

SENATE BILL NO. 130

INTRODUCED BY MANNING, MCLANE, NORMAN, REGAN, PIPINICH,  
WALKER, LYNCH, CONNELLY, J. BROWN, BRADLEY, O'KEEFE

BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE ON WELFARE

IN THE SENATE

JANUARY 14, 1989

INTRODUCED AND REFERRED TO COMMITTEE  
ON LABOR & EMPLOYMENT RELATIONS.

FIRST READING.

FEBRUARY 13, 1989

COMMITTEE RECOMMEND BILL  
DO PASS AS AMENDED. REPORT ADOPTED.

STATEMENT OF INTENT ADOPTED.

FEBRUARY 14, 1989

PRINTING REPORT.

FEBRUARY 15, 1989

SECOND READING, DO PASS.

FEBRUARY 16, 1989

ENGROSSING REPORT.

FEBRUARY 17, 1989

THIRD READING, PASSED.  
AYES, 50; NOES, 0.

TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 17, 1989

INTRODUCED AND REFERRED TO COMMITTEE  
ON HUMAN SERVICES & AGING.

FEBRUARY 20, 1989

FIRST READING.

MARCH 18, 1989

COMMITTEE RECOMMEND BILL BE  
CONCURRED IN. REPORT ADOPTED.

MARCH 27, 1989

SECOND READING, CONCURRED IN.

MARCH 29, 1989

THIRD READING, CONCURRED IN.  
AYES, 95; NOES, 0.

RETURNED TO SENATE.

MARCH 29, 1989

IN THE SENATE

RECEIVED FROM HOUSE.

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

CORRECTION  
TO 91ST DAY SENATE BILL STATUS REPORT

SB 130 DID NOT DIE IN PROCESS. THIS BILL WAS AMENDED BY THE GOVERNOR. THE AMENDMENTS WERE NOT APPROVED BY THE LEGISLATURE AND THE BILL IS TO BE RETURNED TO THE GOVERNOR FOR FURTHER CONSIDERATION.

1 *Amos* BILL NO. *130*  
2 INTRODUCED BY *Subcommittee on Welfare* *Norman*  
3 BY REQUEST OF THE JOINT INTERIM SUBCOMMITTEE ON WELFARE  
4 *Mike Sullivan* *Lynne Connelly* *J. Brown* *Bradley*  
5 A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE  
6 DEPARTMENT OF SOCIAL AND REHABILITATION SERVICES TO SEEK AN  
7 AGREEMENT WITH THE UNITED STATES SECRETARY OF HEALTH AND  
8 HUMAN SERVICES FOR THE PURPOSE OF ESTABLISHING A  
9 DEMONSTRATION PROGRAM TO TEST A POLICY THAT WOULD ALLOW  
10 RECIPIENTS OF THE AID TO FAMILIES WITH DEPENDENT  
11 CHILDREN-UNEMPLOYED PARENT PROGRAM TO WORK MORE THAN 100  
12 HOURS IN A MONTH AND STILL RETAIN ELIGIBILITY FOR PUBLIC  
13 ASSISTANCE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

14  
15 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

16 **Section 1. Demonstration program -- purpose.** (1) The  
17 department of social and rehabilitation services shall seek  
18 an agreement with the U.S. secretary of health and human  
19 services in order to establish a demonstration program as  
20 authorized under section 503 of the federal Family Support  
21 Act of 1988, Public Law 100-485.

22 (2) The purpose of the program under subsection (1) is  
23 to test a policy that would either eliminate or modify the  
24 requirements of 45 CFR 233.100 to allow unemployed  
25 recipients of aid to families with dependent children to

1 work more than 100 hours in a month and still retain  
2 eligibility for public assistance.

3 **Section 2. Extension of authority.** Any existing  
4 authority to make rules on the subject of the provisions of  
5 [this act] is extended to the provisions of [this act].

6 **Section 3. Effective date.** [This act] is effective on  
7 passage and approval.

-End-

## STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB130, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

Allow AFCD-Unemployed Parent eligible clients to work more than 100 hours and remain eligible for AFDC-UP and Medicaid benefits.

ASSUMPTIONS:

1. Families that have income of up to \$5/hour (\$10,000 yr.) would be eligible for AFCD-UP under this proposal provided they meet all other AFDC eligibility requirements.
2. There are 44,664 families that have income less than \$10,000.
3. The estimated payment will be \$178 per month per case for families that are eligible under this proposal.
4. Assume 5% of those families will be eligible and will apply for AFDC-UP.
5. The average cost of Medicaid services for an AFDC-UP case is \$997/person (FY88 actual cost).
6. An AFDC-UP case is assumed to be 2 adults and 1 child for medicaid purposes.
7. Federal matching rate for FY90 is 71.17%. The estimated FY91 federal share is 71.28%.
8. Assume this bill is not implemented until July 1, 1989.
9. Assume federal waiver will be granted to allow implementation.
10. The proposed 2% provider rate increase is not reflected in this fiscal note.

FISCAL IMPACT:

<u>Expenditures:</u>	<u>FY90</u>			<u>FY91</u>		
	Current	Proposed		Current	Proposed	
	<u>Law</u>	<u>Law</u>	<u>Difference</u>	<u>Law</u>	<u>Law</u>	<u>Difference</u>
General Fund	\$ 32,005,293	\$ 35,181,441	\$ 3,176,148	\$ 33,079,972	\$ 36,241,503	\$ 3,161,531
County Funds	7,623,496	7,709,350	85,854	7,772,355	7,860,594	88,239
Federal Funds	97,700,876	105,753,485	8,052,609	101,257,759	109,322,600	8,064,841
Total	\$137,329,665	\$148,644,276	\$11,314,611	\$142,110,086	\$153,424,697	\$11,314,611

*Ray Shackleford*

*1/21/89*

RAY SHACKLEFORD, BUDGET DIRECTOR  
OFFICE OF BUDGET AND PROGRAM PLANNING

DATE

*Richard E. Manning*

*1/23/89*

RICHARD E. MANNING, PRIMARY SPONSOR

DATE

Fiscal Note for SB130, as introduced

**SB 130**

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Revised Fiscal Note for SB130, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require the Department of Social and Rehabilitation Services to seek an agreement with the United States Secretary of Health and Human Services for the purpose of establishing a demonstration program to test a policy that would allow recipients of the Aid to Families with Dependent Children-unemployed parent program to work more than 100 hours in a month and still retain eligibility for public assistance; and providing an immediate effective date.

ASSUMPTIONS:

The Department of Social and Rehabilitation Services does not have adequate data to project the fiscal impact of a demonstration project to allow AFDC-unemployed parent recipients to work more than 100 hours in a month and still retain public assistance eligibility. If SB130 passes, the Department of Social and Rehabilitation Services will apply to be one of the eight states selected to run such demonstration programs. The department would select up to four state-assumed counties for the program. State-assumed counties would be chosen to minimize any potential impacts to nonassumed counties which pay a portion of AFDC benefits.

Ray Shackelford      2/9/89  
RAY SHACKLEFORD, BUDGET DIRECTOR      DATE  
OFFICE OF BUDGET AND PROGRAM PLANNING

Richard E. Manning      2/9/89  
RICHARD E. MANNING, PRIMARY SPONSOR      DATE

Revised Fiscal Note for SB130, as introduced

**SB 130-Revised**

APPROVED BY COMMITTEE  
ON LABOR & EMPLOYMENT  
RELATIONS

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A BILL FOR AN ACT ENTITLED: "AN ACT TO REQUIRE THE  
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HUMAN SERVICES FOR THE PURPOSE OF ESTABLISHING A  
DEMONSTRATION PROGRAM TO TEST A POLICY THAT WOULD ALLOW  
RECIPIENTS OF THE AID TO FAMILIES WITH DEPENDENT  
CHILDREN-UNEMPLOYED PARENT PROGRAM TO WORK MORE THAN 100  
HOURS IN A MONTH AND STILL RETAIN ELIGIBILITY FOR PUBLIC  
ASSISTANCE; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

STATEMENT OF INTENT

It is the intent of the legislature in enacting this  
bill to establish a demonstration program that would allow  
individuals who, in the preceding month, qualified for the  
aid to families with dependent children-unemployed parent  
(AFDC-UP) program to work 100 hours or more in a month and  
still retain eligibility for public assistance, including  
medicaid.

Under current federal regulations, a recipient of the  
AFDC-UP program is prohibited from working 100 hours or more

in any month, except if the work is intermittent. These  
regulations, which are found in 45 C.F.R. 233.100, exist to  
provide a definition of "unemployed parent" for purposes of  
eligibility under the AFDC-UP program.

This bill is intended to eliminate the work  
disincentives inherent in the current federal regulations  
and to encourage AFDC-UP recipients to work. The bill is not  
intended to expand eligibility for the AFDC-UP program to  
include persons who do not meet the current requirements for  
initial participation in the program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Demonstration program --  
purpose. (1) The department of social and rehabilitation  
services shall seek an agreement with the U.S. secretary of  
health and human services in order to establish a  
demonstration program as authorized under section 503 of the  
federal Family Support Act of 1988, Public Law 100-485.

(2) The purpose of the program under subsection (1) is  
to test a policy that would either eliminate or modify the  
requirements of 45 CFR 233.100 to allow unemployed  
recipients of aid to families with dependent children to  
work more than 100 hours in a month and still retain  
eligibility for public assistance.

NEW SECTION. Section 2. Extension of authority. Any

SB 0130/02

1 existing authority to make rules on the subject of the  
2 provisions of [this act] is extended to the provisions of  
3 [this act].

4 NEW SECTION. **Section 3.** Effective date. [This act] is  
5 effective on passage and approval.

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5 effective on passage and approval.

-End-

GOVERNOR'S AMENDMENTS  
TO SENATE BILL 130  
(REFERENCE COPY)  
April 5, 1989

1. Page 2, line 15.  
Strike: "shall"  
Insert: "may"