

MINUTES OF THE MEETING  
APPROPRIATIONS COMMITTEE  
MONTANA STATE  
HOUSE OF REPRESENTATIVES

February 20, 1985

The meeting of the Appropriations Committee was called to order by Vice Chairman Donaldson on February 20, 1985 at 5:30 p.m. in Room 104 of the State Capitol.

ROLL CALL: All members were present except Representative Bardanouve, who was excused, and Representatives Menahan and Peck, who were absent.

(Tape 6:A:300)

Senator Jacobson presented her bill:

SENATE BILL 122: "AN ACT ADDING PARENTAL UNEMPLOYMENT TO THE ELIGIBILITY CRITERIA FOR AID TO DEPENDENT CHILDREN; PROVIDING GUIDELINES FOR DETERMINING WHETHER A PARENT IS UNEMPLOYED; AMENDING SECTION 53-4-201, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

Senator Jacobson said the program in her bill was eliminated in the 1981 Legislative Session under the theory that fathers would have the incentive to go out and get a job. There is growing evidence that the state's policy is separating families. This program was in Tier 2 of Priorities for People and was removed because it was thought at the time to cost about \$2.8 million. She said she informed Dave Lewis, Director, Social & Rehabilitation Services (SRS) she was going to introduce the bill regardless of the price tag. The department reworked the figures and found the impact on the General Fund would be positive in the amount of \$325,000. It also would have a positive impact of about \$235,000 to the unassumed counties, the main one being Yellowstone County. This is because there are now a number of cases on General Assistance who would be able to qualify for Aid to Families with Dependent Children (AFDC) at which time 2/3 of the cost would then be picked up by the federal government, whereas the General Assistance program is 100 percent state funded. SRS is anxious to implement this program and would like to have the bill signed into law by March 1, 1985.

Proponents:

Dave Lewis (358) said at the present time there are 200 families on General Assistance. Their monthly payments and their medical costs are 100-percent-state-paid in the assumed counties and the bulk of the cases are in the assumed counties. If these families were moved onto AFDC, the cost would be 1/3-state-paid and

2/3-federal-paid. To answer the question of how many more families will come forth who are eligible for AFDC but are not on General Assistance, SRS research - going back several years - shows 8 percent of the total AFDC cases had been these intact, unemployed families. SRS assumes this will be the case in the future; so, roughly, SRS can take care of 600 families on AFDC for the cost of 200 on General Assistance. In the first year of the biennium, SRS estimates a saving of around \$315,000 in General Fund; and the second year of the biennium, the saving will almost be a wash. He said in these calculations of SRS there was no assumption that families were split up in order for the children to become eligible for Medicaid.

Lee Tickell (408), Deputy Administrator, Economic Assistance Division, SRS, supports the bill (EXHIBIT 1). He submitted a chart tracing the coincidence of the unemployed parent caseload with the fluctuations in the total caseload (EXHIBIT 2).

The following persons also support the bill:

John Ortwein (450), Helena, Montana Catholic Conference (EXHIBIT 3).

Cathy Campbell (484), Montana Association of Churches (EXHIBIT 4).

Lushea Wassbert (519), Butte Community Union (EXHIBIT 5).

Susan Fifield (537), L.I.G.H.T., Inc., Missoula. She said she has had many families come to her saying they haven't been able to live on General Assistance, primarily because of medical expenses.

Judith Carlson (566), National Association of Social Workers, Helena, supports the bill as being a part of Priorities for People. It will save the General Fund some money, she said.

Jim Smith (575), Human Resource Development Council's association, said a policy which separates families perpetuates poverty.

Louise Kunz (611), Montana Low Income Coalition, submitted written testimony also given at the Senate hearing on the bill (EXHIBIT 6).

Dave Mann (623), L.I.G.H.T., Missoula, said he is one of the AFDC fathers who had to leave home so his family could get medical assistance.

Opponents: None.

Committee Discussion:

Vice Chairman Donaldson (648) asked Judy Rippingale, Legislative Fiscal Analyst, if there is a problem with the fiscal note on the bill. Judy Rippingale said available information is very limited. However, using 200 cases as the baseline, which looks

reasonable, if one case is moved from General Assistance to AFDC, there should be a net savings in General Fund dollars. If there are people who will move into the AFDC program who were not on General Assistance, there may be no General Fund savings. If they are on Medicaid and AFDC, the ratio the federal government will pay is about 2/3 of the cost.

Representative Moore (692) asked why four more full-time-equivalent (FTE) positions are needed. Dave Lewis said these are employees for the Department of Labor & Industry, so he can't answer the question. He said it sounds exorbitant.

(Tape 6:B:000)

Representative Quilici (016) said the committee should ask the Department of Labor & Industry this question.

The Vice Chairman asked Judy Rippingale to comment on the four FTEs. She said this is a federal funding source and the fiscal note indicates funding will come from the Work Incentive program (WIN). The WIN program is in some trouble in the President's budget; therefore, should WIN not be funded, there will be no WIN program for the Department of Labor & Industry and would not need the four FTEs.

Representative Waldron (032) said it will be wise to move the bill as quickly as possible to enable SRS to implement the change.

Representative Winslow (043) said the bill will have a positive fiscal impact and a positive social impact.

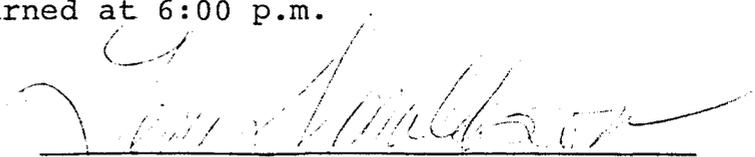
Senator Jacobson (064) closed on her bill. She said there is a time constraint and urged passage of the bill to get it onto the floor.

E X E C U T I V E   A C T I O N :

Representative Hand (075) made a motion that Senate Bill 122 DO PASS.

A voice vote was taken and the motion carried unanimously.

Adjourn: The meeting adjourned at 6:00 p.m.

  
GENE DONALDSON, Vice Chairman

DAILY ROLL CALL  
APPROPRIATIONS COMMITTEE

49th LEGISLATIVE SESSION -- 1985

Date February 20, 1985

NAME	PRESENT	ABSENT	EXCUSED
BARDANOUE	X		X
DONALDSON	X		
BRADLEY	X		
CONNELLY	X		
ERNST	X		
HAND	X		
LORY	X		
MANUEL	X		
MENAHAN		X	
MILLER	X		
MOORE	X		
NATHE	X		
PECK		X	
QUILICI	X		
REHBERG	X		
SPAETH	X		
SWIFT	X		
THOFT	X		
WALDRON	X		
WINSLOW	X		

# STANDING COMMITTEE REPORT

February 20, 19 85

MR. **SPEAKER** .....

We, your committee on **APPROPRIATIONS** .....

having had under consideration **SENATE** .....

Bill No. **122**

**THIRD** reading copy ( **blue** )  
color

**A BILL ON PARENTAL UNEMPLOYMENT, AN ELIGIBILITY CRITERION FOR AFDC**

Respectfully report as follows: That **SENATE** .....

Bill No. **122**

**BE CONCURRED IN**  
**LOCKPASS**

DEPARTMENT OF  
SOCIAL AND REHABILITATION SERVICES



TED SCHWINDEN, GOVERNOR

P.O. BOX 4210

STATE OF MONTANA

HELENA, MONTANA 59604

Testimony of Lee J. Tickell  
Deputy Administrator  
Economic Assistance Division  
Department of Social and  
Rehabilitation Services  
111 Sanders  
Helena, MT 59601  
444-4540

February 20, 1985

Adjournment - House Appropriations Committee

Testimony of S.B. 122, Sponsor: Senator Judy Jacobson, et al.  
An act that would reestablish the Unemployed Parent Program  
within the Aid to Families with Dependent Children Program.

My name is Lee J. Tickell, Deputy Administrator of the Economic Assistance Division within SRS. The Economic Assistance Division is responsible for the administration of the Aid to Families with Dependent Children (AFDC) Program. The legislation before you would, as indicated by the sponsor, add as a condition of eligibility the unemployment of both parents for the Aid to Families with Dependent Children Program.

This program was terminated in 1981. At that time, it was felt, through termination of this program, a number of individuals that were previously employed may be able to find employment given the economic incentive of no longer being eligible for the AFDC program. The subsequent experience with the elimination of this program revealed in at least two major affects:

1. There were many instances reported by county directors where the father and/or mother may have split from the family therefore causing deprivation of child support and consequently the remaining parent with the children becoming eligible for the regular Aid to Families with Dependent Children Program. A major motivation for many families is probably to get medical care for their children under Medicaid. In addition, it is a commonly held belief that some, if not many, of these parents that were breaking up would themselves become eligible for a single person grant in the General Assistance Program. This, of course, is the program that is the last safety net and the one which is 100% general fund in state administered counties.

2. The Aid to Families with Dependent Children Program is funded with approximately 2/3 federal dollars, 26% state dollars and approximately 8% for counties that are not under state administration. In addition, there is the ability of an intact family where both parents are unemployed to become eligible for the General Assistance Program as an intact family since General Assistance again is the last safety net for these individuals who are still in need of assistance.

I believe this is one of those "good news" pieces of legislation that can be supported for two major reasons:

1. The positive social impact that it will have, and
2. The positive economic impact it will have in terms of savings to both counties and the state's general fund.

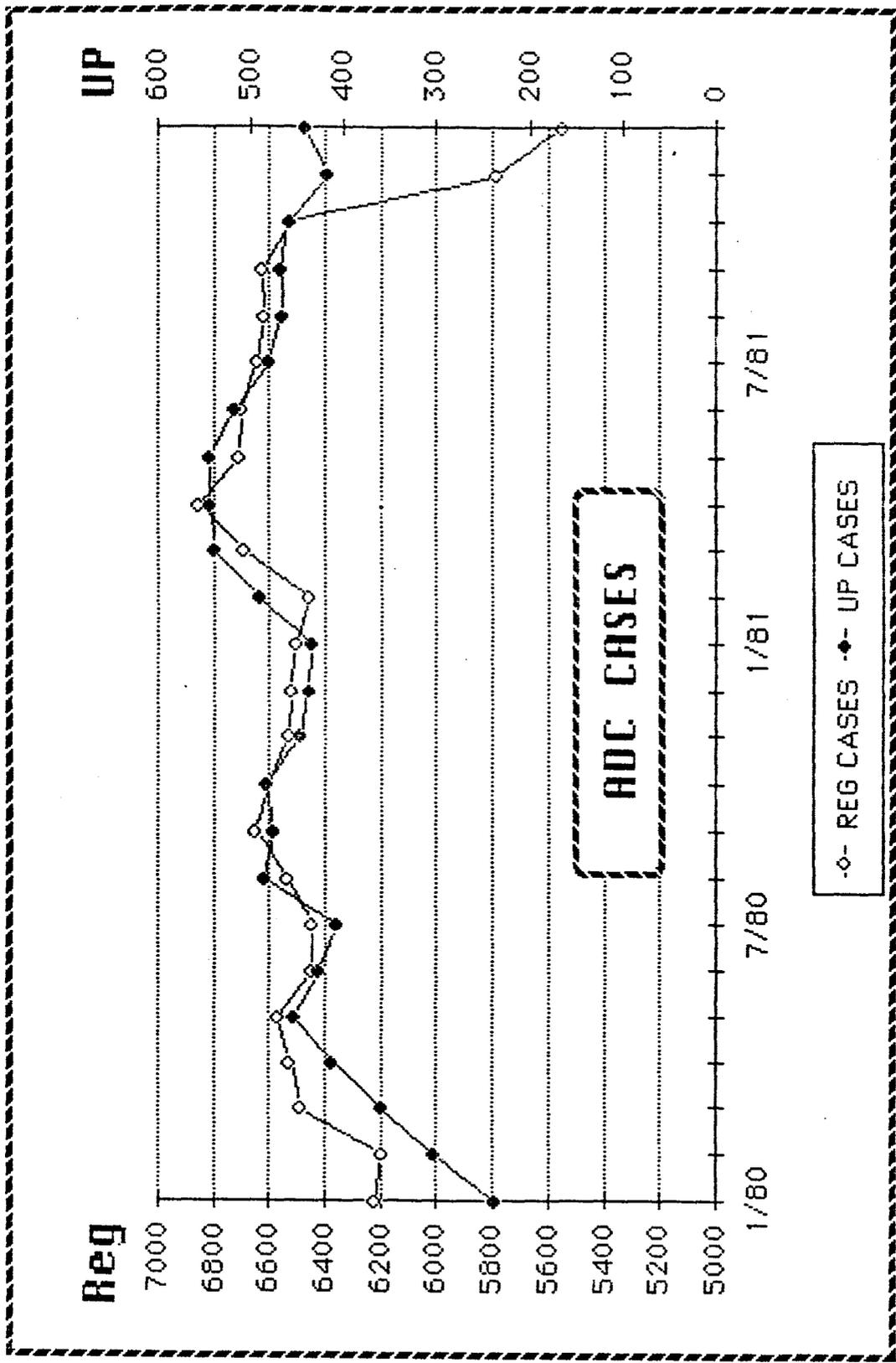
The positive social reasons I have outlined briefly above and the economic reasons are contained in the fiscal note that was prepared by the Department of SRS.

Without going into great detail on the fiscal note, I will summarize briefly:

The fiscal note indicates a savings over the next two years for both the general fund and for county funds. The reason for this is that by making the category of unemployed parent eligible for federal matching funds you supplant a payment which is made from either 100% state funds in the state administered counties or 100% from county funds in non state administered counties with a program that will bring in approximately 2 federal dollars for every dollar of state or county funds expended for benefits. There is an additional positive benefit and that is to the extent that our staff is determining eligibility now for the Unemployed Parent Program and that administrative time is not matchable for purposes of federal funding, but it would become eligible for federally matched administrative funds once it becomes a federal program.

We strongly support this program and I would be more than happy to go into any detail or answer any questions you may have about the fiscal note that was prepared by the Department or answer any questions.

Addendum A.1



CHAIRMAN BARDANOUVE AND MEMBERS OF THE HOUSE APPROPRIATIONS COMMITTEE:

I am John Ortwein of Helena, representing the Montana Catholic Conference, which serves as the liaison between the two Catholic Dioceses of Montana in matters of public concern.

I am here to speak as a supporter of Senate Bill 122.

The last several years have been difficult years for the workers of Montana. The wind erosion and drought in the Eastern part of the State coupled with a great reduction of workers in the oil fields of the Williston Basin have led to great numbers of unemployed. The closure of activities on the "Richest Hill on Earth" in Butte have made work difficult to find in the Butte and Anaconda area. Depressed housing has made the lumber industry suffer a great deal of unemployment in the Western and Northern part of Montana. Thus, there are pockets throughout Montana where many families face the stress of poverty through unemployment. The unemployed parent provision of the aid to dependent children bill would give some of these unemployed families minimum assistance until employment possibilities improve.

The Montana Catholic Conference supports Senate Bill 122 for these reasons:

AFDC-UP is Pro-Family:

- \* Poor families are known to separate in order to receive help from the AFDC for the Mother and children and General Assistance for the Father.
- \* Statistics in Iowa, Oregon and Utah <sup>HAN/C</sup> ~~has~~ demonstrated that an average of 22.6% of AFDC-UP families broke up in order to obtain help from AFDC and General Assistance.
- \* Montana should not delay adopting a program which <sup>has</sup> been shown to help unemployed parents stay together.

AFDC-UP Strengthens the Work Ethic:

- \* Only those parents who are honestly and responsibly seeking work would be eligible for benefits, unless the parents are deemed unemployable.

AFDC-UP Cost is Reasonable:

- \* Judging from the Iowa, Oregon, Utah experience, there may already be a significant number of families AFDC who would be eligible for AFDC-UP. And absent fathers may be receiving general assistance at this time.

Again, the Montana Catholic Conference urges your support of this bill.

# Montana Association of Churches



MONTANA RELIGIOUS LEGISLATIVE COALITION • P.O. Box 745 • Helena, MT 59624

February 20, 1985

MR. CHAIRMAN AND MEMBERS OF THE HOUSE APPROPRIATIONS  
COMMITTEE:

I am Cathy Campbell, representing the Montana  
Association of Churches.

We support funding social service programs at a level  
which provides a "decent standard of living for recipients  
and their families." Therefore, we must support SB 122 which  
corrects the sometimes cruel system that exists now in which  
it is often necessary for a family to break up in order to  
survive.

Washington State, like Montana, used to have an  
AFDC- UP program, but dropped it several years ago  
because of budget pressures. Providing public assistance  
to two-parent families is a policy option designed to  
strengthen family units. The provision of AFDC-UP is  
designed to eliminate the incentive for families to  
separate in order for one parent and the children to  
qualify for the regular AFDC.

When the AFDC-UP program was dropped in Washington  
State, many persons feared that termination of the program  
would cause large-scale family disruption. A study of the  
approximately 8,000 former AFDC-UP families showed that  
that is exactly what happened.

-38.2% of those 8,000 families reappeared on the  
regular AFDC rolls within the next 17 months. This  
suggests that while some of this number had marriages  
that might have already been in trouble, about 30%  
of the former AFDC-UP families broke up in order for  
the mother and children to qualify for the regular  
AFDC program;

-these same 38.2%, now single-parent families, remained  
on the regular AFDC rolls for a median period of  
8 months, compared with the 4 months average stay for  
two parent families on AFDC-UP.

Failure to initiate an AFDC-UP program is neither a  
humane nor a fiscally sound policy. We therefore support SB 122.

WORKING TOGETHER:

- American Baptist Churches  
of the Northwest
- American Lutheran Church  
Rocky Mountain District
- Christian Church  
(Disciples of Christ)  
in Montana
- Episcopal Church  
Diocese of Montana
- Lutheran Church  
in America  
Pacific Northwest Synod
- Roman Catholic Diocese  
of Great Falls-Billings
- Roman Catholic Diocese  
of Helena
- United Church  
of Christ  
MT-N.WY Conference
- United Methodist Church  
Yellowstone Conference
- Presbyterian Church (U.S.A.)  
Glacier Presbytery
- Presbyterian Church (U.S.A.)  
Yellowstone Presbytery

~~I'm from the BCU in Butte my~~

~~Ern~~ Lusha Wassberg from the BCU in Butte

~~we~~ We are on AFDC now but at one time we were on G.A. We got \$79.00 a month for 4 of us. Before they put us back on AFDC we were thinking about splitting up cause we couldn't make it on \$79.00 a month on G.A. My husband got very sick so they put us back on AFDC cause the doctor said he is unable to work at present time. Unless you pass this bill they could put us back on G.A. at any time the doctor signs the release slip to go back to work. Also my sister and brother in law are split up because they ~~can't~~ can not

raise 3 kids on G.A. So please pass this bill. Thank you at least on AFDC we would be on a ~~stead~~ stand and on G.A. we would be on a sliding scale

NAME: Mr. Kim G. Duvall DATE: 1-24-85

ADDRESS: 6510 Hwy 10E #38 Missoula, MT.

PHONE: 549-3167 MESS.

REPRESENTING WHOM? Montana Low Income Coal (Light)

APPEARING ON WHICH PROPOSAL: SB 122 Unemployed Parent

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENT: I was a working parent (Self employed), found myself unemployed, and ~~now~~ we no longer receive unemployment benefits or other resources other than I.D. - These benefits were very inadequate and I found myself feeling like a fifth wheel in an attempt to properly support my family - Over a period of time, my wife and I had many discussions as to what we could do and eventually decided the only logical solution was for me to leave home and her to go on AFDC so that my kids & wife could receive proper care. I support SB 122 because I desire return to my family

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Fathlan Alving DATE: 1-24-85

ADDRESS: 624 1/2 Nevada

PHONE: 782-0025

REPRESENTING WHOM? Butte C, U MYSELF

APPEARING ON WHICH PROPOSAL: AFDC U-P SB-122

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENT: Im on AFDC NOW <sup>making it</sup> in <sup>1</sup> Butte  
NOW THEN I WAS ON C-A AT  
\$10750 <sup>But</sup> Because of job-situtations  
in Butte my child's father  
would <sup>Bc</sup> in the home where he  
is need most!

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Cory T Rudolph DATE: 1/24/85

ADDRESS: P.O. Box 292 Clinton, MT 59820

PHONE: 549-3126 (MS190)

REPRESENTING WHOM? MT Low-Income Coalition

APPEARING ON WHICH PROPOSAL: SB 122

DO YOU: SUPPORT?  AMEND?  OPPOSE?

COMMENT: I will read short excerpts from a letter written by an AFDC mother whose family unit is separated because of the lack of an AFDC UP program in this state. I will submit this letter to the committee for record of testimony.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

NAME: Eleanor M Gray DATE: 1/24/85

ADDRESS: 1741 Grand ave Butte MT

PHONE: 723-4518

REPRESENTING WHOM? Montana Low-Income Coalition

APPEARING ON WHICH PROPOSAL: 122

DO YOU: SUPPORT? yes AMEND? ~~yes~~ OPPOSE? \_\_\_\_\_

COMMENT: I have been on General Assistance  
and A.F.D.C., and I can honestly say  
that it is much better to be on A.F.D.C.  
there is more tranquility in the home  
when the family is on A.F.D.C.

PLEASE LEAVE ANY PREPARED STATEMENTS WITH THE COMMITTEE SECRETARY.

VISITORS' REGISTER

Appropriations COMMITTEE

BILL NO. SB 122 DATE 2/20/85

SPONSOR Jackson

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
Susan K. Field	LIGHT MSLA MLIC	✓	
GARY T Rudolph	MSLA, LIGHT, MSLIC	✓	
DAVID MANN	MSLA L.I.G.H.T. MLC	✓	
TOM MASON	BCU-BUTTE	✓	
Dale Strochein	CCC & MLIC	✓	
Luska Wassberg	MLIC/BOU Butte	✓	
Aline Phillips	3028 Blue Bird Butt MLIC/BLUE	✓	
Louise KUNZ	MT how in com E	✓	
Cathy Campbell	Montana Assn of Churches	✓	
Paul Capron	MLIC Helena	✓	
John Ostermi	mt cath Conf - Helena	✓	
Jadis M Durand	211 N. Idaho B.C.U.	✓	
Del Rodrigue	722 Cedar MPA	✓	
JUDITH CARLSON	HELENA - NASW	✓	
Dawnica Mann	L.I.G.H.T. Inc. Missoula	✓	
David Johnson	501 W Granite Butte, MT	✓	
Bob McLearty	BCCI BOX 725 Butte	✓	

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.