

## MINUTES

### MONTANA HOUSE OF REPRESENTATIVES 52nd LEGISLATURE - 1st SPECIAL SESSION

#### SUBCOMMITTEE ON HUMAN SERVICES & AGING

Call to Order: By Rep. Dorothy Bradley, Chair, on January 2, 1992, at 1:30 p.m.

#### ROLL CALL

**Members Present:**

Rep. Dorothy Bradley, Chair (D)  
Rep. John Cobb (R)  
Rep. John Johnson (D)  
Sen. Tom Keating (R)  
Sen. Dennis Nathe (R)

**Members Excused:** Sen. Mignon Waterman, Vice Chair (D)

**Members Absent:** None

**Staff Present:** Taryn Purdy, Senior Fiscal Analyst (LFA)  
Carroll South, Senior Fiscal Analyst (LFA)  
Sandra Whitney, Senior Fiscal Analyst (LFA)  
Jeanne Krumm, Committee Secretary

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

#### HEARING - DEPARTMENT OF HEALTH & ENVIRONMENTAL SCIENCES

REP. BRADLEY opened the meeting by asking the Director of the Department of Health and Environmental Sciences to address the reductions proposed for that agency in the Executive Budget.

Dennis Iverson, Director, Department of Health & Environmental Sciences, (DHES), said there are numerous positions in DHES that have been reduced to part time. The positions should be full time for the remainder of the biennium. DHES took a 15% reduction in the directors office alone. EXHIBIT 1

HB 876 - MIAMI Council is not part of the 8% reduction. The hazardous waste surplus account takes 12% of the resource indemnity trust (RIT) interest, which amounts to approximately \$925,990 in FY91 and FY92. The projections that the Budget Office has put together indicates there will be an under funded balance of approximately \$1.1 million. AQPF takes 4% of the RAP interest amounting to a little over \$300,000 a year in FY92 and FY93. The projections are that \$1.4 million will be left in that account. The two together will be about \$2.5 million. The proposal that will be contained in that bill will suggest that we

can take up to \$1 million from any combination into those accounts.

**Taryn Purdy** said that no legislative action was necessary to increase the vital statistics fee. DHES is authorized under statute to increase those fees if they desire. The statute only states that the fee be no less than \$5.

No legislative action is required to change that fee charged in the chemistry and public health laboratories. Statutes state that DHES will charge no more than what it costs to provide the service.

The Air Quality Bureau has a maintenance of effort on their EPA funds that has been met with the general fund in the past. The maintenance of effort would be met with general fund and the few fees, so the maintenance of effort would not be jeopardized if the general fund was reduced in that area.

The Solid Waste Program is where the landfill operators are now being assessed a fee to fund an expansion in the program funded by the last legislature at approximately \$450,000. The base program prior to that expansion was a little over \$200,000. When it came out of the legislature, the general fund was supporting 1/3 of the costs of this program, with the landfill operators supporting approximately 2/3 of the cost. This would adjust the balance if the general fund was reduced in that program.

The End Stage Renal Disease (ESRD) Program provides funds for persons suffering severe financial impact due to their ESRD. This program has expended its entire appropriation in recent years. This was an appropriation that was reduced in FY87 to meet proposed cuts in that year.

**Don Geingler**, Budget Office submitted written testimony. EXHIBIT 2

**Jim Jensen**, Executive Director, Montana Environmental Information Center, said the explicit purpose of the new Federal Clean Air Act Provisions requiring states to raise money for the Air Quality Program was to prevent this kind of consequence to Air Quality Programs throughout the country. It was a strongly supported position by the National Association of Governors, the environmental community and the regulated industry. If we are going to have fees raised to pay for the program we shouldn't cut general fund. It is important that those fees be implemented as rapidly as possible in order to prevent this kind of cut. The program should be maintained and the fees should be raised.

**REP. BRADLEY** asked what the intention of the federal act is. **Mr. Jensen** stated it was intended that be budget crunches in states should not impact the level of activity of air quality, enforcement and implementation of the Federal Clean Air Act.

REP. BRADLEY asked if there is concern that there will be an actual cutback of the monitoring. Mr. Jensen said that is correct, if the proposal is to reduce the level of state effort because of the percentages in FY92 from general fund revenues. The objective of DHES is to reduce general fund appropriation and replace it with fees.

Mr. Iverson said DHES probably had enough money to run the program without fees. DHES doesn't envision any cutback in programs. There could be a cash flow problem next spring or fall if the fees aren't coming in as quickly as they need them.

SEN. NATHE asked if DHES has implemented any fees in this structure. Mr. Iverson said they aren't implemented yet, but they are in the process.

Ms. Purdy said during the session DHES brought in a modified budget for an additional 6 1/2 FTE's to fund additional activities brought about by changes in the EPA requirements. These additional people were to be funded anticipated available federal funds plus these new fees that were to be added. During the subcommittee hearings, Rep. Cobb made a motion to add an additional 6 FTE's. These additional FTE's were to be funded totally with those fees. The bill to add the fees was going through the legislature at the same time this committee added the funds that were to be generated via that bill for those 12 1/2 FTE's.

REP. BRADLEY asked if DHES feels that the original intent has been met. Mr. Iverson said yes.

SEN. NATHE asked are the fees set for the Solid Waste Program. Mr. Iverson said that the formula for the fees is set.

SEN. NATHE asked if there is an increase in fees for local governments to fund this switch. Mr. Iverson said no, the vacancy savings apply here too reducing total program expenditures.

REP. BRADLEY asked if the Subdivisions Program was paid by fees that come from the developers, and have we replaced that with general fund money to take out the peaks and valleys. Mr. Iverson said that DHES used the general fund for a bank account.

REP. BRADLEY said that the whole purpose of increasing the appropriation for the program was to make sure that people were not waiting for services. That division has been under funded from the day it existed. Mr. Iverson said it is in trouble and that is why a 4% reduction was proposed instead of an 8% reduction.

REP. BRADLEY asked how is the backlog today compared to one year and two years ago. Mr. Iverson said it is bad. He stated that

they can cover the proposed reduction with vacancy savings. The problem within the program is that they need to upgrade some of those positions in order to eliminate the vacancies.

REP. BRADLEY asked why is DHES cutting back this program. Mr. Iverson said that the 4% reduction is better than an 8% reduction.

REP. BRADLEY asked if DHES was doing the right thing to take care of the task that was mandated to do by law, and whether they would be going for an upgrade on the position. Mr. Iverson said DHES is going for an upgrade and has been in the process for quite awhile.

Ms. Purdy said there were pay exceptions granted to the environmental engineers and environmental specialists by the Department of Administration that were then funded specifically by the legislature. Because of vacancy savings in those programs, the department will be able to pay those exceptions out of their regular appropriations. Therefore, the appropriations made specifically for those pay exceptions are not needed at the level anticipated by the legislature.

Mr. Jensen asked if this means that we will pay some people more and have fewer people working. REP. BRADLEY said the vacancy savings are already there. Ray Hoffman, DHES, said that the money is there and has been generated.

REP. BRADLEY said that if DHES has these vacancy savings it should decrease the subdivision fees rather than cut general fund; that other entities are essentially subsidizing the general fund. Mr. Iverson said that he doesn't believe in funding the government with vacancy savings. The fact is that the 4% the legislature added at the last minute forces them to leave legal positions open.

REP. BRADLEY asked why DHES doesn't reduce the fees. Mr. Iverson said that DHES needs the positions, but they cannot fill them because of the mandate to save the money.

SEN. DOROTHY ECK asked how the fee income was being generated if we are not acting on subdivision approvals and if DHES is really able to approve subdivisions until they get more staff. Mr. Iverson said DHES is approving subdivisions, but not as quickly as they would like.

Dianne Sands, Montana Womens Lobby (MWL), in addressing the reduction in the Family Planning Program, said that while \$4,000 doesn't seem like very much money in each biennium, it is only 8% tied to the family planning fund. There are record numbers of people needing services for family planning. There is a great potential that a substantial amount of federal family planning money will be lost if the federal gag rule will continue to be upheld and some federal funded agencies choose not to accept the

federal money.

**Paulette Kohman, Director, Montana Council for Maternal and Child Health**, said that there is an increasing number of people in Montana who are unable to obtain services for family planning. This budget cutting system is nickel and dime cutting the smallest programs available. Programs are only cut when they are served from the general fund. Almost all of the issues deal with agency staff reduction in non-service divisions, replacements of funds with other funds, and other things that wash out and don't effect the clientele in the budget reserve. The programs that are really getting the 8% cuts are the programs that are serving individual people. This doesn't make sense and it is unfair for these programs that are small but very effective to be the ones that get the 8% cuts when the other programs are getting fees for service because they are the populations that have money.

**Mr. Hoffman** said during the regular session, there were some additional maternal child health (MCH) money that was received from the federal government that was initially allocated for current family services within DHES. The committee felt that there were some high priority issues within DHES that they allowed the MCH block grant dollars to go with the certain programs. They were also awarded additional general fund money that was used. The initial general fund appropriated to the MIAMI program was to be used for the programs to match federal money, but are instead going out to subsidize programs. The money that we granted for the MIAMI Project is a grant for direct services and is not being used in the Department of Social and Rehabilitative Services to gain additional federal money.

**Jim Smith, President, Human Services Foundation of Montana (HSFM)**, said that HSFM opposes all of the cuts in DHES. In 1986 HSFM said that Human Services should contribute to deficit reduction in Montana. In 1988 HSFM said that they could reluctantly tolerate a number of the cuts that were being made, and in 1991 through the priorities for people process tried to prioritize some programs to give the legislature some guidance for which cuts they could live with and which cuts they couldn't live with. Today they have to oppose all the cuts.

**SEN. ECK** said that every dollar that is spent for prenatal care means that we save \$3. Every dollar that is cut is going to cost the state \$3 more. There were some consultants who worked with the departments on maximizing the medicaid dollars.

**Ms. Sands** said that they oppose the other cuts, particularly those that impact prenatal health care. All of the cuts have been made that can be made in these areas.

**REP. BRADLEY** asked what it would actually cost to take care of the population currently served by the End Stage Renal Disease (ESRD) program. **Mr. Hoffman** said that in 1986 when DHES was given this program from SRS, they were appropriated \$125,000 for

payments that had been in SRS for an extended time, but no administrative staff.

**REP. BRADLEY** stated that DHES has always run out of money in this program before the biennium was over. **Mr. Hoffman** stated that usually the money is gone in February, March or April each year.

**Ms. Kohman** asked if Medicare reimburses people that cannot pay. **Mr. Hoffman** stated that Medicare reimbursement is available to ESRD patients regardless of age.

**Ms. Purdy** stated that the Licensing and Certification Bureau had 12 people added by the 1991 legislature. The committee originally added fewer people than that and the committee later reinstated the entire 12. This program has three functions. State licensure, which has 100% general fund, recommendation of Medicaid licensure which is partially federal funded with the general fund match, and certification for Medicare which is 100% federal funded. If they do not have enough general fund to fully support the recommendation of Medicaid certification, they can get a supplemental.

**SEN. KEATING** said some agencies that are being cut are fee supported or have a way of getting more money, and asked whether the funding switch proposed by the executive proposal for the vital statistics program is increasing fees or increasing costs to the public for services that these people deliver and make up. **Mr. Hoffman** said yes, the cost for the birth certificate and death certificate was \$5 and is going up to \$10 in the executive proposal.

EXECUTIVE ACTION ON NO. 1 - DIRECTOR'S OFFICE

Tape No. 2, Side A, 621

Motion/Vote: **SEN. NATHE** moved to accept the Executive Budget Proposal of a \$8,495 reduction in FY92 and FY93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 2 - LEGAL CHARGES

Tape No. 2, Side A, 649

Motion/Vote: **SEN. NATHE** moved to accept the Executive Budget Proposal of a \$6,632 reduction in FY92 and FY93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 3 - VITAL STATISTIC BUREAU

Tape No. 2, Side A, 657

Motion/Vote: **SEN. NATHE** moved to accept the Executive Budget Proposal of a \$34,544 reduction in FY92 and a \$61,000 reduction in FY93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 4 - CHEMISTRY LABORATORY

AND NO. 5 - PUBLIC HEALTH LABORATORY

Tape No. 2, Side A, 696

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of an \$8,093 reduction in FY92 and FY93 for the Chemistry Laboratory and a \$16,625 reduction in FY92 and FY93 for the Public Health Laboratory. MOTION CARRIED 4-1 with REP. COBB voting no.

EXECUTIVE ACTION ON NO. 6 - AIR QUALITY BUREAU

Tape No. 2, Side A, 716

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$53,525 reduction in FY92 and FY93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 7 - OCCUPATIONAL HEALTH

Tape No. 2, Side A, 739

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$7,775 reduction in FY92 and FY93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 8 - FOOD AND CONSUMER SAFETY

Tape No. 2, Side A, 760

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$14,912 reduction in FY92 and FY93. MOTION CARRIED 4-1 with REP. COBB voting no.

EXECUTIVE ACTION ON NO. 9 - SOLID WASTE PROGRAM

Tape No. 2, Side A, 768

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$16,433 reduction in FY92 and FY93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 10 - SUBDIVISIONS

Tape No. 2, Side A, 797

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$9,282 reduction in FY92 and FY93. MOTION CARRIED 4-1 with REP. BRADLEY voting no.

Discussion:

REP. BRADLEY said that it is clearly because of funding problems that the division is not doing what it is mandated to do by law.

EXECUTIVE ACTION ON NO. 11 - SUBDIVISIONS PAY EXCEPTIONS

Tape No. 2, Side A, 837

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$611 reduction in FY92 and an \$1,080 reduction in

FY 93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 12 - HEALTH PLANNING

Tape No. 2, Side A, 868

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$1,451 reduction in FY92. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 13 - FAMILY PLANNING BUREAU

Tape No. 2, Side A, 885

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$4,000 reduction in FY92 and FY93. MOTION CARRIED with REPS. BRADLEY and JOHNSON VOTING NO.

EXECUTIVE ACTION ON NO. 14 - MIAMI PROGRAM

Tape No. 2, Side A, 898

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$13,639 reduction in FY92 and FY93. MOTION FAILED WITH REPS. BRADLEY, COBB and JOHNSON VOTING NO.

EXECUTIVE ACTION ON NO. 15 - PRENATAL PROGRAM

Tape No. 2, Side A, 920

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$4,346 reduction in FY92 and FY93. MOTION FAILED WITH REPS. BRADLEY, COBB and JOHNSON VOTING NO.

EXECUTIVE ACTION ON NO. 16 - END STAGE RENAL DISEASE

Tape No. 2, Side A, 940

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of an \$18,500 reduction in FY92 and FY93. MOTION FAILED WITH REPS. BRADLEY, COBB and JOHNSON VOTING NO.

Discussion:

SEN. NATHE said that this program expends its entire yearly appropriation by January and February, and asked what assistance the people who need dialysis between that time and July, when funds are again available, do major hospitals or Medical help meet these costs and is this imposing more pressure on whoever is providing that service in that time period now.

REP. BRADLEY asked if anyone who is wealthy has come to DHES and asked for this service. Mr. Hoffman said he doesn't think that is the case.

EXECUTIVE ACTION ON NO. 17 - LICENSING AND CERTIFICATION

Tape 2, Side A, 204

Motion/Vote: SEN. NATHE moved to accept the Executive Budget

Proposal of a \$79,153 reduction in FY92 and a \$58,561 reduction in FY93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 18 - MIAMI COUNCIL

Tape 2, Side A, 229

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$1,120 reduction in FY92. MOTION CARRIED WITH REP. BRADLEY VOTING NO.

HEARING - DEPARTMENT OF FAMILY SERVICES

Tom Olson, Director, Department of Family Services, said that DFS was grateful for the opportunity, once it was decided that the short fall was going to be addressed, to recommend the cuts where the agency would feel most harmless and to proceed in a manner that is in the best interest of DFS. The budget cutting process relies on delaying a number of programs, imposing vacancy savings on the agency, and in some cases reducing the new amount in new appropriations or in small bills. EXHIBIT 3

Personal Services vacancy savings of 6% is included for central office programs. DFS is holding our central office as the recipient of the major impact of the budget cuts.

The vacancy savings that DFS has imposed on the social workers and field personnel in the regions is 4%.

Parental Assets Rule is a proposal to modify the Family of One Medicaid rule that will consider parental assets when determining Medicaid eligibility. Montana is one of very few states in the country that operates an inpatient psychiatric program based on the assets of the children without taking the parental assets into consideration.

Delay Foster Care Increase is accomplished by delaying the rate increase to the providers that was authorized by the Human Services Subcommittee by six months.

Day Care Rate Increase savings were generated because DFS appropriated the money to make the rate increase, but the language was contingent on receiving the federal day care funds that we could use those funds to fund the increase.

Corrections Division Operating had unobligated funds that DFS had not yet used.

Alcohol & Drug Treatment was basically taken to the original level DFS had in the previous biennium with an 8% reduction.

Domestic Violence and Big Brothers took 8% across the board. DFS did not want to cut any more of these grant programs more than they were being asked to cut as an agency.

Residential Treatment Continuum was money appropriated from SRS to DFS for these services. This money was to be used for residential treatment services and to develop the continuum of care. DFS has delayed the continuum development. In the first year DFS has the first programs developed in that continuum. The family based services programs will be funded in January. DFS has also delayed implementation of hiring staff.

Foster Care will be overspent by \$1.8 million at the end of this year. There is a waiting list of children that will probably consume another \$1.2 million. The Budget Office has agreed that we can request an increase in our foster care budget to fund the short-fall and about half of the waiting list. Currently in the foster care budget we are in a dollar in/dollar out mode. This means a child can go into treatment and another child has to come out of treatment at an equivalent cost.

Personal Services 3% vacancy savings is for on Mountain View School and Personal Services 2% vacancy savings is for Pine Hills. DFS has tried to hold those two institutions as harmless as possible in vacancy savings because of the overcrowding that exists, especially in Pine Hills.

Under the other Appropriations Bills the Management Information System, which was appropriated last session, DFS has proposed that rather than contracting with Department of Administration to develop and implement that system, DFS can save approximately \$260,000 by hiring 2 FTE's together with DFS's existing data processing staff and develop a system in house.

HB 371 - In Home Services for the Aging was an increase over and above the new program of \$200,000 which was reduced by 50%.

HB 491 - Respite Care had appropriated \$100,000 to provide respite care for some of the more difficult care we have in foster care. DFS has reduced that program back to \$50,000.

Miscellaneous Federal Increases and Recoveries are based on DFS ability to do business in a more effective manner than we have done in the past.

**SEN. KEATING** asked if the vacancy savings is an administrative person. **Mr. Olson** said yes.

**REP. BRADLEY** said that she is concerned about vacancy savings at 8%. **Mr. Olson** said that is the level that DFS can operate at.

**SEN. KEATING** asked if this is 6% of DFS whole staff. **Mr. Olson** stated that DFS has adjusted the vacancy savings throughout the various programs to try to minimize the impact on field basis.

**REP. COBB** asked how much training there is for all of the personnel. **Mr. Olson** said that the training plan consists of a core curriculum and it consists of a small amount in individual

training plans. DFS has not touched the core curriculum at all.

**Judith Carlson, Montana Chapter of Social Workers,** said that by putting in the Governor's recommendation of 4% vacancy savings it takes away 8 new social workers and actually takes a step backwards.

**Ms. Sands** said in the last session there was documented need for 120 social workers. We have not even complied with the committees desire to provide 8 new social workers and this is endangering the lives of Montana children. These cuts are saying that these children have to remain in situations in which they are in great pain and often severely abused for longer periods of time because we do not have social workers to go out and take care of them.

**Ms. Kohman** said that taking funds away from social workers is one thing that is wrong with this budget. It is an irresponsible method of dealing with the problems in Montana. All of these programs together cost less than the foster care increase that is being adopted. Foster care was not suggested to be this high because you were relying on preventive programs to balance the population. That population will never go down, the foster care funds will continue to sky rocket if you continue to try to take money away from these programs.

**Harley Werner, Montana Association of Churches,** said that the complaint that he receives from his people is that when a church is referring a child with problems to the counties, things are not getting done about child abuse. If we cut back anymore, it will even be worse. We do not agree with any of these budget cuts.

**John McCrea, Montana Advocacy Program,** submitted written testimony. EXHIBIT 4

**SEN. KEATING** asked how do the children get into this state of wanting to commit suicide. **Mr. McCrea** said that there are adolescents with serious mental illnesses. If we understood what the cause of the mental illness was we would have a better handle on how to address children with mental illnesses. We are placing children in situations where they do not belong and the best thing to do is to get them out of that situation and spend the time and energy to find them support.

**SEN. KEATING** said that we have to be empathetic for the children and make sure they are taken out of a place that is a threat to them. We spend lots of money on foster care, yet it doesn't seem like we have done one thing to make the parents who are responsible for the situation take any responsibility of this situation. The child who needs foster care is a symptom and not a problem, the problem is in that family. **Mr. McCrea** said that mental illness is not something that is created by parents, it is

something that the parents or the child do not have control over.

**John Harwood, Parent with a Chronically Ill Child**, said that he doesn't know why his child has this illness. The system of care in Montana is in terrible shape. It has been suggested that it would be a good idea if parents would be required to pay for their care. Parents are paying an extra \$300 per month premium so that the State of Montana does not have to pick up extra dollars for their children. These children are sick and we need cooperation between inpatient hospitals, DFS and OPI.

**John Ortwein, Montana Catholic Conference**, said that the United States Bishops put out a statement called Putting Children and Families First. We need to analyze every policy and every program to see the impact on children and families. We need to campaign for children.

**John Shontz, Mental Health Association of Montana**, said this proposal does effect children from very low income families or children who are eligible for Medicaid or families where one or both parents have decent health insurance. This is a safety net issue. The minimal programs will not pick up \$900 per day hospitalization costs. This proposal is strictly financially based, it is not medically based.

**Carolyn Galinkin, Family Counseling Center**, said that she is not an abusive or neglectful parent and has two children that need extensive psychiatric care. When her medical coverage for her children runs out, she cannot afford \$900 per day. The people that are most effected are people that are lower income who may not have insurance and may not qualify for AFDC coverage. These people are desperate.

**SEN. KEATING** asked if we are taking away all of the money for long term care. If the parents qualify within a certain means, do they have to put the money up front or the child doesn't get the care or will the child get care and then seek repayment from the parents. Will services be denied to those who need it. **Mr. Olson** said by this proposal DFS would be denying services to children whose parents do not qualify for Medicaid.

**SEN. KEATING** asked how many economically qualify for Medicaid. **Gary Walsh, DFS**, said that there are two groups. One group which would be covered is those children who are in custody of DFS or have been committed to DFS. The other group is families where the child would otherwise be eligible for Medicare.

**Pat Melby, Rivendell of Butte and Billings**, said that Montana is one of the few states that doesn't have a psychiatric hospital. Rivendell has been a facility that has been economically viable. This is another step by the state to ensure that it is not an economically viable facility. In the Governor's proposal this particular rule was considered by SRS in 1990 and that was when the funds were appropriated to DFS instead. But they abandoned

that because of industry concern. The concerns are the financial impact on the facilities and the impact on the Medicaid budget. The other issue is the impact on children. SRS withdrew the rule simply because they didn't feel they had enough information to go ahead with it. SRS or some other state agency should make some effort at doing some analysis at what the financial impact would be and what the impact would be on children. In 1990 SRS did not know what the cost savings would be if any. Now we have down to the dollar what the cost savings are going to be. How were we able to come up with an estimate of what the cost savings would be by implementation of the rules down to the dollar in 18 months. There is a memo from the Medicaid Services Division to DFS dated August 26, 1991 with an analysis of how they arrived at the cost savings. One assumption made is 35% of the approved days were not qualified for Medicaid due to the consideration of parental resource. At the bottom of the page it states that cost savings could also be figured at 25%, 40%, 45% and 50%. Otherwise there is no way to have an exact figure. That is exactly the type of analysis that has been done on the impact of children, in other words none.

Bob Olsen, Montana Hospital Association, submitted written testimony. EXHIBIT 5.

Val Colenso, MUC, stated that she has two mentally ill boys and three girls that are not mentally ill. The mental illness of her sons is not her fault. It is a biochemical problem of an imbalance of the brain that causes their difficulty. The parents are not to blame. Her son was placed in a program which he would not have been able to receive if the program was not available. Her family falls just below the poverty line, but Medicaid does not come all the way up to the poverty line. They would have had to turn him over to DFS. She doesn't want to have to turn her children over to DFS. This is going to break up families.

Jack Casey, Shodair Hospital, said the average length of stay for Shodair is 42 days. Every admission that comes to the hospital for inpatient care is governed by utilization review. DFS has a contract in place with a firm from Tennessee that approves every admission to the inpatient psychiatric as being medically necessary. An assessment is made on a child and then recommendations are made of what needs to be done to help this child. Shodair makes recommendations to agencies and parents as to the disposition of children when they leave either residential care, foster care, or group home care. In the last six months, our recommendations aren't being followed for fiscal reasons. DFS has chosen not to provide the services because of funding. In essence we are spending \$25,000 on that average length of stay to treat children and then running them through the saw again. To take children who have been abused and send them to treatment to get them to start to heal and then put them back in the same situation means \$25,000 has just been wasted. The system needs funding at all levels.

**SEN. NATHE** asked if the cost for care for a child for one day is \$900, is that what Shodair costs. **Mr. Casey** said there is the highest concentration of professional staff located in inpatient psychiatric treatment for children: psychiatrists, master level of social workers, PhD clinical psychologists, doctorates of education, and special education teachers to educate these children. Shodair charges \$610 a day, but we do not receive \$610 a day, we receive 95% of that.

**SEN. NATHE** asked who is getting the \$900 a day. **Mr. Melby** said that Rivendell's daily charges are approximately \$500 a day. There are charges that may well go up to \$900 a day for individual children. Medicaid pays about \$400 of that. Part of the reason the cost is higher because Medicaid has to be subsidized by those people who can pay because of the insurance.

**REP. BRADLEY** asked what percentage of parents would be paying. **Mr. Casey** said the parents would be paying everything. Parental assets are utilized in treating children in acute psychiatric care and are utilized in evaluating insurance. Medicaid regulations mandate that they use every other source of funding for that child first. The majority of the middle income children's insurance pays the majority of the cost.

**Kathy McGowen, Montana Residential Child Care Association,** submitted written testimony. EXHIBIT 6

**John Wilkenson, Administrator, Intermountain Children's Home in Helena,** said in 1985 there were 7,300 complaints involving child abuse and neglect. In 1990 that number is 10,256. With the 7.2% annual increase in the number of children involved in complaints, that number should go up to approximately 14,520 by 1995. There is nothing in the future that indicates that there is any reversal of the incidence of child abuse.

**Glenn McFarlane, Montana Residential Child Care Association,** said the system has been under funded and neglected for a number of years and as a result the number of children who are in crisis are increasing and are more than the system can bear at this time. The private providers care for the needy children in the state and do not condone the proposed budget cuts in any form. The children in this state cannot afford it. All children placed in treatment are screened by an independent third party. No child goes into the Medicaid program without prior approval. We cannot afford to balance the state's budget on the backs of our program employees any longer.

**Jeff Birnbaum, Missoula Youth Homes (MYH),** said we cannot allow the proposed budget to go through. The budget proposal eliminates the cost of living increases for this coming July. The MYH was finally making progress and they hadn't been denied any rates in the last four years. In the 10 years prior to the rate system, the rate in our attention home went from \$32.07 a day to \$33.20 a day. After a decade with a dollar rate increase,

you can understand how important these rate increases are to us as providers in order to start to make a difference in this population. If we are going to make a difference, we are going to continue making the progress and maintaining the progress that we have made in the last four years.

**Barbara Monaco, Chief Probation Officer, Polson, and Vice President, Montana Probation Officers Association, said** adolescents have been inappropriately placed in care that is not appropriate for their specific needs. These children not only carry numbers, but they carry faces and hearts. They are the future.

**REP. BRADLEY** asked for estimates in savings. **Mr. Olson** said they rely heavily on information provided by SRS. Currently the way the system is set up, SRS has a responsibility for certain portions of the system on Medicaid. It is difficult to get the hard data. The estimates that DFS has are the best estimates that they could come up with.

**REP. BRADLEY** asked for comment on the issue of children becoming wards of the state and then costing entirely in general fund what is now 2/3 federal dollars. **Mr. Olson** said he doesn't know how many cases there are where children have been abandoned by their parents because they were denied admission to Rivendell. Medicaid pays for the highest cost and often the least appropriate level of care available which is psychiatric hospitalization. Rivendell provides acute care for children for 40 to 42 days, and it is hard to get a lot accomplished in that period of time. What the state needs and what the state lost is a long-term care program for children in Montana.

**Mr. Melby** said that this isn't just a Rivendell issue, there are several other facilities that are involved here, including Shodair and Yellowstone Treatment Center. When Rivendell first started out, the proposal was for a 90 day average length of stay for adolescents and 120 days for children. This has been through the Social Utilization Services Youth Program in which Mental Health Management of America has reduced that length of stay from what clinicians would say would be an appropriate length of stay so the suitable treatment programs could be productive, down to almost 30 days. It is very difficult to do a successful treatment program in that time. The state knew exactly what it was doing when it sold the Montana Youth Treatment Center to Rivendell. It knew that the 40 beds that were obligated by Rivendell to the state did not mean 40 beds where the Rivendell would take 40 children from the state and provide free care to them. The 40 beds are there and not one time has a child ever been referred to Rivendell in Billings by a court where that child was appropriate for admission for that level of care has that child been denied a bed.

**REP. BRADLEY** asked if the utilization is shortening these stays so that most of them are 30 days, does Medicaid trigger in for

the bulk of them anyway. Mr. Melby said that if the individual is covered by health insurance the minimum that has to be provided is a 30 day length of stay. At that time after the 30 days is up or insurance is no longer paying, Medicaid would be looked at as the payor and the utilization review would kick in and determine whether or not under their criteria, the length of stay should be beyond that 30 days.

REP. BRADLEY asked what is the average length of stay. Mr. Melby said it is 35 days in Rivendell in Butte.

SEN. KEATING asked what prompted the \$2.2 million in foster care. Mr. Olson said during last session DFS asked for a supplemental to place children that were currently on a waiting list. We currently have 104 children that are placed out of state. Of those 104 children, 70 were placed by probation. There is a whole other group of children coming in the system, not through DFS, but through the juvenile justice system. DFS is being forced into a pocket as the mental health agency for the state. DFS is getting a larger number of seriously mentally ill children in the state that are coming into the system from numerous ways.

SEN. KEATING asked if foster care is a holding pen for children who really need treatment. Mr. Olson said the way that the state has tended to place children in care is to get a child, who needs to get out of the home into a bed without a particular reason before giving thought to what would be the most appropriate bed. In many cases there weren't too many appropriate alternatives available in the state. DFS is trying, with the continuum of care development, to put most of our money on the front end of the system in the family-based services to prevent the removal of that child from the home if at all possible. The only way to make it work is to catch it in the beginning. We are trying to work with a new professional foster parent program by which we train our foster parents more intensively and then pay them based on the needs of the children. If that child had been placed appropriately in the first place, you would not see children bouncing from placement to placement.

SEN. KEATING asked if there are positive results at the end of the 30 day period. Mr. Melby said that Rivendell intends to provide treatment to improve the condition or at least to prevent the condition from getting worse. That is basically the criteria that Medicaid uses in determining whether or not the treatment being provided at a Rivendell facility is appropriate for Medicaid reimbursement.

SEN. KEATING asked why are we seeing so much increase in the need for mental health treatment. Ms. Colenso stated that she finds more and more emotionally disturbed children that do not have facilities available to them. As there is more and more therapy available to these families, there are more and more seeking that therapy.

**Karen Northy, Florence Crittenton Home,** said that girls used to come to the home while they were pregnant and we could deal with them in making a decision for their child and preparing themselves to become parents. As we know, children's first few months of life is the most critical time for them to develop trust and relationships in order to grow up to become healthy adults. The Florence Crittenton Home is now receiving referrals from girls who have had their babies in their own communities and their babies are now four and five months old, having been neglected and abused, and now they are coming into the system. We are starting out this next generation in worse shape than we are now because we aren't referring the young mothers when they need to be coming to the program.

**Jan Shaw, Montana Residential Care Association,** said that shelter care facilities across the state are short term facilities for youth in crisis or in transition. Many of these children are waiting for placement and long term facilities or treatment centers. Shelter homes are keeping children longer than they are designed to do. Many of these children are too disturbed to be helped in a low security shelter home and many of these children are being under-served in facilities not designed to meet their needs. **EXHIBIT 7**

**Dick Meeker, Chief Probation Officer, First Judicial District,** said that when DFS was created everyone knew that it was under-funded. One of the reasons DFS was created was to eliminate the finger pointing, cut out whose fault it is and serve the children. Today we are still trying to point fingers at who is at fault and we are still not serving the children.

**Doug Brown, Director, Big Brothers & Sisters (BB&S),** said cutting BB&S is a very small amount compared to the amount of reductions you are searching for. BB&S of Montana has proved its work as a prevention program and has demonstrated its mission in family preservation at low cost. The one to one role model works and keeps children off drugs and alcohol and in school. If this program can prevent one child from being placed in institutional care the effort will be an economic success and the expenditure for us will show cause. The money provided by DFS to BB&S has multiplied four to five times in each of the individual communities. The cut in funds will require BB&S to reallocate some of our staff from working with the children to generating revenue.

**REP. BRADLEY** stated that the committees effort to congratulate a program that has done so much has lead to this proposal. **Mr. Olson** said DFS tried to open grant programs to fund this. DFS required everyone to take the percentage increase across the board.

**REP. JOHNSON** asked how does this cut effect DFS' ability to institute the continuum of care. **Mr. Olson** said that DFS has tried not to cut the continuum of care any more than we needed

to. DFS has accomplished savings by delaying implementation.

**REP. JOHNSON** asked how can we delay this when there are children waiting to be taken care of. **Mr. Olson** said the state is out of money and each agency has to do what it can to assist the state's budget balance.

**Mr. Harwood** said that his son is chronically mentally ill and is in temporary investigative authority which places him in the DFS foster care system. He has been in the system for three years and was ill for a year in the home. Three years at between \$250 to \$700 a day have been coming out of the foster care system. This is bumping sexually and physically abused children. As a parent of a chronically mentally ill child there needs to be some differentiation so that these children that come out of tough homes can get help, but at the same time there has to be acknowledgment that there are children who will be in the system for the rest of their lives.

**SEN. KEATING** asked how would you go about getting an increase in foster care. **Mr. Olson** said that DFS would have gone to supplementals.

**REP. BRADLEY** asked if there is any bearing on the vacancy savings for Pine Hills because of the Federal investigation at Pine Hills. **Mr. Olson** said that he doesn't know at this point. There are too many children and not enough staff. That may be the recommendation that they make. However the most rundown lodge is closed and we are trying to keep it closed. We are taking the staff from that lodge and spreading it out amongst the campus to improve the staff/student ratio.

**Clyde Daily, Director, Montana Senior Citizens Association (MSCA)**, said that MSCA is concerned about the cut in aging services. In the original appropriation they asked for \$500,000. MSCA felt we compromised and cut it down to \$200,000 and this proposal is to take it down another 50%, which amounts to gutting the program. This is money well spent. These people will most likely end up on Medicaid.

**REP. BRADLEY** asked what happens when the first year of funding is taken out. **Hank Hudson, Governor's Office on Aging**, said the money that has been allocated and to some extent budgeted for by the Committee on Aging to either expand the services in the home and in some a more aggressive approach by area agencies to generate contributions by the people they serve. The programs are not means tested and contributions form a larger percentage of the spending then the state funds.

**SEN. NATHE** asked how the Respite Care Program relates to programs such as Meals on Wheels. **Mr. Hudson** said that Meals and Wheels is funded through the Older Americans Act Title II-C and what that doesn't pay for to meet the demand, we make up for with the in home services general fund money.

Ms. Whitney said that the IV-B Revenue Increase and the Misc. Federal Recovery are revenue federal funds increases that DFS estimates they can achieve in this biennium. Those revenue increases are replacing general fund. If you do not meet this action in HB 2 and they really do achieve the federal revenue increases, they could budget amend those and increase their budget.

EXECUTIVE ACTION ON NO. 1  
PERSONAL SERVICES 6% VACANCY SAVINGS

Tape No. 4, Side B, 265

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$93,878 reduction in FY92 and a \$98,229 reduction in FY 93. MOTION FAILED with REPS. BRADLEY and JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 2 - TRAINING FUNDS

Tape No. 4, Side B, 280

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$7,500 reduction in FY92 and a \$30,000 reduction in FY93. MOTION CARRIED with REP. JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 3  
PERSONAL SERVICES 4% VACANCY SAVINGS

Tape No. 4, Side B, 301

Motion/Vote: SEN. NATHE moved to accept of the Executive Budget Proposal of a \$167,552 reduction in FY92 and a \$174,272 reduction in FY93. MOTION FAILED with REPS. BRADLEY, JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 4 - PARENTAL ASSETS RULE

Tape No. 4, Side B, 325

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$233,693 reduction in FY92 and a \$928,493 reduction in FY93. MOTION FAILED with REPS. BRADLEY, JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 5 - DELAY FOSTER CARE RATE INCREASE

Tape No. 4, Side B, 340

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$194,772 reduction in FY93. MOTION FAILED with all members VOTING NO.

EXECUTIVE ACTION ON NO. 6 - DAY CARE RATE INCREASE

Tape No. 4, Side B, 379

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$38,708 reduction in FY92 and a \$58,083 reduction

in FY93. MOTION CARRIED UNANIMOUSLY.

Discussion:

Ms. Whitney said that the day care rate increase was an amount that was appropriated in HB 2 with the thought that if federal could be used for that increase, the general fund would be reduced and federal funds would be used.

EXECUTIVE ACTION ON NO. 7 - CORRECTIONS DIVISION OPERATING

Tape No. 4, Side B, 420

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$20,000 reduction in FY92 and a \$20,000 reduction in FY93. MOTION FAILED with REP. BRADLEY, JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 8 - CAP ALCOHOL & DRUG TREATMENT

Tape No. 4, Side B, 436

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$12,100 reduction in FY92 and a \$13,300 reduction in FY93. MOTION FAILED with REPS. BRADLEY, COBB, JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 10

BIG BROTHERS & SISTERS 8% REDUCTION

Tape No. 4, Side B, 500

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$13,860 reduction in FY92 and a \$14,553 reduction in FY93. MOTION FAILED with REPS. BRADLEY, COBB, JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 12 - FOSTER CARE INCREASE

Tape No. 4, Side B, 727

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$2,202,939 reduction in FY92. MOTION CARRIED with SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 13 - MOUNTAIN VIEW

PERSONAL SERVICES 3% VACANCY SAVINGS

Tape No. 4, Side B, 900

Motion/Vote: SEN. NATHE moved to accept 1% Vacancy Savings equal to 1/3 of a \$54,684 reduction in FY92 and a \$56,422 reduction in FY93. MOTION FAILED with REP. BRADLEY, JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 14 - PINE HILLS

PERSONAL SERVICES 2% VACANCY SAVINGS

Tape No. 4, Side B, 916

Motion/Vote: SEN. NATHE moved to accept 1% Vacancy Savings of a \$32,712 reduction in FY92 and a \$33,902 reduction in FY93. MOTION FAILED with REP. BRADLEY, JOHNSON and SEN. KEATING VOTING NO.

EXECUTIVE ACTION ON NO. 15 - HB 569 - MIS

Tape No. 4, Side B, 943

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$260,750 reduction in FY92. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 16 - HB 371 - AGING 50%

Tape No. 4, Side B, 962

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$100,000 reduction in FY92. MOTION FAILED with REPS. BRADLEY, COBB and JOHNSON VOTING NO.

EXECUTIVE ACTION ON NO. 17 - HB 491 - RESPITE CARE 50%

Tape No. 4, Side B, 982

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$50,000 reduction in FY92. MOTION CARRIED with REPS. BRADLEY and JOHNSON VOTING NO.

EXECUTIVE ACTION ON N.O 18 - IV-B REVENUE INCREASE

Tape No. 4, Side B, 004

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$75,697 reduction in FY92 and a \$75,697 reduction in FY93. MOTION CARRIED UNANIMOUSLY.

EXECUTIVE ACTION ON NO. 19 - MISC. FEDERAL RECOVERY

Tape No. 4, Side B, 048

Motion/Vote: SEN. NATHE moved to accept the Executive Budget Proposal of a \$295,931 reduction in FY92 and a \$324,962 reduction in FY93. MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Adjournment: 7:50 p.m.

  
\_\_\_\_\_  
Dorothy Bradley, Chair

  
\_\_\_\_\_  
Jeanne Krumm, Secretary

DB/jk

**HOUSE OF REPRESENTATIVES**  
**HUMAN SERVICES SUBCOMMITTEE**

ROLL CALL

DATE January 2, 1992

NAME	PRESENT	ABSENT	EXCUSED
REP. JOHN COBB	✓		
SEN. TOM KEATING	✓		✓
REP. JOHN JOHNSON	✓		
SEN. DENNIS NATHE	✓		
SEN. MIGNON WATERMAN, VICE-CHAIR			✓
REP. DOROTHY BRADLEY, CHAIR	✓		

Department of Health & Environmental Sciences

Department of Health & Environmental Sciences  
 Director's Office

5301-01

Budget Item	FY92	FY92	Difference	FY93	FY93	Difference
	Appropriated	Recommended		Appropriated	Recommended	
FTE	13.00	13.00	0.00	13.00	13.00	0.00
Personal Services	523,626	515,131	(8,495)	547,293	538,798	(8,495)
Operating Expenses	198,240	191,608	(6,632)	193,144	186,512	(6,632)
<b>Total Costs</b>	<b>721,866</b>	<b>706,739</b>	<b>(15,127)</b>	<b>740,437</b>	<b>725,310</b>	<b>(15,127)</b>
General Fund	225,830	210,703	(15,127)	226,339	211,212	(15,127)
Federal Special Revenue Fund	46,241	46,241	0	47,336	47,336	0
Proprietary Fund	449,795	449,795	0	466,762	466,762	0
<b>Total Funding</b>	<b>721,866</b>	<b>706,739</b>	<b>(15,127)</b>	<b>740,437</b>	<b>725,310</b>	<b>(15,127)</b>

ITEM	FY92	FY93
• Director's Office	(8,495)	(8,495)
• Legal Charges	(6,632)	(6,632)

**Department of Health & Environmental Sciences  
Centralized Services**

5301-02

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	65.50	65.50	0.00	65.50	65.50	0.00
Personal Services	1,811,452	1,811,452	0	1,923,581	1,923,581	0
Operating Expenses	1,026,771	1,026,771	0	845,067	845,067	0
Equipment	81,164	81,164	0	1,927	1,927	0
<b>Total Costs</b>	<b>2,919,387</b>	<b>2,919,387</b>	<b>0</b>	<b>2,770,575</b>	<b>2,770,575</b>	<b>0</b>
General Fund	605,949	546,687	(59,262)	612,414	526,696	(85,718)
State Special Revenue Fund	1,126,864	1,186,126	59,262	957,806	1,043,524	85,718
Federal Special Revenue Fund	219,370	219,370	0	221,431	221,431	0
Proprietary Fund	967,204	967,204	0	978,924	978,924	0
<b>Total Funding</b>	<b>2,919,387</b>	<b>2,919,387</b>	<b>0</b>	<b>2,770,575</b>	<b>2,770,575</b>	<b>0</b>

ITEM	FY92	FY93
<ul style="list-style-type: none"> <li><b>Vital Statistics</b> General fund replaced by a like amount of state special revenue authority.</li> </ul>	<b>(34,544)</b>	<b>(61,000)</b>
<ul style="list-style-type: none"> <li><b>Public Health Lab</b> General fund replaced by a like amount of state special revenue authority.</li> </ul>	<b>(16,625)</b>	<b>(16,625)</b>
<ul style="list-style-type: none"> <li><b>Chemistry Lab</b> General fund replaced by a like amount of state special revenue authority.</li> </ul>	<b>(8,093)</b>	<b>(8,093)</b>

**Department of Health & Environmental Sciences**  
**Environmental Sciences**

5301-03

Budget Item	FY92		Difference	FY93		Difference
	Appropriated	Recommended		Appropriated	Recommended	
FTE	55.53	55.53	0.00	56.53	56.53	0.00
Personal Services	2,136,822	2,121,910	(14,912)	1,685,020	1,669,965	(15,055)
Operating Expenses	6,182,425	6,182,425	0	1,915,772	1,915,772	0
Equipment	220,207	220,207	0	46,177	46,177	0
Grants	651,381	651,381	0	652,150	652,150	0
<b>Total Costs</b>	<b>9,190,835</b>	<b>9,175,923</b>	<b>(14,912)</b>	<b>4,299,119</b>	<b>4,284,064</b>	<b>(15,055)</b>
General Fund	924,016	847,804	(76,212)	929,500	853,069	(76,431)
State Special Revenue Fund	7,041,973	7,103,273	61,300	2,138,176	2,199,552	61,376
Federal Special Revenue Fund	1,068,471	1,068,471	0	1,074,221	1,074,221	0
Proprietary Fund	156,375	156,375	0	157,222	157,222	0
<b>Total Funding</b>	<b>9,190,835</b>	<b>9,175,923</b>	<b>(14,912)</b>	<b>4,299,119</b>	<b>4,284,064</b>	<b>(15,055)</b>

ITEM	FY92	FY93
• <b>Air Quality</b> General fund replaced by a like amount of state special revenue authority.	(53,525)	(53,525)
• <b>Occupational Health</b> General fund replaced by a like amount of state special revenue authority.	(7,775)	(7,851)
• <b>Food &amp; Consumer Safety</b>	(14,912)	(15,055)

**Department of Health & Environmental Sciences  
Solid/Hazardous Waste**

5301-04

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	78.59	78.59	0.00	79.09	79.09	0.00
Personal Services	2,540,357	2,540,357	0	2,631,911	2,631,911	0
Operating Expenses	7,638,488	7,638,488	0	7,605,989	7,605,989	0
Equipment	100,116	100,116	0	98,824	98,824	0
Grants	1,069,004	1,069,004	0	1,069,004	1,069,004	0
<b>Total Costs</b>	<b>11,347,965</b>	<b>11,347,965</b>	<b>0</b>	<b>11,405,728</b>	<b>11,405,728</b>	<b>0</b>
General Fund	205,420	188,987	(16,433)	207,349	190,916	(16,433)
State Special Revenue Fund	3,349,509	3,365,942	16,433	3,405,414	3,421,847	16,433
Federal Special Revenue Fund	7,793,036	7,793,036	0	7,792,965	7,792,965	0
<b>Total Funding</b>	<b>11,347,965</b>	<b>11,347,965</b>	<b>0</b>	<b>11,405,728</b>	<b>11,405,728</b>	<b>0</b>

ITEM	FY92	FY93
• Solid Waste	(16,433)	(16,433)
General fund replaced by a like amount of state special revenue authority.		

REVISION 4  
 DATE 1-2-92  
 HB \_\_\_\_\_

Department of Health & Environmental Sciences

Water Quality

5301-05

Budget Item	FY92	FY92	Difference	FY93	FY93	Difference
	Appropriated	Recommended		Appropriated	Recommended	
FTE	63.25	63.25	0.00	63.75	63.75	0.00
Personal Services	2,183,607	2,173,714	(9,893)	2,277,836	2,267,474	(10,362)
Operating Expenses	3,195,608	3,195,608	0	3,140,379	3,140,379	0
Equipment	48,439	48,439	0	45,946	45,946	0
Grants	295,970	295,970	0	295,970	295,970	0
<b>Total Costs</b>	<b>5,723,624</b>	<b>5,713,731</b>	<b>(9,893)</b>	<b>5,760,131</b>	<b>5,749,769</b>	<b>(10,362)</b>
General Fund	229,888	219,995	(9,893)	228,730	218,368	(10,362)
State Special Revenue Fund	1,371,615	1,371,615	0	1,386,512	1,386,512	0
Federal Special Revenue Fund	4,122,121	4,122,121	0	4,144,889	4,144,889	0
<b>Total Funding</b>	<b>5,723,624</b>	<b>5,713,731</b>	<b>(9,893)</b>	<b>5,760,131</b>	<b>5,749,769</b>	<b>(10,362)</b>

ITEM	FY92	FY93
• Pay Exceptions	(611)	(1,080)
• Subdivisions	(9,282)	(9,282)

**Department of Health & Environmental Sciences  
Health Services/Medical Facilities**

5301-06

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	13.52	13.52	0.00	13.52	13.52	0.00
Personal Services	443,775	442,324	(1,451)	458,946	458,946	0
Operating Expenses	345,886	345,886	0	339,032	339,032	0
Equipment	4,240	4,240	0	4,240	4,240	0
<b>Total Costs</b>	<b>793,901</b>	<b>792,450</b>	<b>(1,451)</b>	<b>802,218</b>	<b>802,218</b>	<b>0</b>
General Fund	512,139	510,688	(1,451)	517,031	517,031	0
State Special Revenue Fund	45,753	45,753	0	45,455	45,455	0
Federal Special Revenue Fund	236,009	236,009	0	239,732	239,732	0
<b>Total Funding</b>	<b>793,901</b>	<b>792,450</b>	<b>(1,451)</b>	<b>802,218</b>	<b>802,218</b>	<b>0</b>

ITEM	FY92	FY93
• Health Planning	(1,451)	(0)

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 HB

**Department of Health & Environmental Sciences**  
**Family/MCH Bureau**

5301-07

Budget Item	FY92 Appropriated	FY92 Recommended	Difference	FY93 Appropriated	FY93 Recommended	Difference
FTE	26.50	26.50	0.00	26.50	26.50	0.00
Personal Services	774,351	770,005	(4,346)	805,051	800,705	(4,346)
Operating Expenses	1,558,474	1,544,835	(13,639)	1,540,103	1,526,464	(13,639)
Equipment	204,010	204,010	0	0	0	0
Grants	8,482,918	8,478,918	(4,000)	9,490,918	9,486,918	(4,000)
Benefits and Claims	7,144,657	7,144,657	0	7,142,026	7,142,026	0
<b>Total Costs</b>	<b>18,164,410</b>	<b>18,142,425</b>	<b>(21,985)</b>	<b>18,978,098</b>	<b>18,956,113</b>	<b>(21,985)</b>
General Fund	274,823	252,838	(21,985)	273,132	251,147	(21,985)
Federal Special Revenue Fund	17,889,587	17,889,587	0	18,704,966	18,704,966	0
<b>Total Funding</b>	<b>18,164,410</b>	<b>18,142,425</b>	<b>(21,985)</b>	<b>18,978,098</b>	<b>18,956,113</b>	<b>(21,985)</b>

HB 876 (biennial)                      14,000              12,880              (1,120)

ITEM	FY92	FY93
• Family Planning	(4,000)	(4,000)
• Perinatal Program	(4,346)	(4,346)
• MIAMI Program	(13,639)	(13,639)
• HB 876 - Chapter No. 634 Biennial appropriation for MIAMI Council.	(1,120)	(0)

**Department of Health & Environmental Sciences  
Preventive Health Bureau**

5301-08

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	21.50	21.50	0.00	21.50	21.50	0.00
Personal Services	635,195	635,195	0	660,757	660,757	0
Operating Expenses	1,070,316	1,051,816	(18,500)	1,063,618	1,045,118	(18,500)
Grants	11,968	11,968	0	11,968	11,968	0
<b>Total Costs</b>	<b>1,717,479</b>	<b>1,698,979</b>	<b>(18,500)</b>	<b>1,736,343</b>	<b>1,717,843</b>	<b>(18,500)</b>
General Fund	219,547	201,047	(18,500)	220,036	201,536	(18,500)
State Special Revenue Fund	60,020	60,020	0	65,874	65,874	0
Federal Special Revenue Fund	1,437,912	1,437,912	0	1,450,433	1,450,433	0
<b>Total Funding</b>	<b>1,717,479</b>	<b>1,698,979</b>	<b>(18,500)</b>	<b>1,736,343</b>	<b>1,717,843</b>	<b>(18,500)</b>

ITEM	FY92	FY93
• End Stage Renal	(18,500)	(18,500)

**Department of Health & Environmental Sciences  
 Licensing and Certification**

5301-09

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	47.55	47.55	0.00	47.55	47.55	0.00
Personal Services	1,509,829	1,430,676	(79,153)	1,560,874	1,502,313	(58,561)
Operating Expenses	874,518	874,518	0	803,693	803,693	0
Equipment	52,849	52,849	0	43,849	43,849	0
<b>Total Costs</b>	<b>2,437,196</b>	<b>2,358,043</b>	<b>(79,153)</b>	<b>2,408,416</b>	<b>2,349,855</b>	<b>(58,561)</b>
General Fund	527,589	448,436	(79,153)	574,415	515,854	(58,561)
Federal Special Revenue Fund	1,909,607	1,909,607	0	1,834,001	1,834,001	0
<b>Total Funding</b>	<b>2,437,196</b>	<b>2,358,043</b>	<b>(79,153)</b>	<b>2,408,416</b>	<b>2,349,855</b>	<b>(58,561)</b>

ITEM	FY92	FY93
• Licensing and Certification	(79,153)	(58,561)

Department of Labor & Industry

Department of Labor & Industry  
Employment Relations

6602-04

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	59.75	59.75	0.00	59.75	59.75	0.00
Personal Services	1,625,291	1,614,092	(11,199)	1,692,051	1,680,912	(11,139)
Operating Expenses	1,000,957	1,000,957	0	961,617	961,617	0
Equipment	17,259	17,259	0	9,659	9,659	0
Benefits and Claims	423,224	423,224	0	394,028	394,028	0
<b>Total Costs</b>	<b>3,066,731</b>	<b>3,055,532</b>	<b>(11,199)</b>	<b>3,057,355</b>	<b>3,046,216</b>	<b>(11,139)</b>
General Fund	434,423	423,224	(11,199)	405,167	394,028	(11,139)
State Special Revenue Fund	1,528,660	1,528,660	0	1,523,769	1,523,769	0
Federal Special Revenue Fund	714,371	714,371	0	739,325	739,325	0
Proprietary Fund	389,277	389,277	0	389,094	389,094	0
<b>Total Funding</b>	<b>3,066,731</b>	<b>3,055,532</b>	<b>(11,199)</b>	<b>3,057,355</b>	<b>3,046,216</b>	<b>(11,139)</b>

ITEM	FY92	FY93
<ul style="list-style-type: none"> <li><b>Silicosis Benefits Administration</b> (11,199) (11,139) Reduction of general fund budgeted for administrative costs. Bill language to restrict use of general fund for benefits only.</li> </ul>		

**Department of Labor & Industry  
Human Rights Commission**

6602-08

Budget Item	FY92	FY92	Difference	FY93	FY93	Difference
	Appropriated	Recommended		Appropriated	Recommended	
FTE	10.00	10.00	0.00	10.00	10.00	0.00
Personal Services	308,167	289,541	(18,626)	320,908	301,456	(19,452)
Operating Expenses	133,072	126,592	(6,480)	134,456	127,976	(6,480)
Equipment	7,800	5,100	(2,700)	4,000	1,300	(2,700)
<b>Total Costs</b>	<b>449,039</b>	<b>421,233</b>	<b>(27,806)</b>	<b>459,364</b>	<b>430,732</b>	<b>(28,632)</b>
General Fund	347,569	319,763	(27,806)	357,901	329,269	(28,632)
Federal Special Revenue Fund	101,470	101,470	0	101,463	101,463	0
<b>Total Funding</b>	<b>449,039</b>	<b>421,233</b>	<b>(27,806)</b>	<b>459,364</b>	<b>430,732</b>	<b>(28,632)</b>

ITEM	FY92	FY93
• Investigator 0.50 FTE investigator position held vacant.	(18,626)	(19,452)
• Local Area Network	(4,000)	(4,000)
• Hearing Examiner Services	(2,480)	(2,480)
• Personal Computers (2)	(2,700)	(2,700)

Department of Social & Rehabilitation Services

Department of Social & Rehabilitation Services

Family Assistance

6901-01

Budget Item	FY92	FY92	Difference	FY93	FY93	Difference
	Appropriated	Recommended		Appropriated	Recommended	
FTE	37.25	37.25	0.00	37.25	37.25	0.00
Personal Services	1,212,041	1,212,041	0	1,258,572	1,258,572	0
Operating Expenses	2,040,287	2,040,287	0	2,039,812	1,975,661	(64,151)
Equipment	72,195	72,195	0	72,195	72,195	0
Benefits and Claims	60,704,576	65,719,602	5,015,026	62,814,835	67,535,156	4,720,321
Transfers	777,897	777,897	0	777,897	777,897	0
<b>Total Costs</b>	<b>64,806,996</b>	<b>69,822,022</b>	<b>5,015,026</b>	<b>66,963,311</b>	<b>71,619,481</b>	<b>4,656,170</b>
General Fund	16,015,626	17,546,557	1,530,931	16,597,695	17,964,508	1,366,813
State Special Revenue Fund	753,506	835,685	82,179	788,471	869,113	80,642
Federal Special Revenue Fund	48,037,864	51,439,780	3,401,916	49,577,145	52,785,860	3,208,715
<b>Total Funding</b>	<b>64,806,996</b>	<b>69,822,022</b>	<b>5,015,026</b>	<b>66,963,311</b>	<b>71,619,481</b>	<b>4,656,170</b>

In addition to the decreases outlined in the Family Assistance Program, two welfare benefit categories are increased. Caseloads above those projected during the 1991 Legislature are being experienced in both the AFDC and General Assistance areas. Analysis of data covering AFDC and GA through October, 1991, indicate the need for additional expenditure authority for both fiscal years 1992 and 1993. The legislative decision to place payment levels at 42% of the Federal Poverty Index is maintained in the increases for AFDC and GA.

ITEM	FY92	FY93
<ul style="list-style-type: none"> <li><b>Legal Services Contract</b> A reduction of 50% in the FY93 Legal Services Contract is recommended.</li> </ul>	(0)	(50,000)
<ul style="list-style-type: none"> <li><b>Day Care Rate Increase Fund Switch</b> The day care rate increase general fund share will be replaced by child care development block grant federal funds in accordance with HB2 direction. Total day care rate increase funds remains as appropriated.</li> </ul>	(33,404)	(57,550)
<ul style="list-style-type: none"> <li><b>Project Work Program</b> Funding for the PWP will be reduced in each fiscal year.</li> </ul>	(100,000)	(100,000)
<ul style="list-style-type: none"> <li><b>Operating Costs</b></li> </ul>	(0)	(14,151)
<ul style="list-style-type: none"> <li><b>Operating Cost Fund Switch</b> A general fund reduction is offset by a federal revenue increase of \$16,899.</li> </ul>	(16,899)	(0)
<ul style="list-style-type: none"> <li><b>General Assistance Caseload Increase</b></li> </ul>	444,698	437,615

An increase is included in the GA program due to caseload trends during the first five months of FY92.

- **AFDC** 1,236,536      1,150,899  
An increase is included in the AFDC program due to caseload trends during the first five months of FY92. State special revenue increase is \$82,179 in FY92 and \$80,642 in FY93. Federal revenue increase is \$3,351,613 in FY92 and \$3,151,165 in FY93.

**Department of Social & Rehabilitation Services  
Administrative & Support Services**

6901-04

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	50.50	50.50	0.00	50.50	50.50	0.00
Personal Services	1,479,121	1,479,121	0	1,535,432	1,535,432	0
Operating Expenses	1,221,767	1,208,723	(13,044)	1,079,275	1,067,632	(11,643)
Equipment	30,464	30,464	0	30,464	30,464	0
<b>Total Costs</b>	<b>2,731,352</b>	<b>2,718,308</b>	<b>(13,044)</b>	<b>2,645,171</b>	<b>2,633,528</b>	<b>(11,643)</b>
General Fund	726,611	713,567	(13,044)	676,269	664,626	(11,643)
State Special Revenue Fund	335,907	335,907	0	337,735	337,735	0
Federal Special Revenue Fund	1,668,834	1,668,834	0	1,631,167	1,631,167	0
<b>Total Funding</b>	<b>2,731,352</b>	<b>2,718,308</b>	<b>(13,044)</b>	<b>2,645,171</b>	<b>2,633,528</b>	<b>(11,643)</b>

ITEM	FY92	FY93
• Operating Costs	(1,794)	(393)
• Grant Writing	(11,250)	(11,250)
General fund from the grant writing line item is removed. Other funding appropriated is retained.		

**Department of Social & Rehabilitation Services  
 Child Support Enforcement**

6901-05

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	116.00	116.00	0.00	116.00	116.00	0.00
Personal Services	2,899,270	2,899,270	0	3,028,674	3,028,674	0
Operating Expenses	1,311,311	1,294,076	(17,235)	1,355,163	1,327,550	(27,613)
Equipment	51,765	51,765	0	6,329	6,329	0
Local Assistance	35,000	35,000	0	35,000	35,000	0
<b>Total Costs</b>	<b>4,297,346</b>	<b>4,280,111</b>	<b>(17,235)</b>	<b>4,425,166</b>	<b>4,397,553</b>	<b>(27,613)</b>
State Special Revenue Fund	1,438,704	1,421,469	(17,235)	1,474,730	1,447,117	(27,613)
Federal Special Revenue Fund	2,858,642	2,858,642	0	2,950,436	2,950,436	0
<b>Total Funding Costs</b>	<b>4,297,346</b>	<b>4,280,111</b>	<b>(17,235)</b>	<b>4,425,166</b>	<b>4,397,553</b>	<b>(27,613)</b>

- | ITEM  | FY92 | FY93 |
|---|------|------|
| <ul style="list-style-type: none"> <li><b>Child Support Enforcement Operations</b> <p>A reduction in CSE operations of \$17,235 in FY92 and \$27,613 in FY93 will eventually produce a like transfer from CSE state special revenue to the general fund at fiscal year end.</p> </li> </ul> | (0)  | (0)  |

**Department of Social & Rehabilitation Services  
State Assumed County Administration**

6901-06

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
<b>FTE</b>						
Operating Expenses	1,090,710	1,090,710	0	1,091,372	1,080,928	(10,444)
Equipment	16,019	16,019	0	16,019	16,019	0
<b>Total Costs</b>	<b>1,106,729</b>	<b>1,106,729</b>	<b>0</b>	<b>1,107,391</b>	<b>1,096,947</b>	<b>(10,444)</b>
General Fund	606,151	606,151	0	606,639	596,195	(10,444)
Federal Special Revenue Fund	500,578	500,578	0	500,752	500,752	0
<b>Total Funding</b>	<b>1,106,729</b>	<b>1,106,729</b>	<b>0</b>	<b>1,107,391</b>	<b>1,096,947</b>	<b>(10,444)</b>

ITEM	FY92	FY93
• State Assumed County Operations	(0)	(10,444)

**Department of Social & Rehabilitation Services  
 Medicaid Services**

6901-07

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	44.50	44.50	0.00	44.50	44.50	0.00
Personal Services	1,446,660	1,446,660	0	1,502,210	1,502,210	0
Operating Expenses	4,054,220	3,982,441	(71,779)	3,560,207	3,476,104	(84,103)
Equipment	19,198	19,198	0	3,198	3,198	0
Benefits and Claims	241,410,662	243,973,799	2,563,137	260,761,067	250,288,536	(10,472,531)
Transfers	1,908,791	1,908,791	0	1,926,674	1,926,674	0
<b>Total Costs</b>	<b>248,839,531</b>	<b>251,330,889</b>	<b>2,491,358</b>	<b>267,753,356</b>	<b>257,196,722</b>	<b>(10,556,634)</b>
General Fund	57,133,752	60,151,079	3,017,327	61,992,319	59,731,693	(2,260,626)
State Special Revenue Fund	7,724,929	7,724,929	0	7,975,494	7,975,494	0
Federal Special Revenue Fund	183,980,850	183,454,881	(525,969)	197,785,543	189,489,535	(8,296,008)
<b>Total Funding</b>	<b>248,839,531</b>	<b>251,330,889</b>	<b>2,491,358</b>	<b>267,753,356</b>	<b>257,196,722</b>	<b>(10,556,634)</b>

In addition to the decreases outlined in the Medicaid Services Program, an increase is recommended for State Medical Benefits. Paid claims information through November, 1991, indicate that reductions forecast by the agency due to transfer of some clients to Medicaid and to managed care are not being realized to date. The unanticipated caseload increase in General Assistance is also reflected in the State Medical Program. The increase requested reflects agency belief that actions to reduce costs in the program will succeed at a slower rate than anticipated during the 1991 Legislature.

ITEM	FY92	FY93
• Division Operating Costs	(26,779)	(39,103)
• St. Med. Claim Processing Contract	(45,000)	(45,000)
• Personal Care Contract The agency proposes to make these reductions through administrative adjustments by the contract provider without any reductions in service.	(85,000)	(115,000)
• Durable Medical Equipment Medicaid purchases wheelchairs, wheelchair accessories and eyeglasses through independent providers. By purchasing these items through a single source in FY93, costs are projected to be lower.	(0)	(97,238)
• OBRA 90 @ 75% The agency will delay full implementation of this new federally mandated service providing rehabilitation services to children. A reduction of federal revenue expenditures of \$393,657 in FY92 and \$787,830 will also occur.	(155,300)	(307,900)
• Hospital Rate Increase	(0)	(920,613)

This reduction will eliminate the hospital rate increase appropriated for FY93. A reduction of federal revenue in the amount of \$2,355,590 in FY93 is associated with this reduction. The department will go forward with the scheduled hospital rate study to determine appropriate reimbursement levels for hospital based services and provide a recommendation for rebased rates for the 1995 biennium.

- **OB/GYN Rate Increase at 85%** (210,000) (282,380)  
 The agency will reduce the appropriated rate increase from 90% of allowed costs to 85% of allowed costs. This new proposed rate will still be a significant increase. A reduction in federal revenue of \$532,312 in FY92 and \$722,531 in FY93 will also result.
- **Managed Care Implementation Accelerated** (0) (2,044,014)  
 The 1991 Legislature funded managed care based upon an implementation date of January 1, 1993. The agency proposes to implement by October 1, 1992. The earlier implementation date along with more recent estimates of AFDC Medicaid caseload indicate that additional FY93 savings are expected to be achieved. A reduction in federal revenue of \$5,230,057 will also result.
- **Medicare Buy-In Fund Switch** (400,000) (800,000)  
 Under current federal regulations, clients for whom the agency pays buy-in to Medicare with 100% general fund can be transferred to programs funded with the federal matching rate. The program change will be implemented in January 1992. Reduction in general fund requires matching increases in federal expenditures of \$400,000 in FY92 and \$800,000 in FY93.
- **State Medical Program Increase** 3,939,406 2,390,622  
 An increase is included in the State Medical Program due to caseload increases and expenditure trends during the first five months of FY92.

Department of Social & Rehabilitation Services  
 Audit & Program Compliance Division

6901-08

Budget Item	FY92		Difference	FY93		Difference
	Appropriated	Recommended		Appropriated	Recommended	
FTE	40.00	40.00	0.00	40.00	40.00	0.00
Personal Services	1,104,596	1,104,596	0	1,147,290	1,147,290	0
Operating Expenses	162,444	159,444	(3,000)	162,865	151,970	(10,895)
Equipment	3,420	3,420	0	3,420	3,420	0
Transfers	198,226	198,226	0	198,234	198,234	0
<b>Total Costs</b>	<b>1,468,686</b>	<b>1,465,686</b>	<b>(3,000)</b>	<b>1,511,809</b>	<b>1,500,914</b>	<b>(10,895)</b>
General Fund	612,506	609,506	(3,000)	632,815	621,920	(10,895)
State Special Revenue Fund	7,923	7,923	0	8,184	8,184	0
Federal Special Revenue Fund	848,257	848,257	0	870,810	870,810	0
<b>Total Funding</b>	<b>1,468,686</b>	<b>1,465,686</b>	<b>(3,000)</b>	<b>1,511,809</b>	<b>1,500,914</b>	<b>(10,895)</b>

ITEM	FY92	FY93
• Operating Costs	(3,000)	(10,895)

**Department of Social & Rehabilitation Services  
Office of Management, Analysis & Systems**

6901-09

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	38.25	38.25	0.00	38.00	38.00	0.00
Personal Services	1,151,931	1,151,931	0	1,189,293	1,189,293	0
Operating Expenses	8,709,481	7,063,591	(1,645,890)	7,069,460	7,050,622	(18,838)
Equipment	158,132	158,132	0	89,591	89,591	0
<b>Total Costs</b>	<b>10,019,544</b>	<b>8,373,654</b>	<b>(1,645,890)</b>	<b>8,348,344</b>	<b>8,329,506</b>	<b>(18,838)</b>
General Fund	2,324,256	2,161,699	(162,557)	2,600,291	2,331,453	(268,838)
State Special Revenue Fund	1,010,057	810,057	(200,000)	896,011	1,146,011	250,000
Federal Special Revenue Fund	6,685,231	5,401,898	(1,283,333)	4,852,042	4,852,042	0
<b>Total Funding</b>	<b>10,019,544</b>	<b>8,373,654</b>	<b>(1,645,890)</b>	<b>8,348,344</b>	<b>8,329,506</b>	<b>(18,838)</b>

**ITEM**

	FY92	FY93
• <b>Operating Costs</b>	(12,557)	(18,838)
• <b>Non-Assumed County Computer Costs Fund Switch</b> Eligibility determination TEAMS computer costs for the counties which operate non-assumed welfare programs will be billed to the county in FY93. State special revenue is increased by \$250,000 in FY93 to reflect county payment. The eligibility determination computer costs for counties which now levy 12 mills (state assumed counties) will continue to be paid by the department with general fund.	(0)	(250,000)
• <b>TEAMS Operations</b> Computers for the TEAMS program will be leased instead of purchased resulting in a FY92 savings. At a federal matching rate of 50/50 for system operation, a reduction in federal expenditure of \$150,000 in FY92 will also result.	(150,000)	(0)
• <b>SEARCHS Development</b> The development contract for SEARCHS has been implemented at a cost lower than anticipated during planning. A reduction of Child Support state special revenue expenditure of \$200,000 in FY92 will eventually produce a like transfer from CSE to the general fund at fiscal year end. A reduction in federal expenditure of \$1,133,333 in FY92 will also result.	(0)	(0)

Department of Social & Rehabilitation Services  
 Vocational Rehabilitation Program

6901-10

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	74.00	74.00	0.00	73.50	73.50	0.00
Personal Services	2,062,101	2,062,101	0	2,130,728	2,130,728	0
Operating Expenses	456,073	451,150	(4,923)	428,791	425,591	(3,200)
Equipment	11,432	11,432	0	11,432	11,432	0
Benefits and Claims	6,132,412	6,132,412	0	6,286,833	6,193,470	(93,363)
<b>Total Costs</b>	<b>8,662,018</b>	<b>8,657,095</b>	<b>(4,923)</b>	<b>8,857,784</b>	<b>8,761,221</b>	<b>(96,563)</b>
General Fund	1,202,297	1,197,374	(4,923)	1,268,396	1,238,961	(29,435)
State Special Revenue Fund	692,330	692,330	0	694,753	694,753	0
Federal Special Revenue Fund	6,767,391	6,767,391	0	6,894,635	6,827,507	(67,128)
<b>Total Funding</b>	<b>8,662,018</b>	<b>8,657,095</b>	<b>(4,923)</b>	<b>8,857,784</b>	<b>8,761,221</b>	<b>(96,563)</b>

ITEM	FY92	FY93
• Operating Costs	(4,923)	(3,200)
• Vocational Rehabilitation Provider Rate Delay	(0)	(26,235)

A provider rate increase of 4.5% each fiscal year was approved by the 1991 Legislature. This recommendation delays implementation of the FY93 rate increase for 6 months until January 1, 1993. The FY92 rate increase was implemented on schedule and is not affected by this proposal. Matching federal revenue expenditure will be reduced by \$67,128 in FY93.

**Department of Social & Rehabilitation Services  
Visual Services Program**

6901-13

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	18.75	18.75	0.00	18.75	18.75	0.00
Personal Services	526,154	526,154	0	547,129	547,129	0
Operating Expenses	109,332	107,793	(1,539)	108,584	106,305	(2,279)
Equipment	9,129	9,129	0	9,129	9,129	0
Benefits and Claims	670,062	670,062	0	699,200	686,260	(12,940)
<b>Total Costs</b>	<b>1,314,677</b>	<b>1,313,138</b>	<b>(1,539)</b>	<b>1,364,042</b>	<b>1,348,823</b>	<b>(15,219)</b>
General Fund	295,763	294,224	(1,539)	306,887	300,972	(5,915)
Federal Special Revenue Fund	1,018,914	1,018,914	0	1,057,155	1,047,851	(9,304)
<b>Total Funding</b>	<b>1,314,677</b>	<b>1,313,138</b>	<b>(1,539)</b>	<b>1,364,042</b>	<b>1,348,823</b>	<b>(15,219)</b>

ITEM	FY92	FY93
• Operating Costs	(1,539)	(2,279)
• Visual Services Provider Rate Delay	(0)	(3,636)

A provider rate increase of 4.5% each fiscal year was approved by the 1991 Legislature. This recommendation delays implementation of the FY93 rate increase for 6 months until January 1, 1993. The FY92 rate increase was implemented on schedule and is not affected by this proposal. Matching federal revenue expenditure will be reduced by \$9,304 in FY93.

Department of Social & Rehabilitation Services  
 Developmental Disabilities Program

6901-14

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	40.25	40.25	0.00	43.25	43.25	0.00
Personal Services	1,277,917	1,277,917	0	1,409,117	1,409,117	0
Operating Expenses	303,791	296,908	(6,883)	320,779	308,945	(11,834)
Equipment	13,473	13,473	0	10,081	10,081	0
Grants	16,000	16,000	0	16,000	16,000	0
Benefits and Claims	29,595,964	28,968,614	(627,350)	33,631,137	32,563,838	(1,067,299)
<b>Total Costs</b>	<b>31,207,145</b>	<b>30,572,912</b>	<b>(634,233)</b>	<b>35,387,114</b>	<b>34,307,981</b>	<b>(1,079,133)</b>
General Fund	12,107,701	11,575,372	(532,329)	14,288,543	13,384,109	(904,434)
Federal Special Revenue Fund	19,099,444	18,997,540	(101,904)	21,098,571	20,923,872	(174,699)
<b>Total Funding</b>	<b>31,207,145</b>	<b>30,572,912</b>	<b>(634,233)</b>	<b>35,387,114</b>	<b>34,307,981</b>	<b>(1,079,133)</b>

ITEM	FY92	FY93
• <b>Operating Costs</b>	(6,883)	(11,834)
• <b>Part H. Fund Switch</b> Unexpended federal funds from prior year grants are available in the amount of \$120,000. General fund is replaced with these federal funds in FY92.	(120,000)	(0)
• <b>Part H. FY92 Delay</b> A reduction in the original agency funding request by the 1991 Legislature, coupled with the need for more time to meet all the federal program requirements, led the agency to seek a one year delay in full implementation of the Part H program. This delay will result in a one time savings during FY92. The agency intends to complete full implementation of the program as appropriated by the 1991 Legislature in FY93.	(200,000)	(0)
• <b>DD Current Level Benefit Reversion</b> Based upon information through the first 5 months of FY92, a general fund excess of approximately 1.5% is anticipated to occur. The FY92 general fund is reduced accordingly.	(119,150)	(0)
• <b>DD Provider Rate Delay</b> A provider rate increase of 4.5% each fiscal year was approved by the 1991 Legislature. This recommendation delays implementation of the FY93 rate increase for 6 months until January 1, 1993. The FY92 rate increase was implemented on schedule and is not affected by this proposal. Matching federal expenditure will be reduced by \$174,699 in FY93.	(0)	(492,600)

- **Supported Living - Supported Work Delay** (86,296) (0)

The 1991 Legislature provided an expansion of 30 slots for supported living and supported work programs for the developmentally disabled on the waiting list. This action would delay implementation of the new slots until FY93. Matching federal expenditure will be reduced by \$221,904 in FY92.
  
- **DD Group Home Start-up Funds Elimination** (0) (400,000)

The agency proposes to go forward with five new DD group homes scheduled for construction in FY93 but eliminate the state general fund start-up funds from the implementation. The agency is pursuing alternative sources of start-up funding including low interest loans and asking sites interested in providing services to contribute to some initial costs of construction.

Department of Family Services

Department of Family Services  
 Management Support

6911-01

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	51.50	51.50	0.00	51.50	51.50	0.00
Personal Services	1,777,719	1,683,841	(93,878)	1,860,396	1,762,167	(98,229)
Operating Expenses	985,984	978,484	(7,500)	789,286	759,286	(30,000)
Equipment	25,766	25,766	0	10,166	10,166	0
<b>Total Costs</b>	<b>2,789,469</b>	<b>2,688,091</b>	<b>(101,378)</b>	<b>2,659,848</b>	<b>2,531,619</b>	<b>(128,229)</b>
General Fund	2,071,576	1,970,198	(101,378)	1,986,199	1,857,970	(128,229)
State Special Revenue Fund	14,806	14,806	0	14,784	14,784	0
Federal Special Revenue Fund	703,087	703,087	0	658,865	658,865	0
<b>Total Funding</b>	<b>2,789,469</b>	<b>2,688,091</b>	<b>(101,378)</b>	<b>2,659,848</b>	<b>2,531,619</b>	<b>(128,229)</b>
HB569 MIS	547,339	286,589	(260,750)	0	0	0

ITEM	FY92	FY93
<ul style="list-style-type: none"> <li><b>Personal Services Reduction</b>            HB2 contained a 2% vacancy savings reduction for the central office of DFS. An additional 6% is included in this reduction which may be partially achieved through some savings in operating costs.</li> </ul>	(93,878)	(98,229)
<ul style="list-style-type: none"> <li><b>Training Funds</b>            Training funds which are uncommitted at this time are reduced.</li> </ul>	(7,500)	(30,000)
<ul style="list-style-type: none"> <li><b>HB 569 - Chapter No. 753</b>            The DFS Management Information System was funded as if system requirements and system development would be contracted to the Department of Administration. DFS has presented a plan to complete the MIS with internal staff at a cost savings.</li> </ul>	(260,750)	(0)

**Department of Family Services  
Community Services**

6911-02

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	344.20	344.20	0.00	344.20	344.20	0.00
Personal Services	9,856,945	9,521,841	(335,104)	10,251,324	9,902,779	(348,545)
Operating Expenses	2,588,067	2,568,067	(20,000)	2,646,244	2,626,244	(20,000)
Equipment	55,903	55,903	0	42,365	42,365	0
Grants	5,492,622	5,481,822	(10,800)	5,402,894	5,392,094	(10,800)
Benefits and Claims	22,788,905	24,093,564	1,304,659	23,918,522	22,473,477	(1,445,045)
<b>Total Costs</b>	<b>40,782,442</b>	<b>41,721,197</b>	<b>938,755</b>	<b>42,261,349</b>	<b>40,436,959</b>	<b>(1,824,390)</b>
General Fund	22,630,257	23,197,384	567,127	23,545,039	21,390,575	(2,154,464)
State Special Revenue Fund	2,672,405	2,672,405	0	2,701,636	2,701,636	0
Federal Special Revenue Fund	15,479,780	15,851,408	371,628	16,014,674	16,344,748	330,074
<b>Total Funding</b>	<b>40,782,442</b>	<b>41,721,197</b>	<b>938,755</b>	<b>42,261,349</b>	<b>40,436,959</b>	<b>(1,824,390)</b>
HB371 Aging Grants	200,000	100,000	(100,000)	0	0	0
HB491 Respite Care	100,000	50,000	(50,000)	0	0	0

ITEM	FY92	FY93
<ul style="list-style-type: none"> <li> <b>Personal Services Reduction</b> (335,104) (348,545)            HB2 contained a 2% vacancy savings reduction for Community Services field staff and exempted from that 2% approximately 185 social workers. An additional 4% is included in this reduction for all field staff which may be partially made up by operating savings.         </li> </ul>		
<ul style="list-style-type: none"> <li> <b>Medicaid Parental Assets Rule for Youth Psychiatric Program</b> (233,693) (928,493)            This reduction proposal would require a rule to consider parental assets of a child in youth psychiatric or residential services medicaid eligibility determination, instead of considering only the assets of the child. This reduction recommends the proposed rule change be effective April 1, 1992.         </li> </ul>		
<ul style="list-style-type: none"> <li> <b>Foster Care Rate Increase 6 Month Delay in FY93</b> (0) (194,772)            HB2 provided a 4.5% increase in foster care payments in each fiscal year of the biennium. This recommendation delays implementation of the FY93 increase for six months until January 1, 1993. Federal revenue expenditure will be reduced by \$70,585 in this decrease.         </li> </ul>		
<ul style="list-style-type: none"> <li> <b>Day Care Rate Increase Fund Switch</b> (38,708) (58,083)         </li> </ul>		

HB2 contained a federal day care block grant and instructions for replacing general fund in the day care rate increase with the block grant funds if federal approval was obtained. This reduction implements the reduction of the general fund. The replacement federal revenue is already in the DFS budget. This action will not reduce the total amounts appropriated for the day care rate increase.

- **Title IV-B Federal Revenue Increase Fund Switch** (75,697) (75,697)  
 The actual final allotment of Title IV-B funds received by DFS was \$1,122,093 in FY91. The amount budgeted in FY92 and FY93 was \$1,046,396. Therefore, a reduction in general fund and equal increase in federal revenue is proposed to recognize the additional federal grant funds.
- **Operating Costs** (20,000) (20,000)
- **Cap Alcohol & Drug Treatment** (12,100) (13,300)  
 This reduction would cap expenditures at \$200,000 per year. After this reduction, FY92 and FY93 appropriations will remain slightly higher than the FY91 actual expenditure level of \$198,960.
- **Domestic Violence** (10,800) (10,800)  
 This reduction represents an 8% reduction in the appropriation and a 6% reduction below FY91 actual general fund expenditure level of \$132,212.
- **Big Brothers and Sisters** (13,860) (14,553)  
 This reduction represents an 8% reduction in the appropriations. After the reduction, increases of 0.6% in FY92 and 5.7% in FY93 above the FY91 actual expenditure level of \$158,393 will remain.
- **Miscellaneous Federal Recovery Increase Fund Switch** (295,931) (324,962)  
 This item represents efforts of the agency to increase eligibility determination on clients and implement revisions in the federal cost recovery process to obtain maximum federal revenue. Additional revenues will be collected and offset general fund.
- **Continuum of Care** (599,919) (165,259)  
 This item represents an implementation in the continuum of care consistent with current planning and start-up activities as presented to the Legislative Finance Committee in November 1991. The agency will attempt to offset the FY93 portion of this reduction through refinancing and additional federal cost recovery.
- **Foster Care Increase** 2,202,939 (0)

Information available at this point in FY92 indicates that increases in child placement and services are higher than anticipated in the appropriation approved by the 1991 Legislature and that additional general fund is required to offset expenses above the expenditure caps in the non-state assumed counties. This increase is the best estimate available currently for the level of expenditures during FY92 for foster care. The recommendation includes \$600,000 for youth currently in the DFS system but waiting for an appropriate level of service slot.

- **HB 371 - Chapter No. 556** (100,000) (0)  
 The bill appropriated \$200,000 for the biennium for additional in-home services aging grants. This reduction would reduce the appropriation by 50%.
- **HB 491 - Chapter No. 559** (50,000) (0)  
 The bill appropriated \$100,000 for the biennium for increased respite care for foster children. This reduction would reduce the appropriation by 50%.

Department of Family Services  
 Mountain View

6911-03

Budget Item	FY92			FY93		
	Appropriated	Recommended	Difference	Appropriated	Recommended	Difference
FTE	67.13	67.13	0.00	67.13	67.13	0.00
Personal Services	1,860,510	1,805,826	(54,684)	1,919,148	1,862,726	(56,422)
Operating Expenses	334,137	334,137	0	341,338	341,338	0
Equipment	4,436	4,436	0	11,379	11,379	0
<b>Total Costs</b>	<b>2,199,083</b>	<b>2,144,399</b>	<b>(54,684)</b>	<b>2,271,865</b>	<b>2,215,443</b>	<b>(56,422)</b>
General Fund	2,088,655	2,033,971	(54,684)	2,158,864	2,102,442	(56,422)
State Special Revenue Fund	3,134	3,134	0	3,135	3,135	0
Federal Special Revenue Fund	107,294	107,294	0	109,866	109,866	0
<b>Total Funding</b>	<b>2,199,083</b>	<b>2,144,399</b>	<b>(54,684)</b>	<b>2,271,865</b>	<b>2,215,443</b>	<b>(56,422)</b>

ITEM

- Personal Services Reduction** (54,684) (56,422)

HB2 contained a 2% vacancy savings reduction for Mountain View School. An additional 3% is recommended and may be achieved through some savings in operating expenses.



To: Dorothy Bradley, Chairperson  
Human Services Appropriations Subcommittee

From: John McCrea  
Protection & Advocacy

Re: Care & Treatment of Adolescents

Date: January 2, 1991

Madame Chair and members of the committee, My name is John McCrea from Helena. I represent and advocate for adolescents and adults who are admitted to twenty-four care and treatment facilities and address abuse, neglect and rights related issues. As an advocate I've had the opportunity to observe, interact and represent adolescents whose conditions and treatment can be described as abusive, neglectful and marginal.

I am not here to place blame on any one facility, department or system for what I am about to describe to you. In past discussions regarding adolescent issues, I've heard responses, such as we need more money to provide services, the need for staff training, how to address staff burnout, a need for additional staff to address increasing caseloads, renovation and/or replacement of current facilities etc.. These are all justifiable areas of concern and will probably be mentioned by other individuals. My concern is care and treatment.

Imagine if you will an adolescent who has been placed into a 5x8 room described as a quiet room or observation room with four stark walls with a mattress three inches thick and nothing else to focus on except the solitude and the cuts on his arm from a piece of glass which was obtained in trade for cigarettes. Imagine the adolescent whose illness is maintained through excessive medication which eventually results in involuntary abnormal movement of different parts of the body. This same child who now has been bounced from facility to facility. His current treatment program has been marginally successful, but it will require a group home facility which is not available. The adolescent who is in need of treatment in a facility but can't get treatment due to an inability to hire a psychologist or a psychiatrist and instead his biggest fear is when he will be assaulted next by her or his peers. What about the child that has remained in a quiet room for extensive

1-2-92

periods of time because the facility isn't providing appropriate care and treatment. A child because of their abusive background is further intimidated by staff who are not trained to effectively address this child's needs. I'm aware of a seriously mentally ill child who has been restrained to the floor almost daily due to behavior that he can't control and the child who is heavily medicated as a means to control their behavior because appropriate care and treatment is not being provided. Picture the child who is discharged back to an environment where there wasn't appropriate support services to address. The abuse that occurred in their past or deal with the dysfunction that currently exist in their home and has not been addressed and the response is this is the best we can do. And finally, the adolescent who successfully committed suicide and upon investigating the case was told by other adolescents how you can successfully kill yourself if you want. I previously described this as abusive, neglectful and marginal care and treatment. I now describe it as an atrocity.

This reminds me of the game of tug-a-war that I use to play as a kid where you used a rope to pull one team to your side. I now see the same game being played as an adult and as a professional where we are using kids as the rope and the teams are comprised of us. We are responsible. The question is whether we choose to accept the responsibility.

Watching kids bouncing from one program to the next without accountability for care and treatment or kids being placed out of state, returning to questionable support in the community or being pulled from care and treatment facilities because a decision has been made that current funding needs to be cut back or placing adolescents in treatment programs which are marginal because funding wasn't available is **not** solid fiscal and programmatic management and ultimately in the end results in one more child facing a greater challenge than you and I have today which is to live ... one more day having to deal with the abuse and neglect that there life revolves around. We need to stop our "knee-jerk" management of adolescent lives.

I would hope we are able to reassess what is at stake here and realize that kids and adolescent programs can not take a major cut in funding. I want to thank you for your time and the opportunity to testify.



5  
1-2-92

**Testimony by Bob Olsen, MHA Vice President  
January 2, 1992  
before the  
Human Services Subcommittee**

Mr. Chairman. Members of the subcommittee. My name is Bob Olsen. I am Vice President of the Montana Hospital Association, which represents 3 inpatient psychiatric hospitals and 59 community hospitals.

One of the proposals before you would modify the so-called "family of one" rule used to determine whether youth receiving inpatient psychiatric treatment are eligible for Medicaid coverage.

As you know, under the current regulations, children who require long-term inpatient psychiatric treatment can qualify for Medicaid benefits, regardless of their family's resources.

They become eligible after they are in treatment for 30 days, and in Medicaid's eyes, they become a "family of one."

Under the administration's proposal, parents' resources would be considered in determining eligibility for Medicaid benefits.

The Montana Hospital Association strongly supports the notion that those who can pay for health care services should do so. We are not interested in spending scarce tax dollars on those who are financially capable of paying for health care services themselves.

But MHA has two concerns with this proposal. First, we are concerned that the impact of this rule change has not been thoroughly studied.

It's easy to say that those who pay should pay. Who would disagree?

However, we believe the state has not conducted the kind of analysis that will enable us to implement this principle for inpatient child psychiatric care.

For example, the state has done little study to determine how many children would be affected by this rule change, how they would be affected, or what alternatives for care they would have.

(over)

**MRCCA**

324 FULLER AVENUE  
HELENA, MT 59601

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A few months ago, the Montana Residential Child Care Association made the decision to go ballistic. The members cumulatively had contributed decades of blood, sweat, and tears to abused, neglected, and emotionally disturbed children of Montana, both on a personal and a professional level.

More recently, the Association had committed itself wholeheartedly to actively supporting before the 52nd Legislature some very basic structural support for the Department of Family Services.

While there was major concern and disappointment that a mere eight social workers was added during the legislative session, there nevertheless was some optimism that other gains would contribute to a rosier future for kids in Montana. Right at the top of the list was a Management Information System. Additional dollars with which to develop the continuum of care was viewed with some guarded optimism.

From a pure provider standpoint, we were confident that the 4.5% provider rate increase would "keep the wolf from the door" over the next two years of the biennium. The Riverview Home in Wolf Point and the Great Falls Receiving Home expressed relief and gratitude for additional dollars that would allow them to continue operation.

Our optimism was short-lived. Almost simultaneously the system was delivered two swift blows: In August the 8% cuts were announced, followed swiftly by the news that the foster care budget was some \$2 million overspent only sixty days into the new Fiscal Year. That is when MRCCA decided to mobilize its forces.

Phrases like "one in, one out," "dollars in, dollars out" became a part of everyday conversation among care givers, probation officers, foster families, mental health therapists, social workers and many other concerned child advocates. Those people were experiencing firsthand what those words really meant. They mean that kids are being denied attention and treatment. They mean that children are receiving inappropriate or inadequate treatment. They mean that children who are crying out for help must do so via youth court. They mean that the horror stories are escalating.

It was at this point that the Montana Residential Child Care Association decided, "Enough is enough." Members determined that they would launch a full-scale war against "The Quiet Crisis." They determined that they would fight that war on



## CHILDREN IN NEED: THE QUIET CRISIS

### The Law

Montana Statute charges the Department of Family Services with the provision of "...protective services to ensure the health, welfare, and safety of children...who are in danger of abuse, neglect, or exploitation within communities," and, "Provide for the care, protection, and mental and physical development of youth alleged to be youth in need of supervision or delinquent youth who are referred or committed to the department..." (52-1-101(1)(2) MCA. Children who have been alleged to have been abused and neglected are the responsibility of the Department of Family Services through their Child Protective Services.

### The Children

There has been a dramatic increase in the number of children involved in child abuse and neglect investigations. In 1985 there were 7,328 children involved, while in 1990 that number had increased to 10,256. Over the past five years, there has been a 7.2% average yearly increase in the number of children involved in child abuse and neglect investigations. If that average holds, there will be approximately 14,520 children involved in child abuse and neglect investigations in 1995.

In 1990, there were 12,532 child abuse and neglect incidents alleged. There were more incidents reported than the number of children involved due to repeated incident. Of those alleged incidents, 4,972, or about 40% of them, were substantiated. If the percentage increase of 7.2% holds for the number of substantiated child abuse and neglect cases, then there will be 7,040 cases in 1995.

### The Reality

The Department of Family Services child protective staff has remained about the same size over the past seven years. What the above figures do not attest to is the change in the nature of the cases for which they are charged to investigate and provide services. Most social workers maintain that the children and families they are involved with have problems that are tougher to treat than ever before. Homelessness, fetal alcohol and drug syndrome, sexual abuse, multiple handicaps, and severe emotional disturbance are new problems that the traditional child welfare system was not designed to handle.

In a study done for the 1991 Legislature, Child Protective Service workers said that they inadequately served over one third of the 10,256 children who were involved with child abuse and neglect complaints. That translates into approximately 3,500 children who did not receive adequate child abuse and neglect protective services.

EXHIBIT 6  
DATE 1-2-92  
HB \_\_\_\_\_

describing move quickly through their childhood years into adulthood, these former victims become victimizers. Does anyone doubt anymore the inescapable correlation between childhood abuse and subsequent criminal activity?

Perhaps our greatest frustration lies in not being able to describe to you with some precision the quiet crisis these children have been experiencing. The state has been charged by statute to protect these children who are the victims of child abuse and neglect, and many of their stories would shock and deeply disturb nearly any adult. Yet, over the years, there has not been even a rudimentary data base in place to count and describe these children. It is safe, but tragic, to say that this state could far better describe its population of deer and elk than the children who have been, and continue to be, abused and neglected.

**Our opinion*****Legislators should leave family services alone***

**The issue:** Montana's system for dealing with troubled children is vulnerable going into next week's special legislative session.

**Our answer:** Lawmakers should take care to ensure that services for those kids aren't damaged.

Three weeks ago, a district court jury in Bozeman awarded \$637,000 to a 6-year-old girl who was severely beaten in 1988 by her adoptive father. The jury said the state Department of Family Services had 30 percent of the responsibility for the girl's troubles.

She had been placed with the adoptive father and mother by the department. The girl's lawyers said the agency was negligent because it placed the child with the adoptive parents despite the father's history of abuse, and because it didn't adequately investigate allegations of abuse after the adoption took place.

Surprisingly, the department hadn't done a background check on the adoptive parents — even though its own records would have shown a problem with the adoptive father.

The jury's decision was one more sign of a troubled child-welfare system.

State officials have known for years that the system was ailing.

A big part of the problem is that the agency, created just four years ago, has never received adequate state funding. For example, the number of cases of reported abuse and neglect of children climbed from 7,328 in 1985 to 11,029 in 1990 — an increase of 34 percent. And the number of children in the foster-care system rose from 2,390 in 1985 to 3,125 in 1990 — 31 percent.

But the department's staffing has not kept pace. The agency had 154 social workers in 1984, compared with 168 in 1990 — a 9 percent increase. At the same time, the children entering the system are more and more troubled.

A task force recommended last year that the Legislature give the department an additional 108 social workers to handle the caseload. Lawmakers only added eight.

And the effect of adding those social workers has been diluted by the other department efforts to save money to cope with the current funding crisis. Historically, the Department of Family Services has been treated like a forgotten stepchild.

Other programs have done better at budget time, partly because their constituents are more adept at lobbying and leaning on legislators. Troubled children don't lobby for programs that benefit them. And their caretakers are too busy dealing with each day's emergencies to spend time cajoling lawmakers.

Legislators should keep the department's needs in mind during the special session to ensure more damage isn't done.

If they don't, they could end up having to pay more later for kids who end up in prisons or mental institutions.

Also, as the Bozeman case shows, the state could face more costly lawsuits. Members of the Montana Residential Child Care Association say they have met with an attorney and are considering suing the state because of the department's inadequate funding and mishandling of children.

In the meantime, the department should take another look at its policies to ensure there isn't a repeat of the Bozeman situation. It should be doing better background checks of adoptive and foster parents.

# Agency shirks duty to kids, say critics

Recent court cases in Montana have drawn concern from child-care providers about whether the state properly cares for children placed in its custody. Stories prepared for today and Monday in the case, problems in the state's Department of Family Services and steps being taken to ensure better lives for children.

By KEIN PEKOC  
IR Staff Writer

Many of those who care for the hundreds of Mont-

ana children taken from dysfunctional families and placed in state custody agree: Montana is a lousy parent.

"I think it's incredible that we expect to take responsibility of children, and then we do such a poor job with that responsibility," Harold Hood, a Lewis and Clark County public defender and former state Department of Family Services attorney, said last week.

(More DFS, page 8A)



Wilkinson

Olsen

## THE LATE PAGE

### DFS

Even Tom Olsen, DFS director, agrees that serious problems exist in the four-year-old department, which has been plagued by inadequate funding from its independent funding from its inception and thus has received criticism and thus has received criticism for poor parenting. He said he's confident, however, that DFS convinced lawmakers of its long-term needs during 1991.

The upcoming special session won't bring catastrophe, he said, because he's already cut his budget by a percent, as Gov. Stan Stephens ordered in September. "I think the state has been as good a parent as it could be with the resources and direction it had," Olsen said. "We started out in the hole."

DFS WAS HASTILY created in 1987 and has suffered from:

- Too few social workers. A 1991 Legislative survey recommended that DFS, which has 185 social workers, hire an additional 100. Funding was provided for eight.
- Poor planning. Some of those recently received their first file cabinets. Others opened in 1987 without furniture and paper.
- Unstable leadership. Olsen, hired in October 1990, is the department's fifth director.
- Archaic information sharing. Case files have been kept in boxes in 28 offices across the

state. A computer system is being developed but won't be fully operational until 1994.

"We've got a system right now that isn't set up very well," Olsen said. "That's the frustration. I'd like to get all this done tomorrow."

... OUR ULTIMATE goal is to teach the parents to be good parents so we don't have to be."

The agency's goals are noble, but DFS has a long way to go before achieving satisfaction, according to child-care providers, attorneys, juvenile probation officers and a former department administrator interviewed last week.

Each of more than 20 people contacted agreed that DFS suffers from the same problem as every other state agency: not enough money to do the job.

They say taxpayers should be more concerned about the DFS funding problem, however, because the lives of too many Montana kids are needlessly in turmoil.

Turnoil heads to trouble and costly prison terms, they say. DFS employees "can only do so much with the money they're given," Hood said. "It has always been a system that only reacts to crisis."

A CRISIS IS apparent, according to members of the Montana Residential Child Care Association. Decisions regarding how and where to handle the children —

many of whom either are mentally ill or suffering from neglect and abuse — are not based on their needs but on state finances.

MRCOA members said during a meeting in Helena last week. MRCOA comprises about 25 child-care providers from across the state. Its two staff members lobby lawmakers on behalf of the group.

Helena MRCOA members include, for example, Intermountain Deaconess Home for Children, Shodorff Hospital and Helena Youth Resources.

MRCOA claims the state's policy of placing children in the "least restrictive environment" actually means "least costly environment" — and inappropriate treatment settings.

OLSEN STEADFASTLY disputed that contention and implied that MRCOA members are concerned with their financial interests.

"We have to live within the budget we are given to operate," Olsen said. "We will do that."

Yet, "The child's rights are basically disregarded," said John Wilkinson of Intermountain Deaconess Home for Children. "Decisions are made not on what's best for kids, but what's best for the state's budget."

The end result, MRCOA says, is a system that breeds failure: Children placed in foster homes often need more intensive — but expensive — care.

EVENTUALLY, THE BEHAV-

ior of children becomes worse. Crimes are committed and emotions are eroded.

By then children are beyond short-term inpatient care and need long-term treatment, MRCOA members say.

Again, however, they claim children conventionally are placed in "securely" environments, such as the Mountain View state girls' school in Helena and Pine Hills boys' school in Miles City.

Those children are released to society between ages 18 and 21. They frequently wind up in jail or prison, attorneys and MRCOA members said.

"What's the saying? Save a nickel to spend a dollar," Hood said.

There are success stories, MRCOA members said, but in essence most children don't receive the type of help they need or, more important, when they need it.

"If we don't take care of them (now), they'll be taking care of them later in corrections at a much higher price tag," MRCOA staffer McGowan said.

OLSEN DISAGREED that the system is made to fail, but he agreed that children indeed aren't receiving recommended treatment.

"We've been guilty of that," he said. "We won't be in the future."

COMING MONDAY: Planned DFS improvements for handling youth cases.

## Helena among those who return to haunt state

Three teenagers in the past month have left a Helena courtroom in tears after they were punished for crimes that some officials believe could have been prevented with proper state care.

Admitted arsonists Crystal Castro, 15, and Lilo Doney, 17,

### Casualties

along with admitted throat slasher Denise Dorton, who turned 18 shortly after committing the crime, are being handed at enormous state cost and likely will be for years.

Yet, in each case, court testimony revealed that psychologists had years earlier recommended that the state place each girl in residential care for treatment.

Instead, they were placed in foster homes, from which they fled. Their behavior worsened and they wound up being ordered to the Mountain View state girls' school in Helena, a facility known more for security than treatment.

Now Castro, who was traumatically dragged from court Nov. 26, hankcuffed and in a violent rage, is being held in a temporary care setting, awaiting long-term treatment at a Utah facility that will charge the state about \$250 per day.

Doney will be prosecuted as an adult and, if convicted, could wind up in prison.

Dorton was sentenced Dec. 13 to 27 years in prison. Although she could be eligible for parole in four to seven years, probation officers must keep tabs on her for 40 years.

"One wonders if she could've been adequately handled at the age of 13," Dorton's court-appointed attorney, Randall Hood, said last week.

When Dorton was 13, two independent psychological evaluations advised the state to put her in a residential setting for treatment.

The state didn't follow the advice. Hood says she's thought a lot about what might have happened if the state handled Dorton differently.

"She's intelligent, articulate, a person with a lot of potential," Hood said. "It's a waste, not only in terms of her, but her victim also."

Leo Gallagher, the attorney representing Castro, also said he's grown frustrated with her handling and with delays in placing her in the Utah facility. Because the case is still active in court, however, he had little to say specifically.

Others spoke freely, however, and said they are angered that all three girls have lived troubled lives because of state funding problems.

"There are lots of Castro examples out there. It's pathetic, it really is," said Kathy McGowan, a staff member for the Montana Residential Child Care Association.

In 1985, 7,300 Montana kids were involved in child abuse investigations, the MRCOA reported. In 1990, the number grew to 10,256.

McGowan said she knows of a child who hasn't celebrated a 10th birthday but has been placed in about 40 different settings by the state. Most moves are the result of failed foster family placements, where the child either runs away or is too difficult to handle.

Other times, foster family and adoption failures are the result of poor state screening. A Gallatin County jury last week awarded a 6-year-old girl \$627,000 in damages from a 1988 beating at the hands of her adoptive father. The state placed the child in the adoptive setting.

"The long-term ramifications of leaving these kids unaccounted for are enormous," said Lewis and Clark County deputy attorney Carolyn Clemens.

County Attorney Mike McGrath said Clemens said their concern about today's parenting methods is overwhelming.

Clemens said more and more parents enter court hearings and don't contest the state taking custody of children.

The office has handled 6 child-neglect investigations this year; she recalls a recent year where 33 children were taken from 20 families because of neglect.

The goal of child-neglect cases, she said, is to provide intervention and care that will reunite children with families.

"I'm shocked by the number of parents who have simply signed away their kids to the state," she said.

McGrath said the problems worsen when problematic children grow older and have kids of their own.

He calls it a "geometric progression" of dysfunctional families that leads to crime.

# Improvements in family agency slow to show

These stories, the last in a two part series about troubled children, discuss planned improvements that could prevent a lawsuit.

By KEN PEKOC  
IR Staff Writer

Tom Olsen talks openly about problems in the Department of Family Services, but his words leave one with the impression that the storm has passed and better days are ahead.  
"Right now the situation is terrible" in certain

areas, DFS Director Olsen said last week during an interview. "But I think we have very good legislation support for Family Services.  
"We're not as vulnerable as we were."  
One of his predecessors, longtime state administrator and former DFS Deputy Director Dennis Taylor, disagrees.  
"Taylor" who completed a thorough DFS evaluation for Gov. Stan Stephens in July 1990, was asked



Taylor

A group of Montana child-care providers say they are considering suing the state Family Services Department because of inadequately funded programs and mishandled children.

By KEN PEKOC  
IR Staff Writer

(More on FAMHS DFS, page 8A)



Meekler

## Families

Continued from Page 1A

last month to address the Legislature's Interim Committee on Children Families about progress during the 16-month span.

He told them that better plans and more funds are needed to prevent kids' social problems rather than waiting to deal with the consequences, such as prison stays, unwanted pregnancies and school dropouts.

"I tell like the situation was worse than it was a year ago, and it was deplorable then," Taylor, father of five foster children, now is chief administrative officer for the City of Missoula.

His 78-page report to Stephens, a focal point of the 1990 Governor's Conference on Children, Youth and Family Services, listed several recommendations to improve how DFS operates and handles children.

"Very few have been followed through," Taylor said, and those that have were done so "symbolically" and "superficially."  
Glenn McFarlane, president of the Montana Residential Child Care Association, agreed while at

a meeting in Helena last week. In fact, he said little progress has been made in DFS since the conference.

Olsen says Taylor and McFarlane are wrong.  
"We've done a lot beyond what Taylor recommended," Olsen said, reviewing a six-page synopsis of those changes.

In addition, he says, DFS has plans to:  
■ Develop standardized systems for evaluating and assessing children's problems, which Olsen said will bring kids more appropriate care.

■ Cutb the number of dysfunctional families through surveys and intervention. Olsen says other states have successfully had families answer questionnaires when their children are born. The survey results show the likelihood of the family becoming dysfunctional and present the family with an early intervention option.

■ Teach parents to become better parents. DFS is just starting its Family Based Services program, which Olsen says is designed to place social workers in dysfunctional homes for about 20

hours each week in an attempt to prevent the state from having to take custody. Families are identified for the program by referrals from abuse and neglect cases, for example.

■ Shore up funding difficulties by seeking more federal funding.  
In addition, the legislature's interim committee, which was created to study early prevention for at-risk families, is holding a Feb. 6-7 conference in Helena entitled, "Strengthening Montana's Families."

"We're not where we want to be, but we're moving there," Olsen says.

Others, however, are skeptical of the changes, saying they won't work because there is not enough money.  
For example, Stephens said during the 1990 conference that "The needs of children and families, in the eyes of the state, will not be relegated to any kind of second-class status."

One MRCCA member, when hearing that year-old statement last week, laughed and said, "If we could get second class, that would be great. Now we're about

third or fourth."  
Taylor said neither Olsen nor DFS employees should feel responsible for the state of affairs.  
"It's not Tom's problem, it's not the Department of Family Services' problem," Taylor said. "It's a national problem... case-loads are too high for social workers, there's too much turnover and not enough training."

Some attorneys also say the changes are coming too late.  
"The kids I see in the juvenile system are getting younger by the day," Helena public defense Attorney Handi Hood says. "We're dealing with kids almost at their births."

Just as worrisome, they say, are the types of crimes youngsters are committing. Sex offenses and life-threatening incidents now appear where earlier during the 1990 conference that "The needs of children and families, in the eyes of the state, will not be relegated to any kind of second-class status."

They say it's partly due to the abuse kids are subject to in their homes, but also because the state has mistreated and abused them.

## Lawsuit threatens

By KEN PEKOC  
IR Staff Writer

A group of Montana child-care providers say they are considering suing the state Family Services Department because of inadequately funded programs and mishandled children.

(More on SUIT, page 8A)

## Suit

Continued from Page 1A

Members of the Montana Residential Child Care Association confirmed last week that they have met with a San Francisco attorney who advised them on how to proceed.

Their decision whether to sue likely won't be made until after lawmakers and Gov. Stan Stephens finish allocating budgets in the Legislature's special session, which convenes Jan. 6.

MRCCA members said they are angry that lawmakers next month will strip DFS of about \$4 million for the next two years.  
"If they do, the disasters that are occurring will just get that much worse," Dick Meeker, Lewis and Clark County chief juvenile probation officer, said last week. "What do you do with kids? You can't just throw them away, and we have been."

When discussing the threat of a lawsuit, he said, "It seems we

enact legislation by court order these days."  
He was referring to recent successful suits filed by school districts against the Office of Public Instruction and state hospital mental patients against the Institutions Department.

Kathy McGowan, an MRCCA staff member, said the lawsuit idea was born purely out of frustration by her clients.  
"They're trying to get something done for kids, and they don't see any progress with the legislative branch or the executive branch, and they keep seeing kids going down the tubes," she said.

MRCCA members also have preliminarily approached Helena Attorney Leo Gallagher about handling a suit. He is representing a 15-year-old girl who exemplifies their frustration.

A judge ordered the state Nov. 26 to place Gallagher's client, an admitted arsonist, in a hang-term

facility in Utah for treatment of emotional and mental illnesses. State officials told Judge Thomas Hanzel they would do so within two weeks.

As of Friday, nearly a month after Hanzel's order — the girl remained in a short-term, temporary facility in Butte.

"I've been approached by a number of people" about suing the state, Gallagher said. "I'm interested in seeing that the kids are given what's needed."

## Changed role envisioned for Mountain View school

Among the proposed changes in the Department of Family Services is a plan to change the Mountain View state girls school into a minimum-security coeducational facility.

A draft report from the department's Juvenile Corrections Division highlights tragic cases involving children that led to the proposals.

Montana's juvenile corrections system must be restructured to better meet the needs of our children," the report says. "The rape of a 10-year-old girl by a Pine Hills youth in February 1990, and the suicide of a seriously mentally ill boy in Pine Hills in October 1991 are undeniable evidence that Montana's juvenile corrections institutions are being asked to do an impossible task," the report read.

The plan calls for making Pine Hills a high-risk facility for serious boy and girl offenders. The school would have long term clinical, educational and vocational programs.  
Mountain View, meanwhile, would be downsized to a short facility.

By KEN PEKOC  
IR Staff Writer

Dec 30 EXHIBIT 7  
DATE 1-2-92  
HB \_\_\_\_\_

Dear Jim & Kathy,

Excuse the handwriting, please. My computer was stolen while we shut down Christmas. It has been recovered by police but is being held until the hearing etc. A former resident who ran Dec 20 and knew we'd be gone was involved. Here are a couple of profiles. (The 26<sup>th</sup> was spent repairing damage of the break-in. I've been off work til tomorrow.)  
Fifteen year-old male sex offender. Mother cannot control him, yet he is sent back because finances leave no other options. He is also truant from school and involved in petty theft. He has been sent to line. Ran from BSCF twice. The second time he refused to stay because we require kids who cannot attend school to do community service. He chose detention instead.

Thirteen year old female who has been sexually molested by four family members including ~~step~~ father and natural father who beat her and her mother. (Youth Probation Chief). Allegedly impregnated and aborted twice. Her fifteen year old sister is 9 months pregnant. Youth Probation reluctantly put her in Mt. View because she forged a check. He had wanted to put her in treatment for the abuse long before, but could not. He said, "She needs treatment. She's the victim and she's getting punished."

Fifteen year old male who told me that he'd been trying to get out of an abusive home situation for ~~several~~ three years. His step-father freely admitted beating him as the only way to handle him. Yet he was quite compliant the first time he was in Shelter Care. His step-father knocked him into a wall. The resulting hole was the responsibility of the boy who had to pay for it. He did not object to paying for the damage, but said the parents chose the higher of two bids.

The second time he was at BSCF he was part of a group that plotted to steal the director's car. They were going to knock her (me) out, steal the petty cash and get away to Arizona where one of the three had connections. He was the one who hit the director on the head with a sauce pot. The plan failed when the handle broke and she retained consciousness. He was sent to Pine Bluff but still has not got the treatment he needed. I'm convinced he would not be in trouble if removed from his home at twelve as he did. The violence at home made it easier for him to become violent ~~when there was~~ as a way of obtaining his goals.

Sandy

Bozeman Shelter Care

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
John Harwood	Self			
Ray Hoffman	DHES			
JIM SEYMOUR	Helena Youth Resources Group Home, Inc			
Karoli Stanger				
Harley Laine	2nd Floor CIVIC CENTER			
DIANE SANDS	MT. Women Lobby			
JUDITH CARLSON	MT CAP - NASW BIG BRO / SIS			
Paulette Kehuan	MT Council Med / ch / H / H			
Jim Jensen	MEIC			
JOHN ORTWEIN	MT CATHOLIC CONF.			
Beverly Bombart	HD80/			
Royal Johnson	HD/88			
JANEY SEYMOUR	NO STATEMENTS			

PLEASE LEAVE PREPARED TESTIMONY WITH SECRETARY. WITNESS STATEMENT FORMS ARE AVAILABLE IF YOU CARE TO SUBMIT WRITTEN TESTIMONY.

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NAME AND ADDRESS	REPRESENTING	BILL	OPPOSE	SUPPORT
Kate Cholewa	Human Resources & Resource Development			
Pat Wise	MT Stk. AFL-CIO			
Elisabeth Hemlich				
Dave Deper	MMFA			
Mona Jamison	PT p T <sup>speech</sup> <del>audit</del>			
Tim Hill	MH Hospital Association			
Bob Olsen	MT Hospitl Assoc			
Gen Shaw	MT Residential Care Assoc.			
Carolyn Galinkin	Family Counseling Center/Self.			
Kathy McDouan	MRCCA			
Val Cheno	MLIC			
Gene McFarlane	MRCCA			
John Shantz	MHAM			

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