

1 INTRODUCTION BY SENATE BILL NO. 55
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4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE RESPONSIBILITY OF THE DEPARTMENT OF
5 FAMILY SERVICES FOR PAYMENT OF ADMINISTRATIVE COSTS ASSOCIATED WITH THE PROVISION OF
6 PROTECTIVE SERVICES; AMENDING SECTION 52-1-110, MCA; AND PROVIDING AN EFFECTIVE DATE."

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

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10 **Section 1.** Section 52-1-110, MCA, is amended to read:

11 **"52-1-110. County contribution for salaries and travel of protective services employees.** (1) ~~Upon~~
12 ~~transfer of certain functions of the county welfare department to the department of family services as~~
13 ~~provided in section 12, Chapter 609, Laws of 1987, the~~ The salaries and travel expenses, as provided in
14 2-18-501 through 2-18-503, of protective services employees must be paid by the department ~~of family~~
15 ~~services.~~ The board of county commissioners shall reimburse the department ~~of family services~~ from county
16 poor funds in an amount equal to that county's expenditures for salaries, travel expenses, and indirect costs
17 of protective services employees in fiscal year 1987, adjusted for annual inflation.

18 (2) A county that was state-assumed prior to 1987, but at a later date reassumes responsibility
19 pursuant to 53-2-811, is responsible for reimbursement of salaries, travel expenses, and indirect costs up
20 to the county's calculated level of expenditures for fiscal year 1987 as if the county had not been
21 state-assumed.

22 (3) On or before the 20th day of the month following the month for which payments were made
23 for protective services employees' salaries, travel, and indirect costs, the department ~~of family services~~ shall
24 present to the board of county commissioners a claim for the required reimbursement. The board of county
25 commissioners shall make the reimbursement within 20 days after the presentation of the claim.

26 (4) The department is responsible for administrative costs associated with the department's
27 provision of protective services, including costs for rent, telephones, postage, and equipment."

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29 **NEW SECTION. Section 2. Effective date.** [This act] is effective July 1, 1995.

30 -END-



STATE OF MONTANA - FISCAL NOTE

Fiscal Note for SB0055, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying the responsibility of the Department of Family Services for payment of administrative costs associated with the provision of protective services.

ASSUMPTIONS:

1. Based on the Attorney General's opinion issued May 19, 1994 (Volume No. 45, Opinion No. 23) section 53-2-322, MCA, requires nonassumed counties to pay for their proportionate share of administrative costs for protective services, including rent, adequate equipment and supplies.
2. The estimated expenditures were determined by having DFS regional staff contact each nonassumed county and determine what it will cost for DFS to assume the administrative costs currently being paid by the nonassumed counties.
3. DFS will now be paying rent in most office locations. Currently most office space in county courthouses is being provided by the counties at no cost to DFS.
4. DFS offices will not be required to move from present sites; therefore, relocation costs such as moving office equipment and new telephone systems are not included in the estimated expenditures.
5. The funding split between general fund and federal special revenue consistent with the Executive Budget and is based on 17.10% federal reimbursement as determined by the DFS random moment time study for costs incurred in Regional Administration Program 02. Because state special revenue (county reimbursements) is capped by statute and will not increase based on these increased costs, the balance of the funding (82.90%) is general fund.

FISCAL IMPACT:

Department of Family Services

Expenditures:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Operating Expenses	370,654	370,654
<u>Funding:</u>		
General Fund (01)	307,272	307,272
Federal Special Revenue (03)	<u>63,382</u>	63,382
Total	\$370,654	\$370,654

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Expenditures currently incurred in the nonassumed counties for these costs will be eliminated. As noted in assumption #3, this savings to the counties might not be on a dollar for dollar basis, as DFS may be paying for costs that were previously provided at no cost to the county.

TECHNICAL NOTES:

As noted in assumption #1, the Attorney General's Opinion stated that 53-2-322, MCA, requires the nonassumed counties to pay their proportionate share of administrative costs for protective services. The bill does not amend this section, so there may be conflicting statutes if the bill passes in its current form.

David Lewis 1-10-95
 DAVID LEWIS, BUDGET DIRECTOR DATE
 Office of Budget and Program Planning

Dorothy Eck 1-11-95
 DOROTHY ECK, PRIMARY SPONSOR DATE

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27 commissioners shall make the reimbursement within 20 days after the presentation of the claim.

28 (4) The department is responsible for administrative costs associated with the department's
29 provision of protective services, including costs for rent, telephones, postage, and equipment."

1 **SECTION 2. SECTION 53-2-322, MCA, IS AMENDED TO READ:**

2 **"53-2-322. County to levy taxes, budget, and make expenditures for public assistance activities.**

3 (1) The board of county commissioners in each county shall levy 13.5 mills for the county poor fund as
4 provided by law or so much of that amount as may be necessary. The board may levy up to an additional
5 12 mills if approved by the voters in the county. A county shall levy sufficient mills to reimburse the state
6 for any administrative or operational costs in excess of the administrative and operational costs for the
7 previous fiscal year. The department shall notify the counties of the number of mills required to be levied.
8 Once an additional levy has been approved, the amount of the approved levy may continue to be levied
9 without voter approval.

10 (2) The board shall budget and expend so much of the funds in the county poor fund for:

11 (a) public assistance and protective services purposes as necessary to reimburse the department
12 ~~and the department of family services~~ for the county's proportionate share of the administrative costs and
13 of all public assistance ~~and costs~~;

14 (b) salaries, travel expenses, and indirect costs, as provided in 52-1-110, of protective services
15 employees of the department of family services; and its

16 (c) the county's proportionate share of any other public assistance activity that may be carried on
17 jointly by the state and the county.

18 (3) The amounts set up in the budget for the reimbursements to the department and the
19 department of family services must be sufficient to make all of these reimbursements in full. The budget
20 must make separate provision for each ~~one of these~~ public assistance activity and for salaries, travel
21 expenses, and indirect costs for protective services activities, ~~and proper~~ of the department of family
22 services. Proper accounts must be established for the funds for all the activities.

23 (4) The department shall submit to the counties, no later than May 10, the most current county
24 participation percentages that are necessary to establish preliminary county budgets. As soon as the county
25 proposed budget provided for in 7-6-2315 has been agreed upon, a copy must be mailed to the department,
26 and at any time before the final adoption of the budget, the department shall make recommendations with
27 regard to changes in any part of the budget relating to the county poor fund as considered necessary in
28 order to enable the county to discharge its obligations under the public assistance laws.

29 (5) The department shall promptly examine the county proposed budget in order to ascertain if the
30 amounts provided for reimbursements to the department are likely to be sufficient and shall notify the

1 county clerk of its findings. The board shall make changes in the amounts provided for reimbursements,
2 if any are required, in order that the county will be able to make the reimbursements in full.

3 (6) The board of county commissioners may not make any transfer from the amounts budgeted
4 for reimbursing the department without having first obtained a statement in writing from the department
5 to the effect that the amount to be transferred will not be required during the fiscal year for the purposes
6 for which the amounts were provided in the budget.

7 (7) The county poor fund, irrespective of the source of any part of the fund, may not be used
8 directly or indirectly for the erection or improvement of any county building so long as the fund is needed
9 for paying the county's proportionate share of public assistance and protective services, as described in
10 52-1-110, or its proportionate share of any other public assistance activity that may be carried on jointly
11 by the state and the county. Expenditures for improvement of any county buildings used directly for care
12 of the poor, except a county hospital or county nursing home, may be made out of money in the county
13 poor fund, whether the money was produced by the mill levy provided for in subsection (1) or from any
14 additional levy authorized by law. The expenditure may be authorized only when any county building used
15 for the care of the poor must be improved in order to meet legal standards required for the building by the
16 department of health and environmental sciences and when the expenditure has been approved by the
17 department of social and rehabilitation services and the department of family services.

18 (8) Money in the county poor fund may be used as matching funds for the receipt of federal
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21 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 1995.

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