

Agency Budget Comparison

The following table summarizes the total proposed budget by year, type of expenditure, and source of funding.

Agency Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Budget Fiscal 2016	Budget Fiscal 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	46.25	46.25	45.50	45.50	46.25	45.50	(0.75)	(1.62)%
Personal Services	5,086,951	3,550,477	3,974,985	3,985,776	8,637,428	7,960,761	(676,667)	(7.83)%
Operating Expenses	1,394,747	813,369	1,427,178	1,427,652	2,208,116	2,854,830	646,714	29.29%
Grants	366,782	400,937	366,782	366,782	767,719	733,564	(34,155)	(4.45)%
Total Costs	\$6,848,480	\$4,764,783	\$5,768,945	\$5,780,210	\$11,613,263	\$11,549,155	(\$64,108)	(0.55)%
General Fund	3,128,095	2,029,862	2,595,088	2,601,200	5,157,957	5,196,288	38,331	0.74%
State/Other Special Rev. Funds	746,972	587,222	625,586	626,339	1,334,194	1,251,925	(82,269)	(6.17)%
Federal Spec. Rev. Funds	2,973,413	2,147,699	2,548,271	2,552,671	5,121,112	5,100,942	(20,170)	(0.39)%
Total Funds	\$6,848,480	\$4,764,783	\$5,768,945	\$5,780,210	\$11,613,263	\$11,549,155	(\$64,108)	(0.55)%

Mission Statement

The Director's Office provides overall policy development and administrative guidance for the department. Included in the Director's Office are legal affairs, personnel services, public information, the prevention resource center, and the AmeriCorps*VISTA Program. The Montana Health Coalition is administratively attached. Also, the director serves on many councils, including the Interagency Coordinating Council for State Prevention Programs, which is attached to the Governor's Office.

Agency Highlights

Director's Office Major Budget Highlights
<ul style="list-style-type: none"> • Changes in budget relative to the 2015 biennium are primarily due to operating program transfers and department-wide termination payouts for personal services in FY 2014

Agency Personal Services

- 2.50 FTE supporting the Tribal Relations Program were transferred from various programs to the Director's Office
- Reflected in both the 2015 biennium and the 2017 biennium proposed budgets is a reorganization that transferred 3.00 FTE from the Business and Financial Services Division to this division for consolidation of payroll and benefit services that support the roughly, 1900 employees of the Department of Health and Human Services
- All termination costs (sick leave payouts, etc.) are funded in this division. Other divisions transfer funds to make the payout. In FY 2014, \$0.6 million in general fund and \$1.1 million in total funds were transferred and paid from this division. As a consequence, FY 2014 has inflated costs that are not included in either FY 2015 or the 2017 biennium
- The increase in ongoing personal service costs is due to several factors:
 - The HB 13 pay plan
 - The transfer of 3.00 FTE from the Business and Financial Services Division and 1.50 FTE from Child and Family Services
 - The transfer of 2.50 FTE from Health and Community Services and Child and Family Services
 - Increases totaling \$0.3 million for adjustments such as, reclassification, competency, and longevity are included in the agency budget request

Comparison of FY 2015 Legislative Base to FY 2015 Appropriation

Director's Office FY 2015 Executive and Legislative Appropriations			
Category	2015 Legislative Appropriation	Difference Exec/Leg	2015 Executive Implementation
Personal Services	\$3,261,134	\$289,343	3,550,477
Operating Expenses	766,251	47,118	813,369
Grants	0	400,937	400,937
Total Costs	\$4,027,385	\$737,398	\$4,764,783

A comparison between the 2015 legislative base and the 2015 executive implementation shows a difference of \$737,398. This difference is due to program transfers in the amount of \$580,497 and a reorganization transferring \$156,901 into the Director's Office. Program transfers include a 2.50 FTE increase and moving the Children's Trust Fund into the Directors Office.

2015 Transactions by Type Executive FY2015 Implementation		
Description	FTE Impact	Cost
Program Transfer - Tribal Relations - Health and Community Services	1.00	\$50,481
Program Transfer - Childrens Trust Fund - Children and Family Services	<u>1.50</u>	<u>\$530,016</u>
Sub total	2.50	\$580,497
Reorganization - Business and Financial Services	<u>3.00</u>	<u>\$156,901</u>
Sub total	3.00	\$156,901
FY 2015 Summary	<u>5.50</u>	<u>\$737,398</u>

Funding

The following table shows proposed program funding by source from all sources of authority.

Directors Office, 04-Director's Office Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	5,196,288	0	0	5,196,288	44.99 %	
02089 Child Abuse & Neglect Program	293,566	0	0	293,566	23.45 %	
02099 69010-VISTA-Community Cost Shr	115,235	0	0	115,235	9.20 %	
02338 DPHHS Operations Account	0	0	0	0	0.00 %	
02377 02 Indirect Activity Prog 04	843,124	0	0	843,124	67.35 %	
State Special Total	\$1,251,925	\$0	\$0	\$1,251,925	10.84 %	
03072 69010-CNS-Grants-VISTA	483,614	0	0	483,614	9.48 %	
03534 93.672 - Child Abuse Challenge	349,484	0	0	349,484	6.85 %	
03594 03 Indirect Activity Prog 04	4,267,844	0	0	4,267,844	83.67 %	
Federal Special Total	\$5,100,942	\$0	\$0	\$5,100,942	44.17 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$11,549,155	\$0	\$0	\$11,549,155		

Most functions within the Director's Office are cost allocated through indirect cost recoveries to the other divisions within DPHHS.

There are two other state special revenue funds that support the Director's Office in addition to the funds associated with the Children's Trust Fund (02089) transferred from Child and Family Services:

- Cost allocation
- Community costs shares for the VISTA Volunteers

Two federal special revenue funds support the Director's Office in addition to the federal funds transferred with the Children's Trust Fund (03594):

- Cost allocation
- Funds for VISTA Volunteers

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 Legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	1,764,065	1,764,065	3,528,130	67.90 %	4,027,385	4,027,385	8,054,770	69.74 %
PL Adjustments	831,023	837,135	1,668,158	32.10 %	1,741,560	1,752,825	3,494,385	30.26 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$2,595,088	\$2,601,200	\$5,196,288		\$5,768,945	\$5,780,210	\$11,549,155	

Present Law Adjustments -

The "Present Law Adjustments" table shows the changes from FY 2015 legislative appropriation to the budget proposed by the executive. PSPL adjusts all personal services. LGPL provides for adjustments to other expenditures such as operating expenses. Each is discussed in the narrative that follows. Total funds in the Present Law Adjustments table do not include proprietary funds budgeted in House Bill 2.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 98 - LEG. Personal Services Present Law	0.00	322,866	59,010	331,975	713,851	0.00	328,408	59,665	336,569	724,642
DP 99 - LEG. Present Law	0.00	508,157	140,785	378,767	1,027,709	0.00	508,727	140,883	378,573	1,028,183
Grand Total All Present Law Adjustments	0.00	\$831,023	\$199,795	\$710,742	\$1,741,560	0.00	\$837,135	\$200,548	\$715,142	\$1,752,825

DP 98 - LEG. Personal Services Present Law -

This adjustment includes all personal services present law as requested by the executive. This includes executive implementation of the pay play, FTE reductions from HB 2 boiler plate, and benefit increases. The below table summarizes personal services present law (PSPL)

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	45.50	10,630	2,047	9,436	\$22,113
Executive Implementation of 2015 Pay Increase		33,972	6,047	29,688	69,707
Fully Fund 2015 Legislatively Authorized FTE		3,965	1,808	6,647	12,420
Other		274,299	49,108	286,204	609,611
Personal Services Present Law Adjustments	45.50	\$322,866	\$59,010	\$331,975	\$713,851
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	45.50	10,630	2,047	9,436	\$22,113
Executive Implementation of 2015 Pay Increase		33,972	6,047	29,688	69,707
Fully Fund 2015 Legislatively Authorized FTE		3,965	1,808	6,647	12,420
Other		279,841	49,763	290,798	620,402
Personal Services Present Law Adjustments	45.50	\$328,408	\$59,665	\$336,569	\$724,642

As shown above, the "other" category is approximately \$600,000 in adjustments per year. About half of this is related to the FTE additions and the associated salaries and benefits mentioned earlier. The remaining balance is due to salary reclassification, longevity, and competency adjustments.

DP 99 - LEG. Present Law -

This adjustment includes all present law requests by the executive that are unrelated to personal services, including statewide present law adjustments for inflation and fixed costs. The executive is requesting roughly \$1.0 million for each year of the biennium. About half of this value is related to an increase in authority from the children's trust fund as part of the program transfers mentioned prior.