

**Program Budget Comparison**

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

Program 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	147.00	147.00	141.97	141.97	147.00	141.97	(5.03)	(3.42)%
Personal Services	8,408,617	9,028,213	9,287,437	9,287,075	17,436,830	18,574,512	1,137,682	6.52 %
Operating Expenses	4,690,936	6,342,327	5,126,197	5,154,298	11,033,263	10,280,495	(752,768)	(6.82)%
Benefits & Claims	14,266,466	13,691,777	14,706,157	14,976,100	27,958,243	29,682,257	1,724,014	6.17 %
Transfers	0	0	0	0	0	0	0	0.00 %
<b>Total Costs</b>	<b>\$27,366,019</b>	<b>\$29,062,317</b>	<b>\$29,119,791</b>	<b>\$29,417,473</b>	<b>\$56,428,336</b>	<b>\$58,537,264</b>	<b>\$2,108,928</b>	<b>3.74 %</b>
General Fund	5,726,929	5,777,130	6,025,069	6,114,777	11,504,059	12,139,846	635,787	5.53 %
State/Other Special Rev. Funds	930,524	1,029,065	956,422	957,837	1,959,589	1,914,259	(45,330)	(2.31)%
Federal Spec. Rev. Funds	20,708,566	22,256,122	22,138,300	22,344,859	42,964,688	44,483,159	1,518,471	3.53 %
<b>Total Funds</b>	<b>\$27,366,019</b>	<b>\$29,062,317</b>	<b>\$29,119,791</b>	<b>\$29,417,473</b>	<b>\$56,428,336</b>	<b>\$58,537,264</b>	<b>\$2,108,928</b>	<b>3.74 %</b>

**Program Description**

The Disability Employment and Transitions Division (DET) is composed of three bureaus: Vocational Rehabilitation/ Blind-Low Vision Field Services, Disability Determination Services, and Program Support.

The goals of DET are to advance the following opportunities for Montanans with disabilities:

- Employment in competitive, integrated settings
- Independence beginning with self-determination, informed choice, and consumer control
- Successful transitions from high school to post-secondary education and/or work

In order to meet these goals, the division provides or contracts for a variety of services. These include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment.

**Program Highlights**

The highlights and discussion will reference changes from the FY 2015 budget as appropriated by the 2013 Legislature rather than from FY 2014 actuals or the FY 2015 appropriation as implemented by the executive. The difference between the legislative appropriation for FY 2015 and the executive implementation is primarily due to a shift of funding for 1.00 FTE from the Public Health and Safety Division into DET.

<b>Disability Employment and Transitions Division Major Budget Highlights</b>
<p>The executive requests increases of \$0.1 million in FY 2016 and \$0.4 million in FY 2017 over the FY 2015 legislative appropriation.</p> <ul style="list-style-type: none"> <li>• Personal services increases of \$0.3 million in each year are attributable to pay plan annualization and various benefit increases</li> <li>• Benefits and claims increases of \$1.0 million and \$1.3 million are due to requested provider rate increases.</li> </ul>

**Program Discussion -***Montana Telecommunications Access Program*

The Montana Telecommunications Access Program (MTAP) helps with telecommunication needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled. It is funded solely by state special revenue generated by a fee of 10 cents a month assessed on bills for subscriber connections and/or prepaid wireless telecommunication services.

Handicapped Telecommunications (02159) - Fund Balance						
Revenue, Expenditures, and Fund Balance	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015*	Fiscal 2016*	Fiscal 2017*
Beginning Fund Balance	\$2,747,766	\$1,268,439	\$1,635,167	\$2,118,726	\$2,616,998	\$3,135,699
Revenue	<u>1,325,236</u>	<u>1,317,336</u>	<u>1,430,128</u>	<u>1,430,100</u>	<u>1,430,100</u>	<u>1,430,100</u>
Total Funds Available	4,073,002	2,585,775	3,065,295	3,548,826	4,047,098	4,565,799
Expenditures (Pgm 1)						
Personal Services	215,843	220,532	237,658	223,030	244,218	245,638
Operating Expenses	738,720	730,076	708,911	432,903	667,181	667,218
Transfers Out - HB604	<u>1,850,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	2,804,563	950,608	946,569	931,828	911,399	912,856
Ending Fund Balance	\$1,268,439	\$1,635,167	\$2,118,726	\$2,616,998	\$3,135,699	\$3,652,943
Contingency Appropriation for Relay Services	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>775,000</u>	<u>775,000</u>
Ending Fund Balance w/ Contingency	\$1,268,439	\$1,635,167	\$2,118,726	\$2,616,998	\$2,360,699	\$2,102,943
*Beginning fund values have been updated to reflect the actual ending balance from FY 2014.						

The above figure shows the actual and projected revenues and expenditures for the program through FY 2015. The contingent funding of \$775,000 per year mentioned earlier would reduce the fund balance only if federal regulations require the state to pay for technologies related to video relay service (VRS) and internet protocol relay (IP). These services facilitate communication between individuals who use sign language and hearing individuals. VRS uses a sign language interpreter and video; IP Relay uses text to voice via an operator.

Contingency Language Request

The executive submits the following request: "The Disability Employment & Transitions Division is appropriated \$775,000 of state special revenue from the Montana Telecommunications Access Program (MTAP) during each year of the 2017 biennium to cover a contingent FCC mandate, which would require states to provide both Video and Internet Protocol relay services for people with severe hearing, mobility or speech impairments."

**LFD  
COMMENT**

When the FCC eventually requires that the state take over video and internet protocol relay services, the Handicapped Telecommunications fund will no longer have structural balance. The annual revenue is only enough to cover about half of the relay appropriation in addition to personal services and operating expenses.

## Funding

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

Economic Security Services Branch, 01-Disability Employment & Transitions Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	12,139,846	0	0	12,139,846	20.74 %	
02159 Handicapped Telecommunications	1,824,078	0	0	1,824,078	95.29 %	
02434 02 Indirect Activity Prog 01	90,181	0	0	90,181	4.71 %	
<b>State Special Total</b>	<b>\$1,914,259</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,914,259</b>	<b>3.27 %</b>	
03024 Soc Sec - Trust Funds	1,890,724	0	0	1,890,724	4.25 %	
03234 Promise Grant	0	0	0	0	0.00 %	
03365 03 Indirect Activity Prog 01	885,494	0	0	885,494	1.99 %	
03554 84.169 - Independent Living 90	440,254	0	0	440,254	0.99 %	
03555 84.177 - Indep Living Old BLIN	399,879	0	0	399,879	0.90 %	
03557 84.187 - Vic Sup Employment	728,988	0	0	728,988	1.64 %	
03558 84.224 - Mon Tech 100%	852,019	0	0	852,019	1.92 %	
03559 84.265 - In Service Training 9	28,818	0	0	28,818	0.06 %	
03588 93.802 - Disabil Deter Adm 100	11,456,095	0	0	11,456,095	25.75 %	
03604 84.126 - Rehab-Sec110 A 78.7%	27,800,888	0	0	27,800,888	62.50 %	
<b>Federal Special Total</b>	<b>\$44,483,159</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,483,159</b>	<b>75.99 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$58,537,264</b>	<b>\$0</b>	<b>\$0</b>	<b>\$58,537,264</b>		

DET is funded with a variety of sources and both sources and federal matching rates vary by function. General fund comprises 19.9% of the budget, with most used to match federal funds. Some activities are supported entirely by the general fund, including the extended employment program, visual services medical support, and the Montana Youth Leadership Forum. General fund also supports benefits, grants, and functions serving individuals wishing to live independently, obtain and maintain a job, and acquire necessary assistive technology.

State special revenue makes up about 5.9% of the budget and fully supports the MTAP program. MTAP revenue is raised by a fee of 10 cents per month assessed on subscriber connections and prepaid wireless telecommunication services per [53-19-311, MCA](#).

Federal funds comprise over 74.2% of the budget. The disability determination function, the Montech assistive technology program, and supported employment are entirely federally funded. The remaining federally funded programs require state matching funds.

## 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	5,767,310	5,767,310	11,534,620	95.01 %	29,007,759	29,007,759	58,015,518	99.11 %
PL Adjustments	170,159	170,514	340,673	2.81 %	(152,617)	(124,878)	(277,495)	(0.47)%
New Proposals	87,600	176,953	264,553	2.18 %	264,649	534,592	799,241	1.37 %
<b>Total Budget</b>	<b>\$6,025,069</b>	<b>\$6,114,777</b>	<b>\$12,139,846</b>		<b>\$29,119,791</b>	<b>\$29,417,473</b>	<b>\$58,537,264</b>	

**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	99,040	21,703	193,039	313,782	0.00	99,061	23,093	191,266	313,420
DP 99 - LEG. Present Law	0.00	71,119	(82,889)	(454,629)	(466,399)	0.00	71,453	(82,864)	(426,887)	(438,298)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$170,159</b>	<b>(\$61,186)</b>	<b>(\$261,590)</b>	<b>(\$152,617)</b>	<b>0.00</b>	<b>\$170,514</b>	<b>(\$59,771)</b>	<b>(\$235,621)</b>	<b>(\$124,878)</b>

DP 98 - LEG. Personal Services Present Law -

This adjustment includes all personal services present law as requested by the executive; this includes statewide present law personal services adjustments. FY 2016 and FY 2017 contain the reductions in FTE made by the executive to implement the boilerplate language in HB 2. Included below is a table that has the personal services present law (PSPL) broken out by some of its component parts for a more detailed understanding of the adjustments.

Personal Services Present Law Adjustments					
FY 2016					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	141.97	\$10,231	\$2,030	\$56,736	\$68,997
Executive Implementation of 2015 Pay Increase	0.00	23,331	4,799	126,964	\$155,094
Fully Fund 2015 Legislatively Authorized FTE	0.00	3,341	1,665	34,513	\$39,519
Other	0.00	62,137	13,209	(25,174)	\$50,172
<b>Personal Services Present Law Adjustments</b>	<b>141.97</b>	<b>\$99,040</b>	<b>\$21,703</b>	<b>\$193,039</b>	<b>\$313,782</b>
FY 2017					
CP 98 PSPL Item	FTE	General Fund	State Special	Federal Special	Total Funds
State Share Health Insurance	141.97	10,231	2,030	56,736	\$68,997
Executive Implementation of 2015 Pay Increase	0.00	23,331	4,799	126,964	155,094
Fully Fund 2015 Legislatively Authorized FTE	0.00	3,341	1,665	34,513	39,519
Other	0.00	62,158	14,599	(26,947)	49,810
<b>Personal Services Present Law Adjustments</b>	<b>141.97</b>	<b>\$99,061</b>	<b>\$23,093</b>	<b>\$191,266</b>	<b>\$313,420</b>

DP 99 - LEG. Present Law -

This adjustment reflects all present law requests by the executive that are unrelated to personal services, including statewide present law adjustments for inflation and fixed costs. In addition to the statewide adjustments, the executive requests additional present law adjustments related to maintenance of existing services. These services include assessment and referral for the Disability Determination Services program, annualization of relay service contract rates for the Montana Telecommunication Access Program (MTAP), maintenance and support for the client case management system for the Vocational Rehabilitation program, and annualization of provider rate increases.

**New Proposals -**

Total funds in the New Proposals table do not include proprietary funds budgeted in House Bill 2.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101009 - PRI - Vocation Rehabilitation	0.00	47,918	0	177,049	224,967	0.00	96,795	0	357,639	454,434
DP 101010 - PRI - Extended Employment	0.00	26,048	0	0	26,048	0.00	52,617	0	0	52,617
DP 101011 - PRI - Independent Living	0.00	13,634	0	0	13,634	0.00	27,541	0	0	27,541
<b>Total</b>	<b>0.00</b>	<b>\$87,600</b>	<b>\$0</b>	<b>\$177,049</b>	<b>\$264,649</b>	<b>0.00</b>	<b>\$176,953</b>	<b>\$0</b>	<b>\$357,639</b>	<b>\$534,592</b>

DP 101011 - PRI - Independent Living -

The executive requests a 2.0% provider rate increase in each year of the biennium for Independent Living providers.

DP 101010 - PRI - Extended Employment -

The executive requests a 2.0% provider rate increase in each year of the biennium for Extended Employment providers.

DP 101009 - PRI - Vocation Rehabilitation -

The executive requests a 2.0% provider rate increase in each year of the biennium for Vocational Rehabilitation providers.