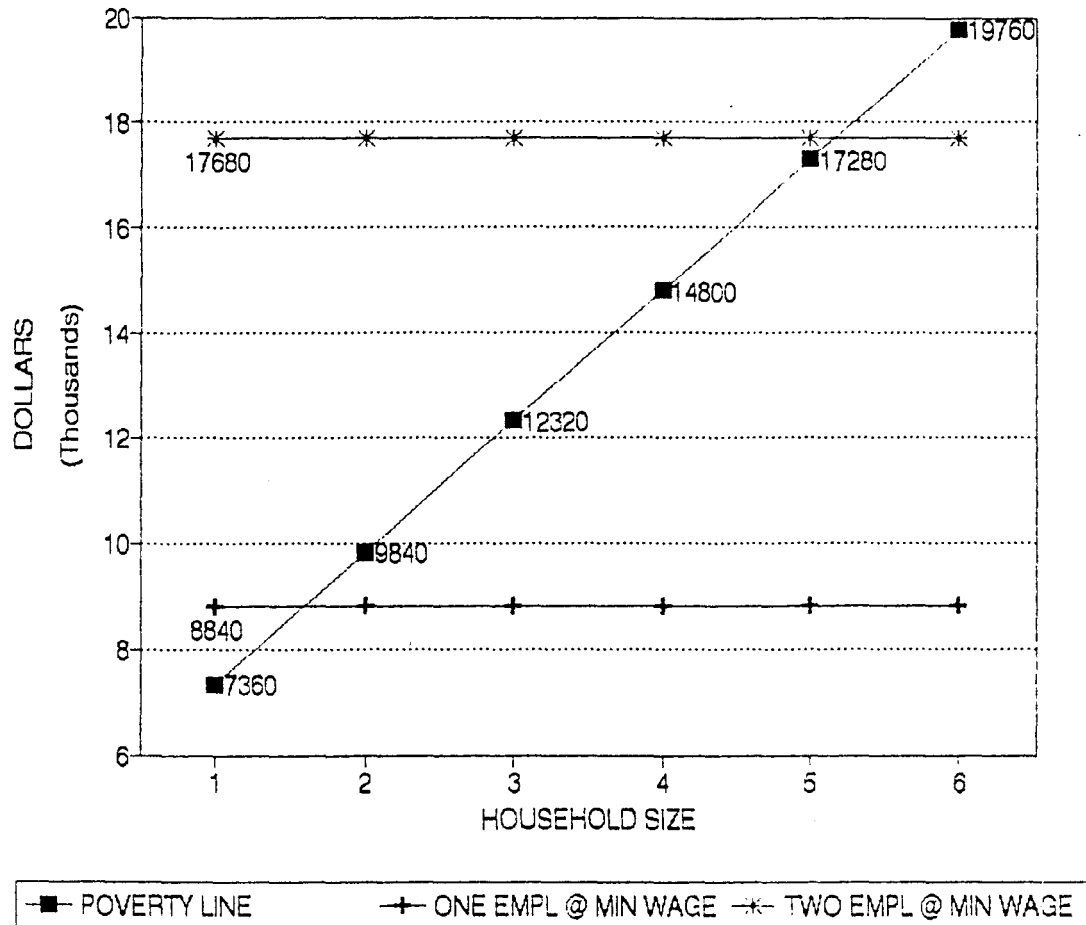
Paul Miller
Department of Sociology (UM) and
The Montana Hunger Coalition
(406) 243-2852

Remarks and Graphs Based on Following Sources:

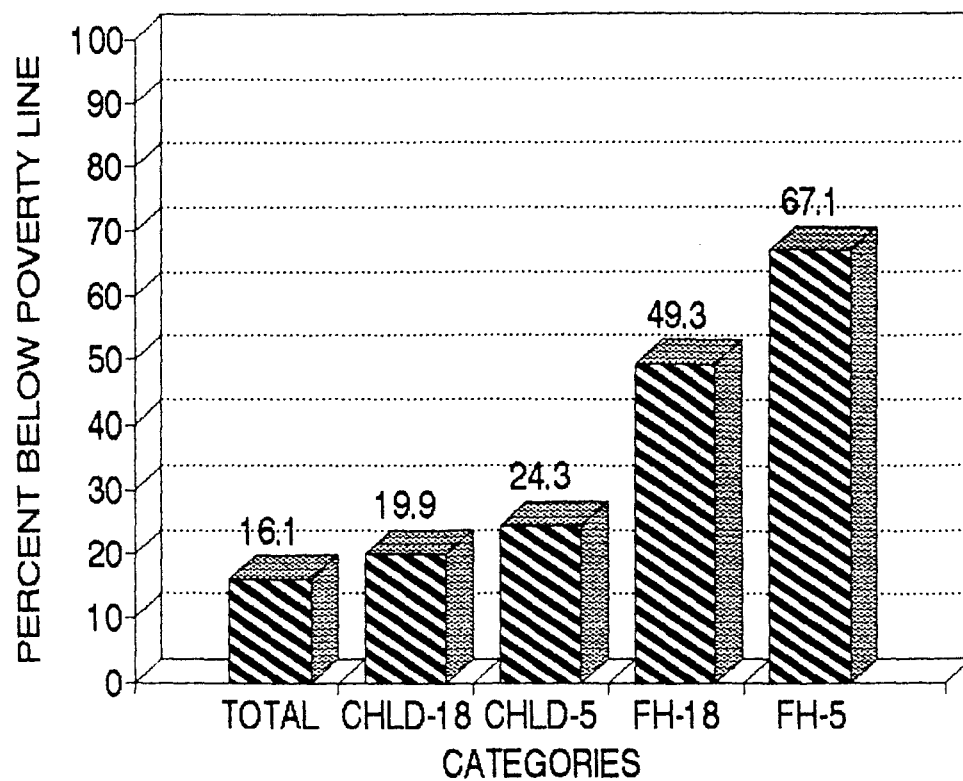
- Edgar, Patrick B. Poverty in Montana: A Statistical Analysis 1994. Prepared for The Montana Department of Social and Rehabilitation Services. 1994.
- Miller, Paul. Hunger in Montana: A Report By The Montana Hunger Coalition. 1990.
- Miller, Paul. Hunger in the Morning: A Study of Montana's Public-School Third-Graders, Their Teachers and Principals. The Montana Hunger Coalition. (In progress).
- Miller, Paul. "Poverty and Hunger in Montana: Women and Children First." Paper presented at the 1993 Annual Meeting of the Rural Sociological Society. Special section on Persistent Rural Poverty. Orlando, FL. August, 1993.
- Miller, Paul. "Underemployment, Poverty, and Hunger: Results of Three Montana Studies." Paper presented at the 1994 Annual Meeting of the Pacific Sociological Association. San Diego, CA. April, 1994.
- Miller, Paul. The Food Distribution Program on Montana's Indian Reservations. A study conducted by The Montana Department of Social and Rehabilitation Services and The Montana Hunger Coalition. Spring, 1994.
- Montana Department of Commerce. 1994-1998 State of Montana Comprehensive Housing Affordability Strategy (CHAS). Final Report to HUD, December 1993.
- Montana Kids Count Data Book: 1994. A Project of Healthy Mothers, Healthy Babies - The Montana Coalition. 1994.
- Rural Sociological Society Task Force on Persistent Rural Poverty. Persistent Poverty in Rural America. Westview Press. 1993.
- USDA, Economic Research Service. Rural Development Research Report Number 83. The Family Support Act: Will It Work in Rural Areas? April, 1993.

1994 POVERTY LINE AND MINIMUM WAGE

EMPLOYMENT FOR ONE AND TWO PERSONS

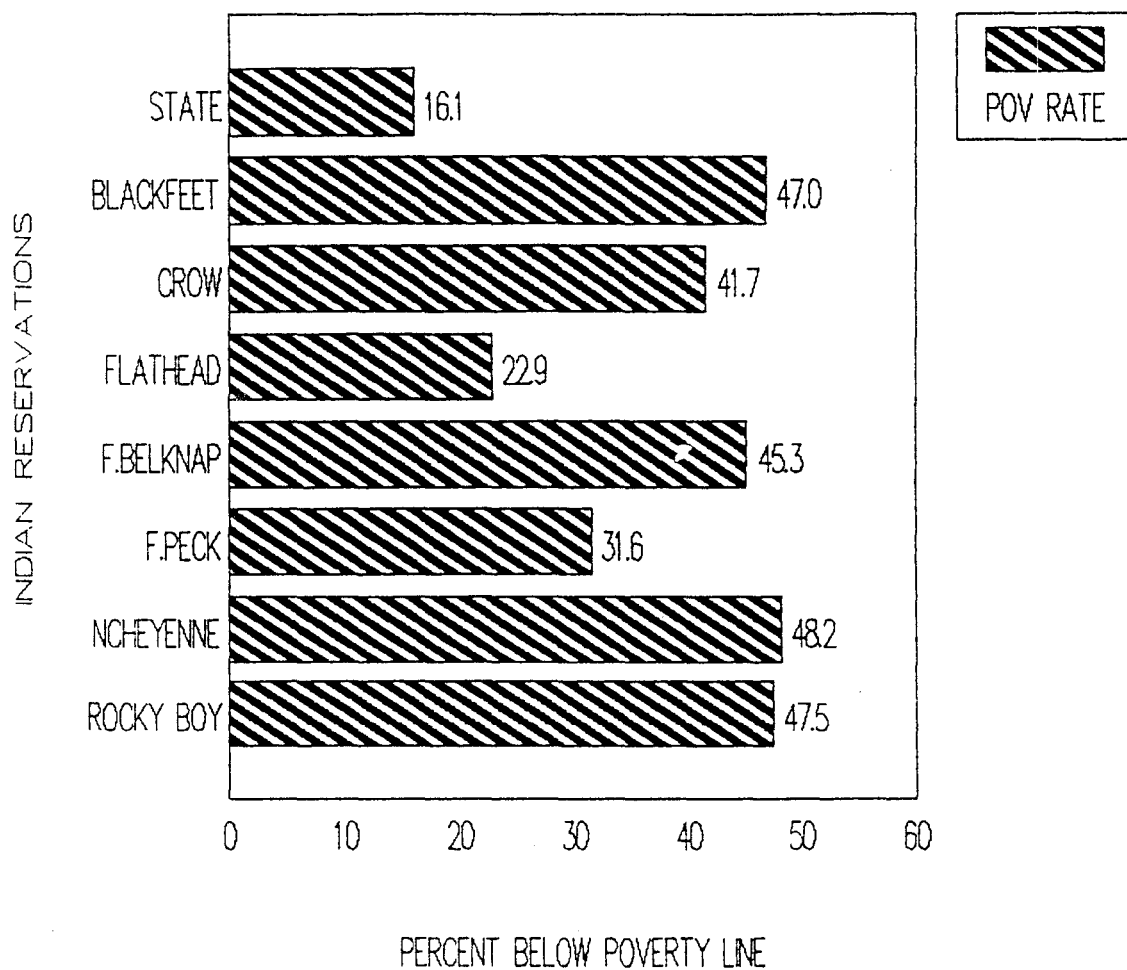


MONTANA POVERTY LEVELS: 1990 CENSUS CHILDREN AND FEMALE-HEADED FAMILIES



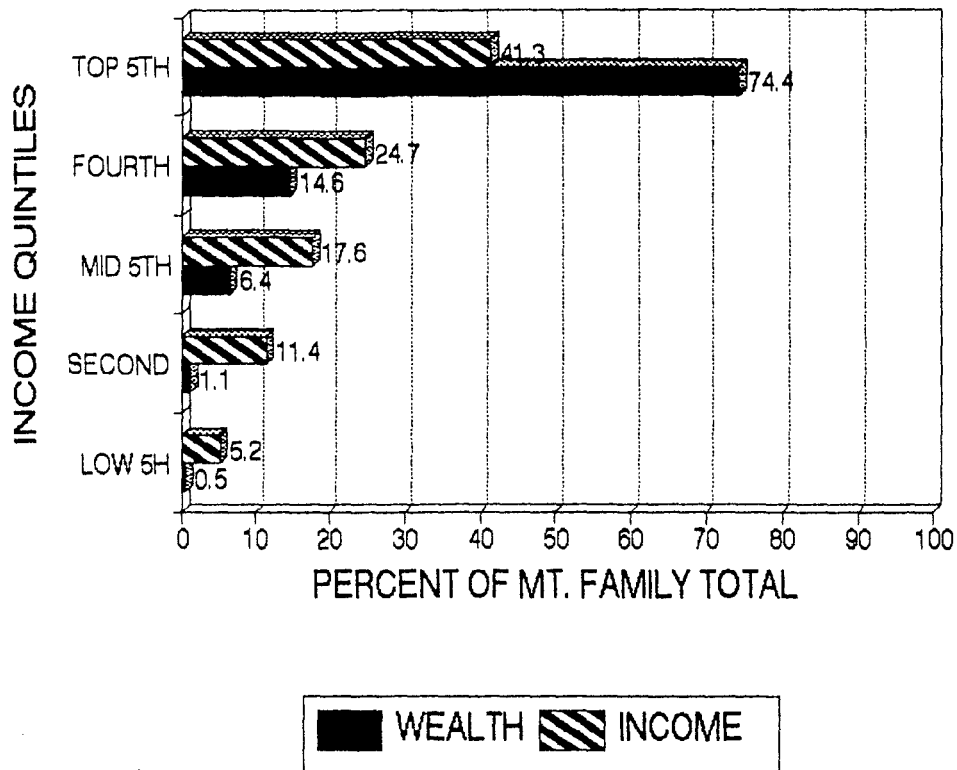
Source: U.S. Census. 1990

POVERTY RATE - MONTANA INDIAN RESERVATIONS 1990

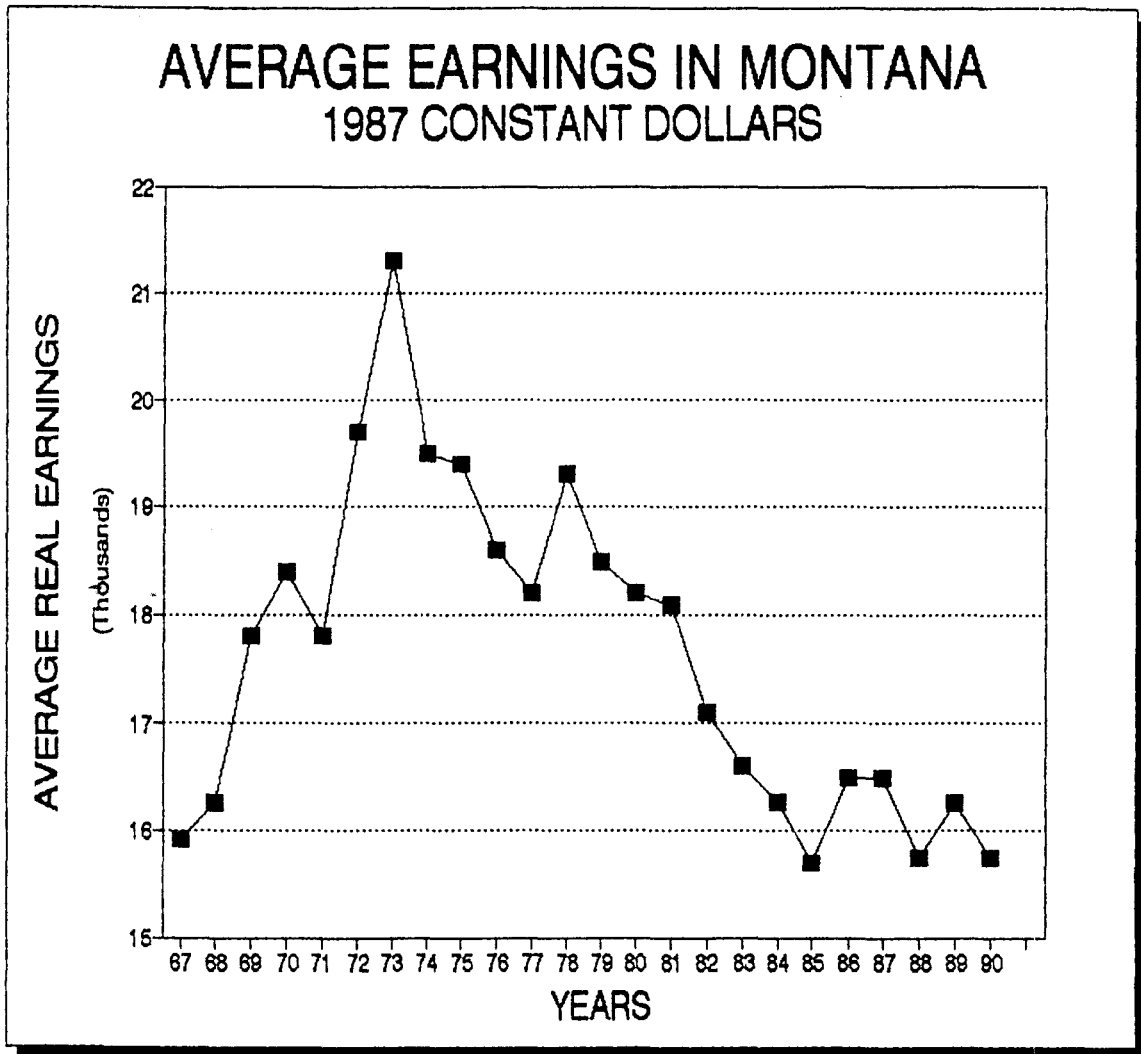


Source: U.S. Census. 1990

1990 MT. FAMILY INCOME & WEALTH IN TERMS OF INCOME QUINTILES

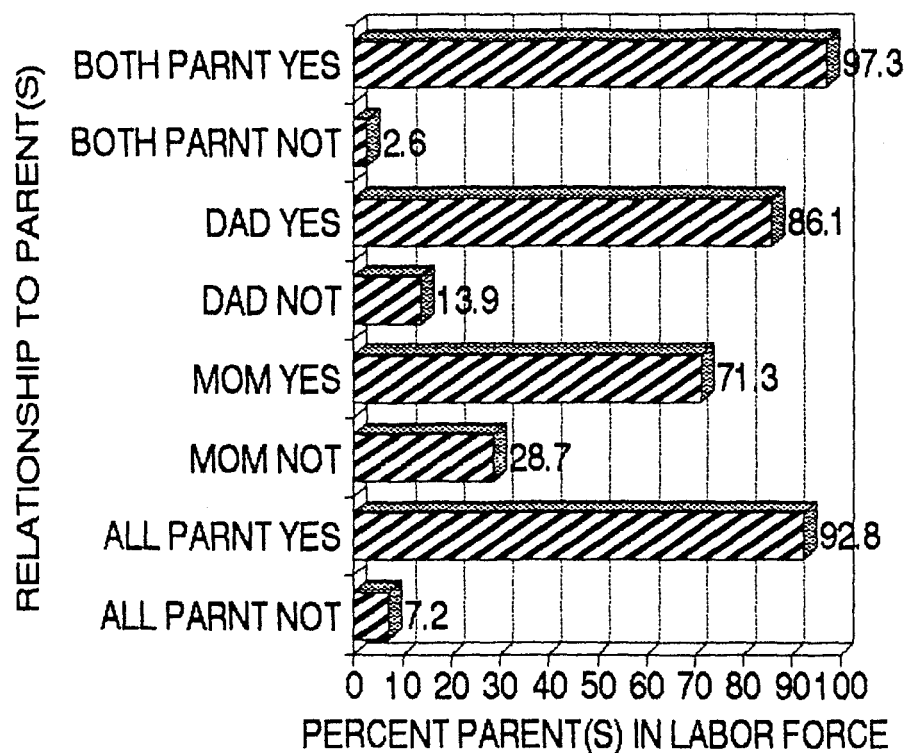


Source: 1990 Census and Center for Budget and Policy Priorities. 1990



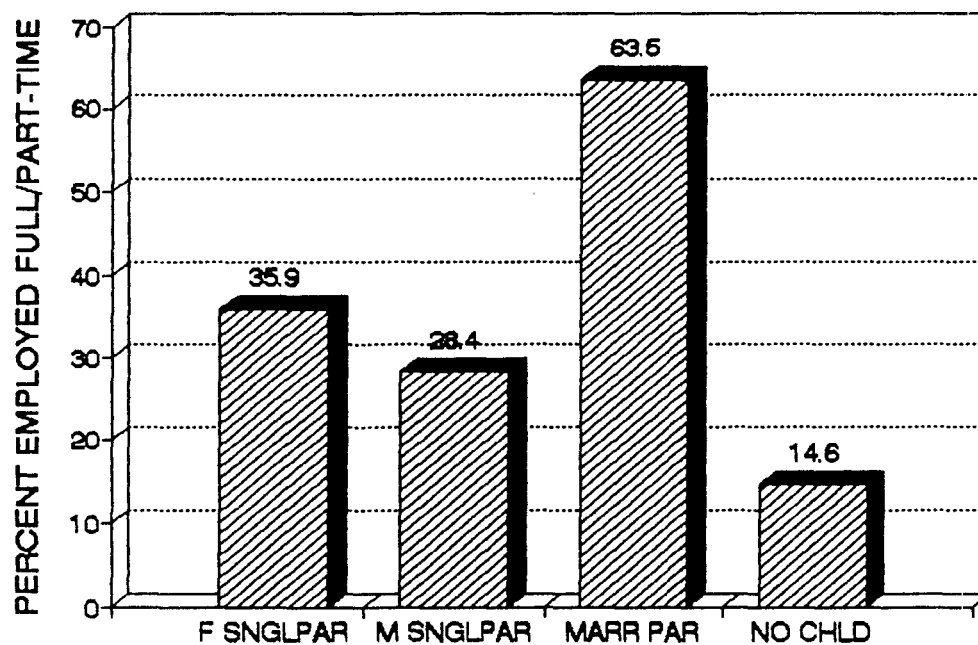
Source: Montana Department of Commerce. 1994-1998 State of Montana Comprehensive Housing Affordability Strategy (CHAS). 1993

PERCENT PARENTS IN LABOR FORCE
MONTANA CHILDREN AGED 3-19 1990



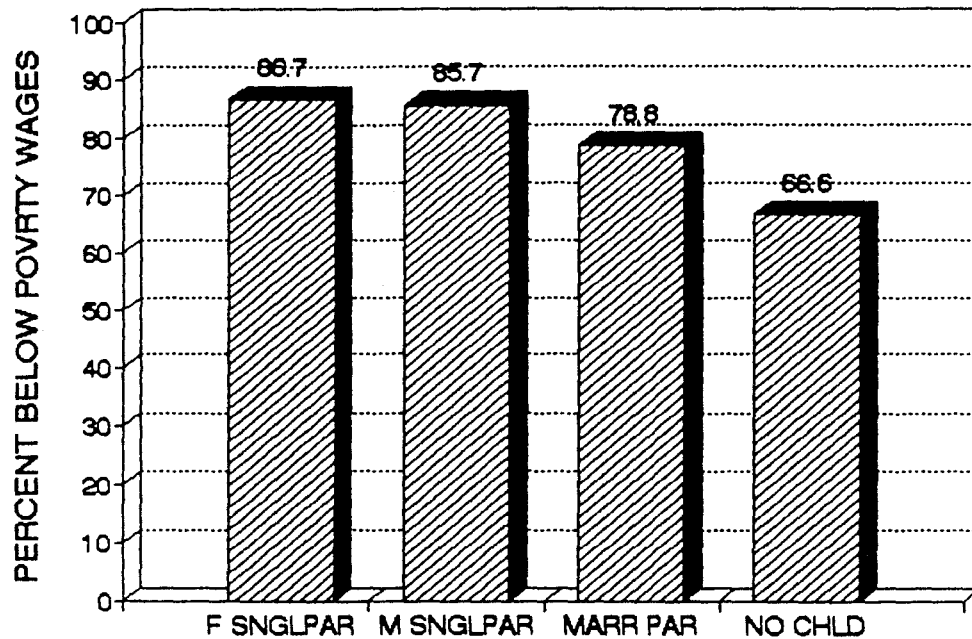
Source: 1990 Census School District Special Tabulation. National Center for Education Statistics. U.S. Department of Education.

FULL/PART-TIME EMPLOYMENT BY FAMILY STATUS (TEFAP92; N=9,255)



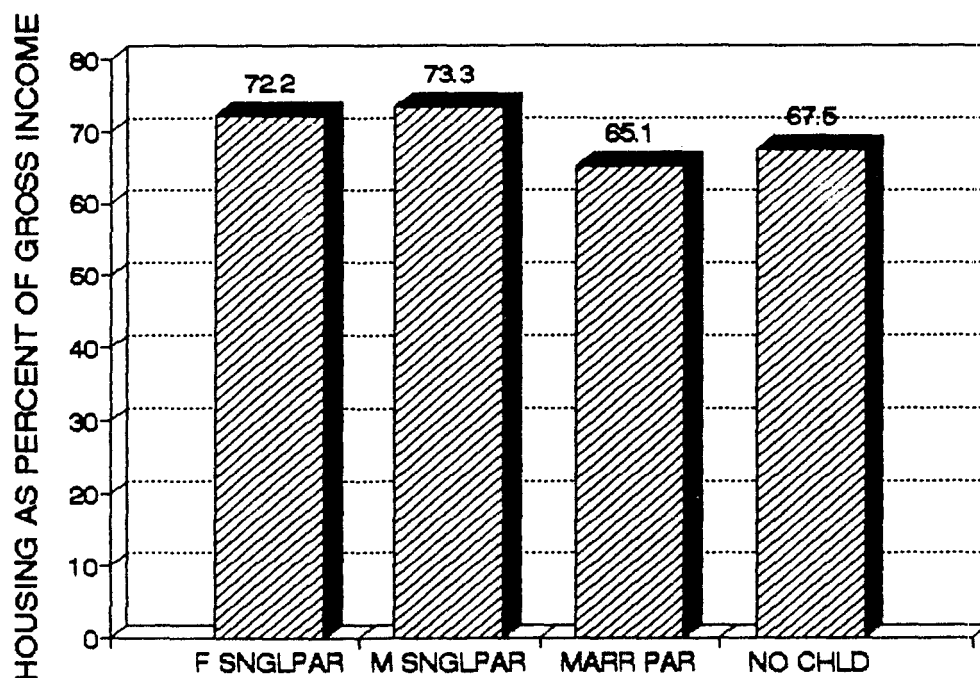
Source: Paul Miller. "Underemployment, Poverty, and Hunger: Results of Three Montana Studies. 1994

BELOW POVERTY WAGES OF ALL EMPLOYED (MEAN=77.3%) (N=2742 EMPLOYED)



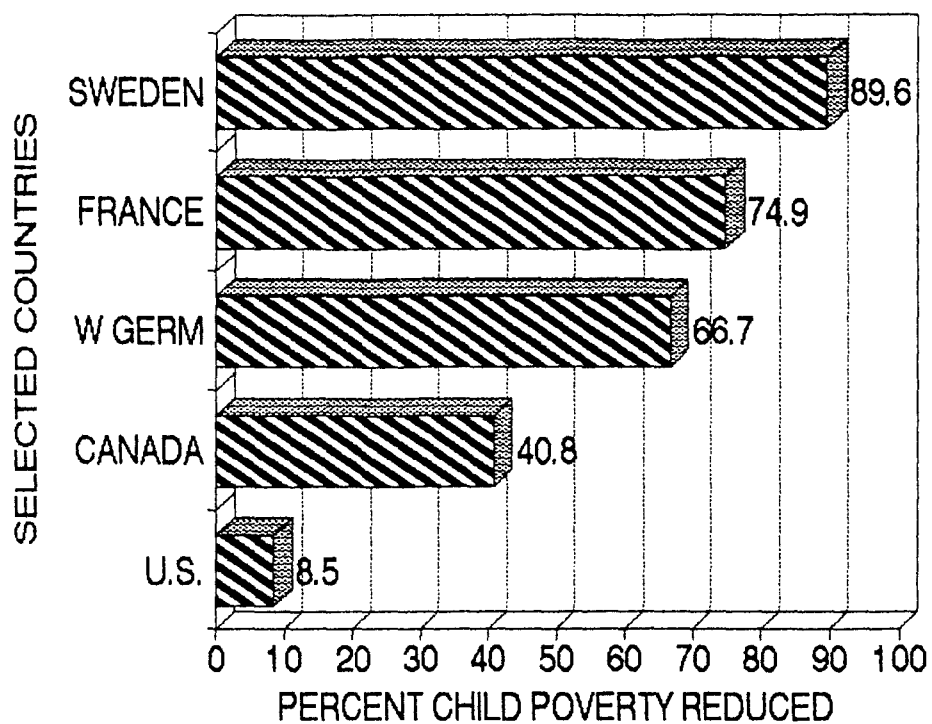
Source: Paul Miller. "Underemployment, Poverty, and Hunger: Results of Three Montana Studies." 1994

HOUSING COSTS (RENT + UTIL) AS PERCENT OF GROSS INCOME (MEAN=67.9%) (TEFAP92)



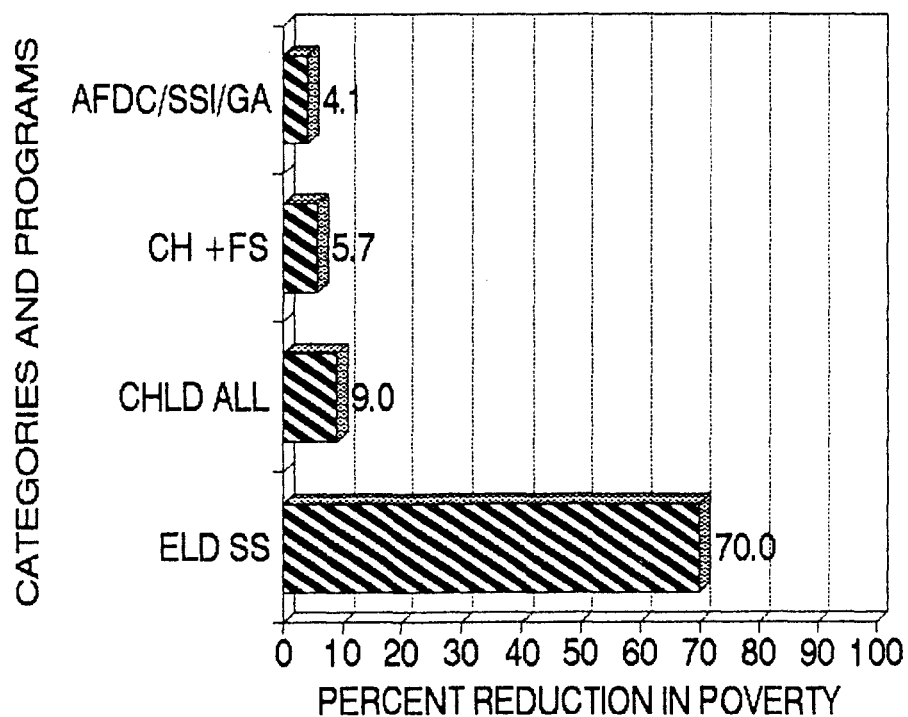
Source: Paul Miller. "Poverty and Hunger in Montana: Women and Children First." 1993

PERCENT REDUCTION IN CHILD POVERTY AFTER BENEFITS AND TAXES

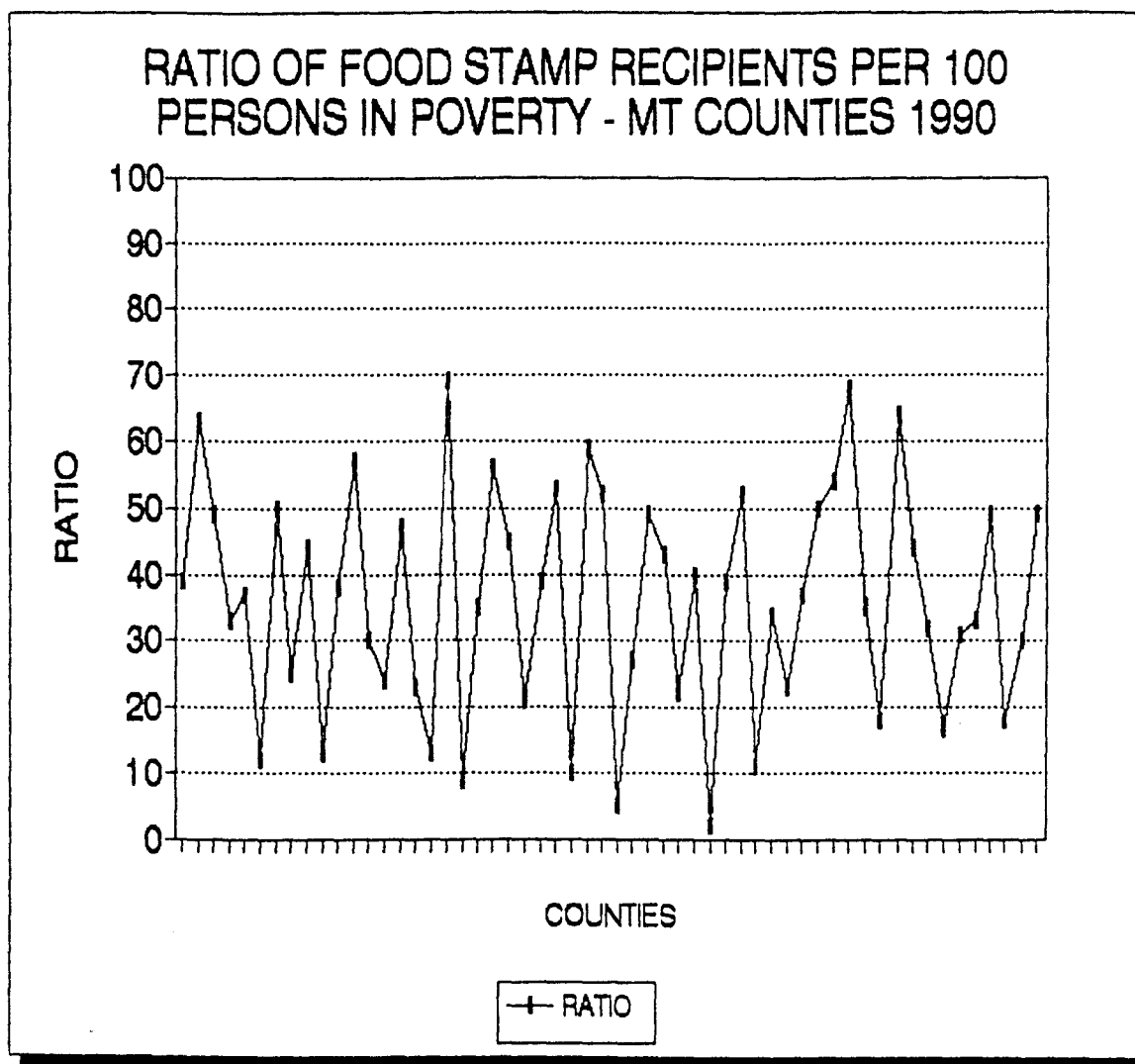


Source: U.S. House of Representatives. 1992

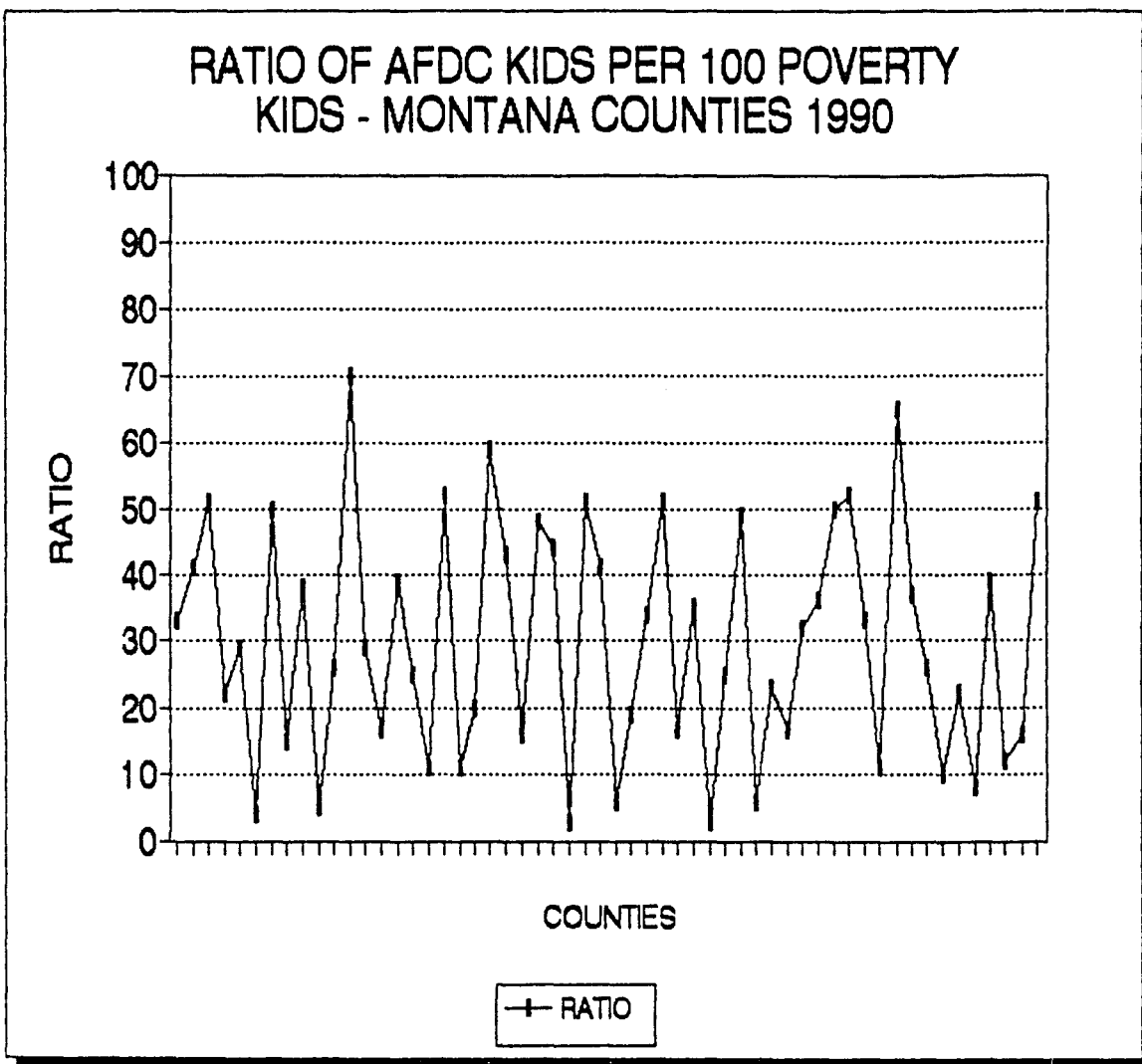
POVERTY REDUCTION BY PUBLIC PROGRAMS U.S. CHILDREN AND ELDERLY



Source: Poverty Research and Action Center. 1992

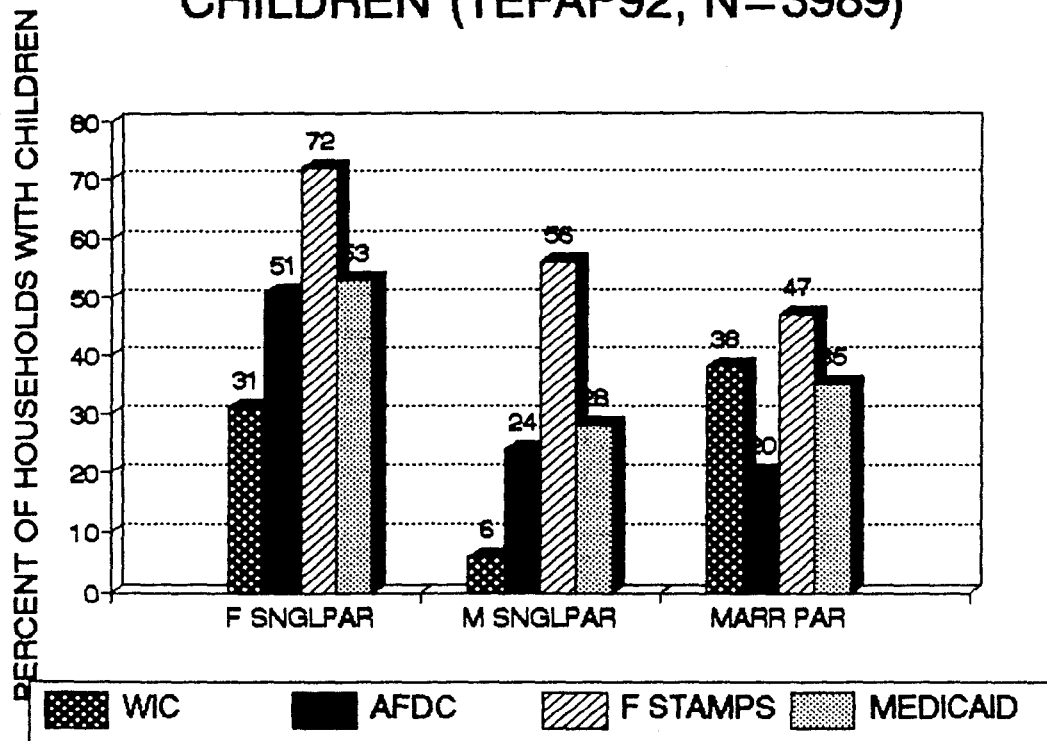


Source: 1990 Census and Reports by The Montana Department of Social and Rehabilitation Services. 1990



Source: 1990 Census and Reports by The Montana Department of Social and Rehabilitation Services. 1990

PUBLIC PROGRAMS BY HOUSEHOLDS WITH CHILDREN (TEFAP92; N=3989)



Source: Paul Miller. "Poverty and Hunger in Montana: Women and Children First." 1993

3
EXHIBIT 3
DATE 1/9/95
SB _____

TO: Appropriations Sub-Committee on Human Services
FROM: Montana Low-Income Coalition
DATE: 1/9/95
RE: Welfare Reform Testimony

My names is Kay Fox representing the MT Low-Income Coalition. I have worked on welfare programs since 1969. My educational background is in nutrition and I have a law degree and have practiced public benefit law in Utah.

The MT Low-Income Coalition (MLIC) is a statewide coalition of poverty and like-minded groups whose mission is to promote social and economic justice for the poor in Montana. We have been in existence for 10 years.

The SRS proposal is different from a plan that poor Montanans would have developed. However, MLIC recognizes that, the foundation of the SRS plan will stand and our responsibility to our constituent members is to assist the department and the legislature in improving the plan, suggesting cost saving measuresr and to mitigate harm to participants who may need a safety net through no fault of their own.

I. Portions of Waiver MLIC Believes Brings About Positive Welfare Reform

- A. Child care eligibility to 133% of the poverty line for at least one year or until the family is earning a livable income.
- B. Medicaid eligibility to 133% of the poverty line for at least one year or until the family is earning a livable income.
- C. One exempt vehicle for every household
- D. Fill the gap budget
- E. \$100 earned income disregards
- F. Eliminating the deprivation requirement
- G. Raising the resource limit to \$3,000 for all the programs in order to make the eligibility simplified.

II. Cost Saving Measures and Other Suggestions

A. Child Support Enforcement

ISSUE: The state currently has the right to intervene in divorce actions. Many separated but not divorced AFDC participants could be assisted with stronger terms in their divorce decrees. This will help transition families off of AFDC and will make enforcement of divorce decrees easier for the state because they will already be party to the action.

SUGGESTIONS:

1. Many spouses could have their children covered under the non-custodial parent's existing health insurance instead end up on Medicaid.
2. Absent parent paying for half of the childcare.
3. Extend child support past the age of 18.
4. Assign new child support enforcement staff to actively intervene in divorces as an up front preventative measure.

B. Supplemental Security Income (SSI)

ISSUE: Many AFDC participants are actually eligible for SSI. Montana could save money and resources by assisting them with the complicated application process. Montana Low-Income Coalition members would like to see a family profile upon initial eligibility or when the household is being evaluated for community service. We don't want to see disabled individuals lose self-esteem after failing to meet FAIM workers expectations.

The Department already contracts with Montana Legal Services in the 12 states assumed counties, to assist AFDC participants with SSI. However most claimants are referred to Legal Services after they are denied SSI, rather than at initial application. The application takes approximately 2 hours to file. Tribes and the locally assumed counties do not have a similar program. Potential participants need assistance with the INITIAL application, especially if the claimant has a combination of mental and physical impairments.

FACTS

1. SSI is a 100% federally funded program. While a participant is on AFDC, Montana pays for a percentage of the AFDC benefit. There is no commensurate cost for SSI.
2. The benefit level for a single household member is equivalent to a three person household grant. For AFDC purposes the SSI eligible household member is eliminated from the grant. This increased income benefits both the household and Montana's economy.
3. Disabled adults may be unemployable or will fail at self sufficiency which will be discouraging to both participant and FAIM worker and will take vital and scarce resources from households who will succeed in a self sufficiency plan. In addition, SSI eligibility access resources unavailable to AFDC participants (training, trial work periods, Pass Plan).
4. The eligibility workers time will be used more efficiently because SSI recipients are automatically eligible for Food Stamps and Medicaid but without eligibility determinations or constant verification reviews.

SUGGESTIONS

1. SRS could hire several statewide SSI eligibility specialists who could prescreen and assist applicants in areas in low population and could train and back-up FAIM coordinators in higher density areas.
2. SRS could get free training for staff from the Social Security Administration

and Montana Legal Services.

3. We urge the Committee to incorporate assistance to the disabled AFDC participant's Family Investment Agreement as part of the households plan for self-sufficiency.

C. Two-Parent Family Time-Limit

ISSUE: The Welfare Reform Plan currently discriminates against 2 parent households
SUGGESTION:

1. Make the time limit uniformed regardless of whether the household is single or 2 parent.
2. Include true incentives for 2 parent families to stay intact.

D. Time Frame for Implementation

ISSUE: Because of the nature of the reforms, program participants become test cases who will experience both the best and the worst of the plan.

SUGGESTIONS:

1. Phase the implementation of Welfare Reform at a rate that will allow the department to examine what parts of the plan is working and which plan needs improvement.
2. Possibly pick pilot counties and delay implementation for the rest of the state then evaluate these pilot counties prior to statewide implementation.

E. Community Service

ISSUE: In many states, community service has become a "make work" program.

SUGGESTIONS

1. Provide meaningful community service that will truly prepare the person for job readiness.
2. Provide community service on a volunteer basis (non-sanctionable) for participants who do not want to wait two years.

F. Childcare

ISSUE: Providers are currently not being reimbursed at the federally mandated level of 75% of market rate, therefore, open themselves to litigation. In addition, there is a concern that not enough quality childcare will be available.

SUGGESTIONS:

1. Support the increase in the provider rate for childcare, support quality childcare and increase childcare slots.
2. Give community service preference to families who have older children. Phase in families who have school age children who do not need childcare.

G. Medicaid and Job Readiness

ISSUE: Adults without eyeglasses, hearing aids and impaired or missing teeth are not

employable.

SUGGESTIONS:

Provide eyeglasses, dental and hearing aids in order to get recipients job ready and be productive.

H. Exemptions to the Time-Limits

ISSUE: Many adults, through no fault of their own, will not be employable because of circumstances that are so complex, that the FAIM Coordinator will not be able to assist.

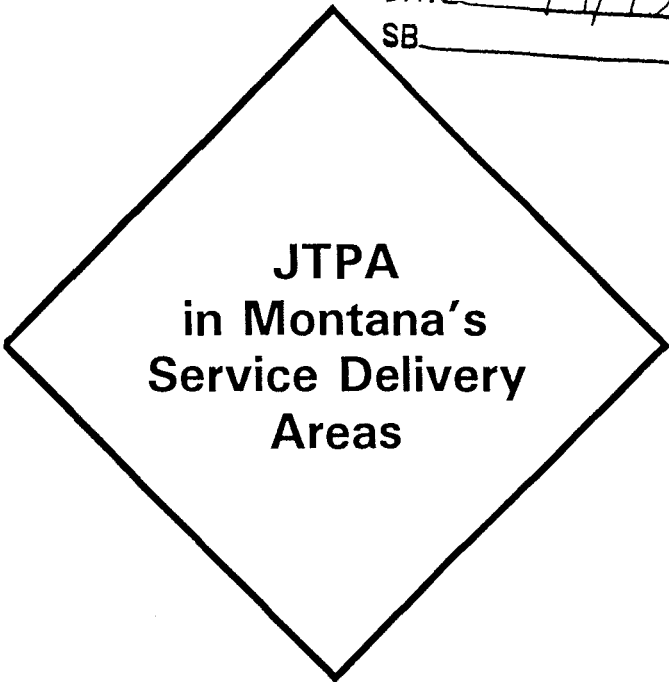
SUGGESTION:

Support the exemptions to the time-limits as developed the FAIM Task Force.

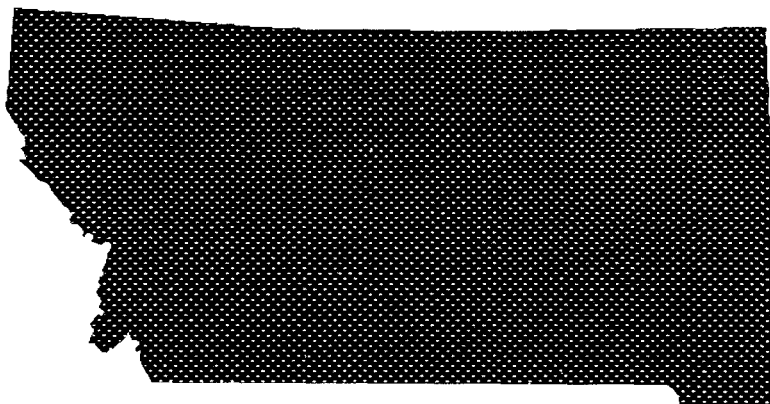
Thank you for inviting us to testify. Please do not hesitate to call upon us for any questions or assistance (449-8801).

ANNUAL REPORT

EXHIBIT 4
DATE 1/9/95
SB _____



PY93



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.



**MONTANA
JOB TRAINING
PARTNERSHIP, INC.**

*Balance of State Service Delivery Area
Concentrated Employment Program Service Delivery Area*

Office of the Legislative Auditor

State of Montana



Report to the Legislature

June 1993

Performance Audit Report

Juvenile Justice in Montana

Department of Family Services

Montana Youth Courts

Montana Board of Crime Control

Juvenile justice is generally considered a system, which by definition implies regularly interacting, interdependent groups which form a unified whole. Based upon our review of the juvenile justice structure, Montana does not currently have a "system." Rather, Montana has a structure composed of interrelated, but independent entities which do not interact on a regular basis and could be working more effectively towards a "unified whole." Additionally, current reforms are occurring without a formal planning process.

We identified areas for improving youth court operations, DFS management over corrections-related activities, and management information on juvenile justice operations.

Direct comments/inquiries to:
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Helena, Montana 59620

92P-28

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Introduction

Based upon American Corrections Association standards, a juvenile justice system should have the following features or components:

- common, measurable goals and objectives which outline short and long-term direction.
- integrated and measurable programs, with policies, and procedures which are understood by all system participants.
- a comprehensive management information system that allows for quantifiable analysis of current and proposed program activities throughout the system.
- procedures for comprehensive communication and coordination between system components and participants.

During the audit of juvenile justice in Montana we noted deficiencies which limit the abilities of the current structure relative to how a system should be structured.

System Deficiencies

Currently, Montana has a juvenile justice structure which is composed of interrelated, but independent entities: youth court, correctional facilities, parole, and various administrative entities. Due to lack of formalized, overall administrative oversight, the entities have evolved or developed with little regard for the needs of the system as a whole. Subsequently, while each entity must, in one way or another, rely on the other entities, there is no mechanism for assuring consistency, or clear and coordinated actions. The deficiencies noted throughout this report have adversely affected the entire structure. As a result, over the past several years there has been a growing polarization between the entities. This is evidenced by:

- probation officers' concerns with DFS treatment services and placements.
- use of determinate sentences by youth court judges as a reaction to youths' length of stay in correctional facilities.
- DFS officials' concerns with youth courts use of DFS-funded resources.
- lack of management information and data collection by youth courts, DFS, and MBCC.

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Additionally, there is a lack of communication and coordination not only between youth courts and DFS, but DFS and MBCC/YJC as well. For example, DFS did not participate in regional detention plan development which could have assured future detention facility availability.

Role of the Juvenile Corrections Division

DFS took over administration of the correctional portion of the juvenile justice system from the Department of Corrections and Human Services in 1987. From 1987 to July 1991, the correctional facility superintendents reported to the department director and the parole function was supervised by regional administrators. However, we determined supervision provided by the director and regional administrators of these entities was limited. This has been confirmed by our findings regarding the historical lack of comprehensive management controls for the DFS entities. With creation of the Juvenile Corrections Division in July 1991, department officials hoped centralization of functions would allow establishment of uniform, consistent delivery of DFS corrections-related services. The division was also established to initiate more coordination and communication between the department and youth courts.

Lack of Emphasis on Basic Management Controls

Based upon our interviews and audit work, division emphasis has not been on establishing management controls or expanding day-to-day communication and coordination with the youth courts. Rather, the emphasis has been on implementing a new approach to operation of the entire juvenile justice system. Although our audit work has shown a need for fundamental system reforms, there have been detrimental effects from not establishing strong management controls. Some of the effects include:

- no overall treatment approach or philosophy to guide division staff due to the lack of comprehensive goals and objectives.
- wide variations in the day to day operational and administrative approaches to staff and youth supervision due to the lack of comprehensive policies and procedures. This has resulted in concerns regarding consistency and provision of treatment services and significant communication problems between the correctional facilities and parole function.

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- personnel at all levels in the division who have not received timely performance appraisals and/or training to help improve their treatment-related services.
- an overall lack of division data about programs and operations which would allow measurement and evaluation of the effectiveness of the division's assigned activities.

System Communication and Coordination has been Limited

The above effects have not only adversely impacted operations of the correctional facilities and the parole function, but also the youth courts. There has been a lack of communication and coordination between DFS and youth courts. This is at least partially due to components within the JCD not providing a consistent delivery of services and not fully communicating with youth courts when changes have been made in those services. For example, within the past year changes have been made in treatment approaches used by the correctional facilities. These changes involved implementation of the Strategies for Juvenile Supervision (SJS) classification and treatment system. When SJS was introduced in early 1992, JCD emphasis was on the need for SJS to be used by all entities in juvenile justice--probation through parole. The intended purpose was to establish a consistent continuum of youth treatment. Division officials initially stressed the need for probation officers to use SJS for the classification system to be fully effective. However, SJS was initially introduced and implemented with little or no input from the probation officers who were supposed to use it, and only a few of the state's probation officers have been trained in how to use SJS. Subsequently, only a limited number of probation officers use the SJS system.

Management Information System Summary

Throughout our audit of the juvenile justice system we were hampered in our ability to evaluate the system's components due to lack of information on program operations and outcomes. We acknowledge compiling management information is a time-consuming and cumbersome process if done manually. However, given the current limitations of the JPIS, and relative lack of other automated systems for data collection at the youth court and DFS levels, we believe there must be an increased emphasis on management information. For example, although there is no

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centralized management information system which allows for compilation of data from all system components, each component has the technology (via microcomputers) to collect, compile, and analyze data from their individual activities. Additionally, this computerized data could be forwarded to a designated agency for purposes of system-wide analysis.

JCD System Reform

In October 1991, correspondence between division officials and the department director noted many of the deficiencies we have discussed throughout this report. The division and department's perceived solution for many of the problems was a reform of system functions. The major reforms implemented or in the process of being implemented include:

- SJS was introduced to establish consistent and uniform youth classification.
- the correctional facilities changed their treatment approach from an individual counselor providing clinical treatment, to a team concept including all facility personnel involved in youths' care and supervision.
- using a report from the Center for the Study of Youth Policy on number of youths who were inappropriately placed in the correctional facilities, division officials began investigating how to initiate usage of secure care guidelines to address the report's contentions.
- division officials have provided presentations and training to six pilot judicial districts regarding implementation and use of secure care guidelines.
- in anticipation of the guidelines being used by youth courts who commit the bulk of youths to correctional facilities, division officials have downsized the capacity of PHS and established a 90-day observation and assessment program at MVS.

Planning for System Reforms Does Not Specify Details

The reform efforts are based upon the division's perceived need to reduce the number of commitments to the correctional facilities by expanding use of community based services as an alternative to correctional facility commitments. However, throughout the division's reform efforts there has never been a formal plan which details the specific purpose of the reforms, how they will be implemented and funded, contingency options, or what will be used to measure the reforms' impact/success.

According to representatives from the Center for Study of Youth Policy, successful implementation of secure care guidelines and the subsequent reductions in facility commitments is dependent upon availability of placement options to the youth courts. If PHS or MVS are the only placement options, secure care guidelines have no value, and therefore will not be utilized. If the secure care guidelines are not utilized, Montana will have a downsized juvenile corrections system which is not capable of serving the needs of the youth courts, and subsequently the public in general.

The secure care guidelines pilot project is to operate for approximately six months, with the youth courts and division officials making ongoing adjustments. It is proposed the guidelines will be established on a statewide basis sometime during the summer of 1993. However, based upon our interviews with probation officers, JCD officials have not consulted with the nonparticipating judicial districts about their reform efforts, and as of March 1993 our review determined voluntary use of secure care guidelines by all youth court judges in the pilot districts is speculative. Additionally, establishment of community-based services to be used for alternative placements in the pilot districts is limited due to existing funding and service provider resources, and there are no established policies and procedures for any of the proposed programs. DFS received \$300,000 in General Fund money for the 1995 biennium to emphasize community-based options. However, there is no formal plan for how this money will be spent or what options are available relative to community-based services.

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Conclusion

At present, juvenile justice in Montana is in a state of transition. The structure's administration and effectiveness is limited due to lack of comprehensive management controls and a management information system to compile data on effectiveness. Additionally, reforms are occurring, for the most part, without a formal planning process. For the system to be able to demonstrate efficiency and effectiveness, management controls such as goals and objectives, consistent policies and procedures, and a management information system must be initiated. Additionally, reforms must be properly planned and communicated to all affected entities prior to their implementation. The administration of juvenile justice as presently organized, involves both the judicial and executive branches of government. Subsequently, there is no administrative entity with authority to assure and enforce a coordinated, comprehensive system.

The Governor Can Shape the Future of Juvenile Justice

As a result of the current change from facility-based to community-based youth services and the fundamental problems identified, it is necessary to establish the system's future direction and identify the roles of the various participants. While there are various advisory groups (Board of Crime Control and Youth Justice Council) which can provide input on system development, the Governor is in the best position to establish the future role of DFS in juvenile justice as well as help direct the system's overall future. For example, the Governor could address DFS coordination with the youth courts, current treatment capabilities, the role and conditions of the youth correctional facilities and transition centers, as well as the importance of community-based services to overall system operation. Increased executive branch direction and support for juvenile justice will also help define what information elements are needed to develop a comprehensive management information system which can then be used to measure the success of juvenile justice in the future.

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Recommendation #23

We recommend the Governor implement necessary changes to bring about more effective administration of Montana's juvenile justice system.