

Program Budget Comparison

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

Program Budget Comparison								
Budget Item	Base Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	193.50	193.50	196.00	196.00	193.50	196.00	2.50	1.29%
Personal Services	10,896,808	11,020,057	11,650,803	11,648,813	21,916,865	23,299,616	1,382,751	6.31%
Operating Expenses	12,741,886	13,876,003	13,422,445	13,427,378	26,617,889	26,849,823	231,934	0.87%
Equipment & Intangible Assets	277,242	483,976	277,242	277,242	761,218	554,484	(206,734)	(27.16%)
Grants	22,355,513	24,629,804	23,048,563	23,050,636	46,985,317	46,099,199	(886,118)	(1.89%)
Benefits & Claims	13,892,311	17,483,979	13,892,311	13,892,311	31,376,290	27,784,622	(3,591,668)	(11.45%)
Debt Service	0	7,350	0	0	7,350	0	(7,350)	(100.00%)
Total Costs	\$60,163,760	\$67,501,169	\$62,291,364	\$62,296,380	\$127,664,929	\$124,587,744	(\$3,077,185)	(2.41%)
General Fund	3,396,584	3,492,167	3,365,526	3,363,129	6,888,751	6,728,655	(160,096)	(2.32%)
State Special	18,024,188	18,776,019	18,328,989	18,335,864	36,800,207	36,664,853	(135,354)	(0.37%)
Federal Special	38,742,988	45,232,983	40,596,849	40,597,387	83,975,971	81,194,236	(2,781,735)	(3.31%)
Total Funds	\$60,163,760	\$67,501,169	\$62,291,364	\$62,296,380	\$127,664,929	\$124,587,744	(\$3,077,185)	(2.41%)

Program Description

The mission of the Public Health and Safety Division (PHSD) is to improve the health of Montanans to the highest possible level. The division provides a wide range of public health services to individuals and communities that are aimed at prevention of disease and promotion of health. Services are provided through nearly 500 contracts with a broad range of private and public providers, including local and tribal public health departments, clinics, hospitals, and other community-based organizations. Programs administered by the division include, but are not limited to:

- Clinical and environmental laboratory services;
- Chronic and communicable disease prevention and control;
- Maternal and child public health services;
- Public health emergency preparedness;
- Women's, Infants and Children's Special Nutrition Program (WIC);
- Food and Consumer Safety; and
- Emergency Medical Services.

Statutory authority for public health functions is in Title 50, MCA, including local public health activities. Rules concerning public health programs are in Title 37 of the Administrative Rules of Montana. Specific citations include: Title V of the Social Security Act; Family Planning Title X of the federal Public Health Service Act and 42 CFR, Subpart A, Part 59; WIC P. L. 95-627, Child Nutrition Act of 1966, and 7CFR part 246.

Program Highlights

Public Health and Safety Division Major Budget Highlights	
<ul style="list-style-type: none"> ◆ The Public Health and Safety Division 2013 biennial budget request is approximately \$3.1 million or 2.4% less when compared to the 2011 biennium. <ul style="list-style-type: none"> • The decrease in benefits is primarily due to a higher appropriation in FY 2011 for WIC grants and benefits than expended in FY 2010 or anticipated in the 2013 biennium • The decrease in general fund is due to elimination of 1.0 FTE, reductions for operational efficiencies, and shifting costs to federal grants ◆ The executive proposes increases for federal grant programs including: <ul style="list-style-type: none"> • \$0.7 million for asthma control • \$1.7 million for colorectal cancer screening • \$0.14 million for diabetes prevention 	
Major LFD Issues	
<ul style="list-style-type: none"> ◆ The executive proposes to spend more than is available in two accounts: <ul style="list-style-type: none"> • \$4.7 million in the tobacco settlement account for tobacco cessation and prevention • \$125,000 for the Vital Statistics Program 	

Program Narrative

Goals and Objectives

2011 Biennial Goal

The Legislative Finance Committee (LFC) followed one critical goal during the 2011 biennium for PHSD: reduce the burden of chronic disease, injury, and trauma in Montana. The LFC workgroup assigned to the agency selected the following measurements for the goal:

- By June 2011, decrease to 15% from 27% the proportion of students in grades 8,10, and 12 who reported smoking cigarettes in the past 30 days
- By June 2011, decrease to 8% from 10% the proportion of students in grades 8,10, and 12 who reported using smokeless tobacco in the past 30 days

Data on the measurements will not be available until the end of the calendar year. During the October 2010 LFC workgroup meeting on the performance of PHSD, the members of the workgroup recommended that the Joint Human Service Appropriations Subcommittee (subcommittee) request that PHSD provide the measurements for the critical goal for FY 2010 and consider the information as part the subcommittee's deliberations of the PHSD budget.

5% Reduction Plan

Statute requires that agencies submit plans to reduce general fund and certain state special revenue funds by 5%. The following summarizes the plan submitted for this program.

Public Health and Safety Division Total 5% Reduction Plan Identified Included and not included in Executive Budget 2013 Biennium									
	FTE	General Fund	% Of Division Total	State Special Revenue	% Of Division Total	Federal Special Revenue	% Of Branch Total	Total Funds	% Of Division Total
<i>Included in Executive Budget</i>									
55407 4% Personal Services Reduction	(1.00)	(\$130,486)	37.53%	0	0.00%	\$0	0.00%	(\$130,486)	37.53%
55141 17-7-140 Reduce support for poison control	0.00	(78,768)	22.65%	0	0.00%	0	0.00%	(78,768)	22.65%
55140 17-7-140 Reduce support for Behavioral Risk Survey System	0.00	(6,424)	1.85%	0	0.00%	0	0.00%	(6,424)	1.85%
55142 17-7-140 Reduce general fund through operation efficiencies	0.00	(9,894)	2.85%	0	0.00%	0	0.00%	(9,894)	2.85%
Subtotal Included in Executive Budget	<u>(1.00)</u>	<u>(\$225,572)</u>	<u>64.87%</u>	<u>0</u>	<u>100.00%</u>	<u>\$0</u>	<u>100.00%</u>	<u>(\$225,572)</u>	<u>64.87%</u>
<i>Not Included in Executive Budget</i>									
95071 Reduce general fund for data monitoring	0.00	(\$44,586)	12.82%	0	0.00%	\$0	0.00%	(\$44,586)	12.82%
95072 Reduce support for contraceptives	0.00	(77,570)	22.31%	0	0.00%	0	0.00%	(77,570)	22.31%
Subtotal Not Included in Executive Budget	<u>0.00</u>	<u>(122,156)</u>	<u>35.13%</u>	<u>0</u>	<u>0.00%</u>	<u>0</u>	<u>0.00%</u>	<u>(122,156)</u>	<u>35.13%</u>
Total Public Health and Safety Division	<u>(1.00)</u>	<u>(\$347,728)</u>	<u>100.00%</u>	<u>0</u>	<u>100.00%</u>	<u>\$0</u>	<u>100.00%</u>	<u>(\$347,728)</u>	<u>100.00%</u>

Approximately 35% of the items in the reduction are not included in the Governor's proposed budget. Both the reduction of \$44,600 for data monitoring and the reduction of \$77,600 for family planning would occur in the Family and Community Health function.

Data monitoring for public health home visits and the MIAMI program will be reduced. PHSD contracts with 15 providers to provide home visiting services to high-risk pregnant women and infants. The objectives for the program are to:

- Assure mothers and children receive maternal child health services
- Reduce infant mortality and the number of low birth weight babies

Providers submit electronic data summaries to PHSD annually on a set of required data elements. PHSD proposes to reduce support for the data monitoring elements of the program by \$22,300 annually. The federal Patient Protection and Affordable Care Act includes a grant program for early childhood visiting utilizing evidenced-based home visiting models with components similar to the public health home visits. \$652,000 in funding is estimated to be available in FY 2011 and can be used for 27 months. If successful in the grant application, PHSD may be able to combine the data requirements for the state and federal programs.

PHSD contracts with Title X clinics to offset the increased costs of contraceptives. The funding reduction is 8.6% of the support provided for contraceptive costs. Information on the reductions included in the Governor's budget can be found in the subprograms narratives.

Reorganization

DPHHS reorganized division responsibilities and funding during FY 2010. The Vital Statistics Program was transferred from the Business and Financial Services Division to PHSD, including:

- 12.50 FTE
- \$548,104 in personal services
- \$247,667 in operating costs
- \$7,350 in debt services

All FY 2010 expenditures of the Vital Statistics Program are included in the FY 2010 base budget for PHSD. The Vital Statistics Program is supported by general fund and by state special revenues generated from fees for birth, death, or other certificates. Further information on this funding source is provided in the funding section of this narrative.

Additional Public Health and Safety Division Budget Changes

The Public Health and Safety Division 2013 budget request is approximately \$3.1 million less overall when compared to the 2011 biennium. The overall reduction is dominated by a \$3.6 million decrease in benefits, due primarily to a higher

appropriation level in FY 2011 than expended in FY 2010 or anticipated in the 2013 biennium for the Women, Infants, and Children Nutrition Program (WIC).

Personal services increase \$1.4 million between the two biennia due to a number of changes, including a request for 4.00 new FTE supported by \$0.54 million in federal funds, which is almost 40% of the increase. PHSD reclassified, eliminated, or added 23 positions. The figure below shows changes in positions between the budget request for the 2011 biennium and the FY 2013 biennium that were reclassified, including the previous position titles, the current positions titles, and the changes in total position costs between the biennia.

Public Health and Safety Division Changes in FTE Position Descriptions Changes in Biennial Costs for Positions			
Previous Position	Current Position	FTE	Biennial Cost Changes
Business Operations Sup	Administrative Services Mgr	1.00	\$3,934
License Permit Technician	Program Specialist	1.00	10,873
Financial Specialist	Epidemiologist	1.00	10,177
Registered Nurse	Health Education Specialist	1.00	(31,022)
License Permit Technician	Administrative Assistant	1.00	11,320
Health Education Specialist	Health Program Representative	1.00	38,100
Epidemiologist	Financial Specialist	1.00	(5,691)
Compliance Specialist	Health Education Specialist	1.00	16,472
Administrative Assistant	Administrative Technician	1.00	12,844
Administrative Assistant	Epidemiologist	1.00	54,676
Administrative Assistant	Health Education Specialist	1.00	48,480
Administrative Assistant	Purchasing Technician	1.00	10,897
Financial Specialist	Health Education Specialist	1.00	(1,806)
Clinical Lab Technologist	Program Manager	1.00	73,664
Data Control Specialist	Operations Research Analyst	1.00	15,406
Total Changes Between Biennia		15.00	<u>\$268,324</u>

As shown, the total costs for the positions that were reclassified increased by \$268,324 between the two biennia and account for almost 20% of the increase. The remaining increases are due to increased costs for the positions between the two biennia, primarily increases in benefit costs and health insurance.

PHSD Budget Request by Major Functions

Figure 17 shows the FY 2010 base budget expenditures compared to the 2013 biennium request by function of PHSD.

Figure 17

Public Health and Safety Division FY 2010 Base Budget Compared to Executive Request for 2013 Biennium															
	FY 2010					FY 2012					FY 2013				
Major Function Grants and Benefits	General Fund	State Special	Federal Special	Total	% of Total	General Fund	State Special	Federal Special	Total	% of Total	General Fund	State Special	Federal Special	Total	% of Total
Major Function															
Division Administration	\$637,204	\$874,267	\$1,366,167	\$2,877,638	4.78%	\$615,375	\$930,507	\$1,417,602	\$2,963,484	4.76%	\$615,123	\$933,075	\$1,415,275	\$2,963,473	4.76%
Chronic Disease Prevention & Health Promotion	591,741	10,921,866	6,428,433	17,942,040	29.82%	566,891	10,965,952	7,749,777	19,282,620	30.96%	566,331	10,969,102	7,749,877	19,285,310	30.96%
Family and Community Health	816,562	2,138,157	19,881,081	22,835,800	37.96%	821,293	2,141,256	20,284,210	23,246,759	37.32%	821,744	2,142,319	20,284,965	23,249,028	37.32%
Community Disease Control and Prevention	859,066	1,258,768	4,019,367	6,137,201	10.20%	895,604	1,262,117	4,180,528	6,338,249	10.18%	893,748	1,263,400	4,181,129	6,338,277	10.17%
State Laboratories	492,011	2,831,130	846,150	4,169,291	6.93%	466,363	3,029,157	853,659	4,349,179	6.98%	466,183	3,027,968	854,552	4,348,703	6.98%
Emergency Preparedness and Training	0	0	6,201,790	6,201,790	10.31%	0	0	6,111,073	6,111,073	9.81%	0	0	6,111,589	6,111,589	9.81%
Total Division Budget	<u>\$3,396,584</u>	<u>\$18,024,188</u>	<u>\$38,742,988</u>	<u>\$60,163,760</u>	100.00%	<u>\$3,365,526</u>	<u>\$18,328,989</u>	<u>\$40,596,849</u>	<u>\$62,291,364</u>	100.00%	<u>\$3,363,129</u>	<u>\$18,335,864</u>	<u>\$40,597,387</u>	<u>\$62,296,380</u>	100.00%
Percent of Total	5.65%	29.96%	64.40%	100.00%		5.40%	29.42%	65.17%	100.00%		5.40%	29.43%	65.17%	100.00%	
Grants															
Womens, Infants, and Children (WIC)	\$0	\$0	\$3,658,600	\$3,658,600	16.37%	\$0	\$0	\$3,952,600	\$3,952,600	17.15%	\$0	\$0	\$3,952,600	\$3,952,600	17.15%
Emergency Preparedness	0	0	3,793,531	3,793,531	16.97%	0	0	3,793,531	3,793,531	16.46%	0	0	3,793,531	3,793,531	16.46%
Women and Men's Health (Title X)	0	0	2,359,700	2,359,700	10.56%	0	0	2,350,670	2,350,670	10.20%	0	0	2,349,647	2,349,647	10.19%
Maternal/Child Health Grant	0	0	1,191,282	1,191,282	5.33%	0	0	1,262,735	1,262,735	5.48%	0	0	1,262,735	1,262,735	5.48%
Tobacco Control and Prevention	0	4,967,427	0	4,967,427	22.22%	0	4,967,427	0	4,967,427	21.55%	0	4,967,427	0	4,967,427	21.55%
AIDS Prevention/ Treatment	0	0	1,014,784	1,014,784	4.54%	0	0	1,014,784	1,014,784	4.40%	0	0	1,014,784	1,014,784	4.40%
Chronic Disease Prevention	0	2,211,039	0	2,211,039	9.89%	0	2,244,562	0	2,244,562	9.74%	0	2,246,116	0	2,246,116	9.74%
Cancer Control	0	0	683,292	683,292	3.06%	0	0	1,016,750	1,016,750	4.41%	0	0	1,017,269	1,017,269	4.41%
Subtotal of Grants	<u>\$0</u>	<u>\$7,178,466</u>	<u>\$12,701,189</u>	<u>\$19,879,655</u>	88.93%	<u>\$0</u>	<u>\$7,211,989</u>	<u>\$13,391,070</u>	<u>\$20,603,059</u>	89.39%	<u>\$0</u>	<u>\$7,213,543</u>	<u>\$13,390,566</u>	<u>\$20,604,109</u>	89.39%
Percent of Total Grants	0.00%	32.11%	56.81%	88.93%		0.00%	31.29%	58.10%	89.39%		0.00%	31.29%	58.09%	89.39%	
Percent of Total Division Budget	0.00%	11.93%	21.11%	33.04%		0.00%	11.58%	21.50%	33.08%		0.00%	11.58%	21.49%	33.07%	
Benefits															
Womens, Infants, and Children	\$0	\$0	\$9,357,476	\$9,357,476	67.36%	\$0	\$0	\$9,357,476	\$9,357,476	67.36%	\$0	\$0	\$9,357,476	\$9,357,476	67.36%
Genetics	0	998,731	0	998,731	7.19%	0	998,731	0	998,731	7.19%	0	998,731	0	998,731	7.19%
Tobacco Control and Prevention	0	545,035	0	545,035	3.92%	0	545,035	0	545,035	3.92%	0	545,035	0	545,035	3.92%
Cancer Control	0	0	798,023	798,023	5.74%	0	0	798,023	798,023	5.74%	0	0	798,023	798,023	5.74%
Subtotal of Benefits	<u>\$0</u>	<u>\$1,543,766</u>	<u>\$10,155,499</u>	<u>\$11,699,265</u>	84.21%	<u>\$0</u>	<u>\$1,543,766</u>	<u>\$10,155,499</u>	<u>\$11,699,265</u>	84.21%	<u>\$0</u>	<u>\$1,543,766</u>	<u>\$10,155,499</u>	<u>\$11,699,265</u>	84.21%
Percent of Total Benefits	0.00%	11.11%	73.10%	84.21%		0.00%	11.11%	73.10%	84.21%		0.00%	11.11%	73.10%	84.21%	
Percent of Total Division Budget	0.00%	2.57%	16.88%	19.45%		0.00%	2.48%	16.30%	18.78%		0.00%	2.48%	16.30%	18.78%	

Division administration is responsible for the overall management of PHSD. Its budget accounts for almost 5% of the total FY 2013 biennial budget request. Included in division administration are:

- Behavioral risk factor surveillance
- PHSD cost allocation
- Public Health and Safety Division administration
- Vital statistics

The division administration budget increases about \$0.2 million in the 2013 biennium. All of the increase is due to changes included in the statewide present law adjustments, partially offset by a reduction in personal services for a proposed elimination of one position.

The Chronic Disease Prevention and Health Promotion Bureau budget is about 31% of the proposed budget in the 2013 biennium, increasing about \$1.3 million each year. The bureau administers tobacco prevention and control, cancer control, diabetes, cardiovascular health, asthma, nutrition and physical activity, and the emergency medical services and trauma sections. The majority of the increases in the 2013 biennium are comprised of new proposals for federal grant programs including:

- \$0.7 million for asthma control
- \$1.7 million for colorectal cancer screening
- \$0.1 million for diabetes prevention

The Family and Community Health Bureau accounts for almost 38% of the division budget request. The major programs in this bureau include:

- Women, infants, and children nutrition (WIC)
- Women and men's health
- Child and maternal health including the MIAMI program
- Maternal and child health data monitoring
- Children's special health section encompassing newborn screening and genetics

The bureau also administers contracts with local governments and contracts that provide maternal and child health services funded by the maternal and child health block grant. The majority of the increases in this bureau are for a request for \$0.6 million in additional federal special revenues to support infrastructure needs in the WIC program.

The Communicable Disease Control and Prevention Bureau comprises about 10% of the PHSD proposed biennial budget. Major responsibilities include food and consumer safety, communicable diseases and epidemiology/tuberculosis control, immunization, and sexually transmitted disease (STD) and AIDS prevention and monitoring. The majority of the biennial changes to the budget are due to statewide present law adjustments.

Laboratory Services Bureau functions are almost 7% of the proposed budget in the 2013 biennium. The laboratory includes both the environmental and public health laboratories and the biomonitoring function. Included in the federal stimulus package was \$2.0 million to support grants to county health boards in counties with a proliferation of tremolite asbestos-related diseases. PHSD granted \$1.0 million of the funds in FY 2010 to the Lincoln County Health Department and anticipates the same distribution in FY 2011. This funding is not included in the executive's proposed 2013 biennium budget. The executive requests an additional \$250,000 in state special revenues to support inflationary increases in laboratory supplies and equipment for this bureau.

The Office of Emergency Preparedness and Training is about 10% of the overall division budget in the 2013 biennium and provides about 16.5% of the support for grants included in the proposed budget. Funding for the office is provided entirely by the Centers for Disease Control and Prevention (CDC) federal bioterrorism and bioterrorism hospital preparedness grants. The budget for the office drops slightly due to an anticipated reduction in federal grants for this purpose over the biennium.

Over 59% (\$74 million) of the 2013 biennial budget supports grants and services (benefits) to individuals. This is a reduction in the percentage of about 3% when compared to the 2011 biennium. The largest component is for the WIC program, with a combined total of \$26.6 million in grants and benefits in the 2013 biennium. The WIC program provides vouchers for food for low-income children under age 5 and for nursing mothers. Tobacco control and prevention are the second highest grant expenditures with \$9.9 million proposed in the budget. The program grants funds to county, tribal, and urban Indian community-based programs; the Addictive and Mental Disorders Division; the Office of Public Instruction; and the Montana University System to address issues associated with tobacco use prevention and cessation. 2013 biennium grants for emergency preparedness to local governments and hospitals are the third largest grant source with \$7.6 million proposed.

Funding

The following table shows program funding, by source, for the base year and for the 2013 biennium as recommended by the Governor.

Program Funding Table Public Health & Safety Div.							
Program Funding	Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013	
01000 Total General Fund	\$ 3,396,584	5.6%	\$ 3,365,526	5.4%	\$ 3,363,129	5.4%	
01100 General Fund	3,396,584	5.6%	3,365,526	5.4%	3,363,129	5.4%	
02000 Total State Special Funds	18,024,188	30.0%	18,328,989	29.4%	18,335,864	29.4%	
02199 Dhes Food & Consumer	810	0.0%	808	0.0%	810	0.0%	
02366 Public Health Laboratory	2,831,130	4.7%	3,029,157	4.9%	3,027,968	4.9%	
02379 02 Indirect Activity Prog 07	341,053	0.6%	377,432	0.6%	377,207	0.6%	
02419 Vital Statistics	326,577	0.5%	343,383	0.6%	343,312	0.6%	
02462 Food/Lodging License	773,958	1.3%	777,309	1.2%	778,590	1.2%	
02512 Brfs Survey Fees	74,280	0.1%	77,686	0.1%	80,199	0.1%	
02765 Fees On Insurance Policies - Sb 275	1,084,846	1.8%	1,084,710	1.7%	1,085,252	1.7%	
02772 Tobacco Hlth & Medicd Initiative	25,684	0.0%	25,657	0.0%	25,684	0.0%	
02773 Childrens Special Health Services	257,277	0.4%	257,003	0.4%	257,277	0.4%	
02790 6901-Statewide Tobacco Sttlmnt	11,328,314	18.8%	11,380,552	18.3%	11,383,837	18.3%	
02987 Tobacco Interest	980,259	1.6%	975,292	1.6%	975,728	1.6%	
03000 Total Federal Special Funds	38,742,988	64.4%	40,596,849	65.2%	40,597,387	65.2%	
03004 Ems Data Injury	104,284	0.2%	103,997	0.2%	104,284	0.2%	
03020 Ph Workforce Development	18,668	0.0%	10,426	0.0%	10,426	0.0%	
03026 Family Planning Title X	2,359,700	3.9%	2,350,670	3.8%	2,349,647	3.8%	
03027 Wic (Women,Infants & Children)	9,547,574	15.9%	9,544,921	15.3%	9,547,574	15.3%	
03030 Health Prevention & Services	659,466	1.1%	615,508	1.0%	616,233	1.0%	
03031 Maternal & Child Health	2,464,762	4.1%	2,487,765	4.0%	2,486,169	4.0%	
03057 Newborn Hearing Screening	155,228	0.3%	155,112	0.2%	155,228	0.2%	
03105 Mt Diabetes	518,633	0.9%	525,344	0.8%	525,389	0.8%	
03146 10.577 Wic Bf Peer Counseling	84,213	0.1%	84,190	0.1%	84,213	0.1%	
03150 Wic Cdc Surveillance	199,879	0.3%	199,823	0.3%	199,879	0.3%	
03159 Tuberculosis Grant	167,641	0.3%	170,855	0.3%	170,826	0.3%	
03162 Wic Infra Rebranding	-	-	300,000	0.5%	300,000	0.5%	
03246 Wic Admin	4,587,008	7.6%	4,607,312	7.4%	4,607,191	7.4%	
03273 Primary Care Services	106,232	0.2%	106,580	0.2%	107,126	0.2%	
03274 Ryan White Act, Title Ii	795,911	1.3%	795,911	1.3%	795,911	1.3%	
03275 Adult Viral Hepatitis Prevent	28,533	0.0%	28,533	0.0%	28,533	0.0%	
03298 Stroke Network	4,743	0.0%	4,740	0.0%	4,745	0.0%	
03336 Food Inspection Program	61,842	0.1%	61,711	0.1%	61,842	0.1%	
03362 Data Integration	82,192	0.1%	82,192	0.1%	82,192	0.1%	
03370 Epi & Lab Surveillance E. Coli	634,449	1.1%	641,958	1.0%	642,851	1.0%	
03392 Colorectal Cancer Screening	-	-	846,199	1.4%	846,551	1.4%	
03396 Ryan White Hiv Treatment	5,871	0.0%	5,871	0.0%	5,871	0.0%	
03399 Healthy Communities	7,838	0.0%	47,833	0.1%	47,842	0.1%	
03402 Addressing Asthma	-	-	348,942	0.6%	350,000	0.6%	
03420 Early Hearing Deficit Intrv	127,413	0.2%	127,413	0.2%	127,413	0.2%	
03421 Obesity Prevention	829,537	1.4%	829,005	1.3%	829,954	1.3%	
03451 69010-Cdp For Brfs	318,843	0.5%	328,907	0.5%	327,058	0.5%	
03477 Clinical Lab - Public Health Testin	29,692	0.0%	29,692	0.0%	29,692	0.0%	
03510 Heart Disease & Stroke Program	985,240	1.6%	1,005,740	1.6%	1,005,218	1.6%	
03541 State Loan Repayment Program	-	-	71,453	0.1%	71,453	0.1%	
03681 6901-Mt Fd Safe Adv Cncl93.103	160,619	0.3%	160,619	0.3%	160,619	0.3%	
03686 6901-Adult Lead	6,423	0.0%	6,410	0.0%	6,423	0.0%	
03689 6901-Bioter Hosp Preparedness	1,656,033	2.8%	1,654,170	2.7%	1,656,033	2.7%	
03690 6901-Rape Prev & Educ 93.126	158,369	0.3%	158,078	0.3%	158,369	0.3%	
03709 6901-Rural Access Emerg Device	85,083	0.1%	84,848	0.1%	85,083	0.1%	
03711 6901-Breast & Cervical Cancer	2,106,303	3.5%	2,158,876	3.5%	2,159,024	3.5%	
03712 6901-Cancer Registries 93.283	194,842	0.3%	194,624	0.3%	194,882	0.3%	
03713 6901-Wic Farmer Market 10.572	40,932	0.1%	40,921	0.1%	40,932	0.1%	
03788 Montana Disability And Health Prog	395,274	0.7%	395,021	0.6%	395,473	0.6%	
03822 Tobacco Control	801,207	1.3%	812,192	1.3%	808,755	1.3%	
03929 Seroprevalence/Surveillance	40,609	0.07%	40,609	0.07%	40,609	0.07%	
03931 Iz Registry Arra	-	0.00%	-	0.00%	-	0.00%	
03936 Vaccination Program	1,109,489	1.84%	1,098,255	1.76%	1,098,826	1.76%	
03937 Std Program	239,344	0.40%	256,671	0.41%	256,811	0.41%	
03938 Aids Fed. Cat. #13.118	1,275,309	2.12%	1,427,668	2.29%	1,427,082	2.29%	
03946 Wic Ra Mis Sam Arra	-	0.00%	-	0.00%	-	0.00%	
03959 Bioterrorism	4,535,466	7.54%	4,446,612	7.14%	4,445,265	7.14%	
03979 Comprehensive Cancer Control	217,360	0.36%	214,818	0.34%	214,588	0.34%	
Grand Total	\$ 60,163,760	100.00%	\$ 62,291,364	100.00%	\$ 62,296,380	100.00%	

PHSD is funded by a combination of general fund, state special revenue, and federal funds. General fund supports about 5% of the executive's proposed budget. State special revenues supports about 29% of the budget request and federal special revenues make up 65%.

General fund supports division administration, vital statistics, public health planning, cancer control, emergency medical services, MIAMI program, women and men's health, food and consumer safety, public health laboratory, AIDS prevention, state laboratories, and communicable disease control.

Sources of state special revenue funding include tobacco settlement funds for tobacco use prevention and cessation including public home health visiting and chronic disease programs, and tobacco settlement trust interest supporting adolescent vaccinations, children's special health services, health professional recruitment, nutritional services, emergency medical services, and HIV treatment.

**LFD
ISSUE****Tobacco Settlement Funds are Over Budgeted**

In the 2013 biennium, the fund balance in the tobacco settlement funds is estimated to be over budgeted in the executive budget by a total of \$9.3 million by the end of FY 2013. These funds are expended for a variety of purposes in both this division and in the Health Resources Division. See the agency summary for an expanded discussion on this issue.

Additional sources of state special revenues include public health laboratory fees; food and lodging licenses; insurance policy fees supporting the genetics program and reimbursements for children's special health services; and fees for birth, death, or other certificates handled through vital statistics.

**LFD
ISSUE**Vital Statistics Fund Over Budgeted

Statute requires that PHSD set fees for vital statistics records in rule. PHSD fees for a certified copy for the birth, death, and other certificates handled through vital records are as follows:

- Certified copies of birth or death certificates - \$12 for first copy, \$5 for each additional copy of same record
- Informational copies of birth certificate - \$10 if birth occurred 30 years prior to date of application
- Certified copies of documents on file with state - \$12
- Searches -\$10 for first 5 years search, \$1 per year over 5 years per name requested

The figure shows the actual revenues, expenditures, and fund balance for FY 2006 through FY 2010 and the projections for FY 2011 through FY 2013. The fund balance for the state special revenue account has been negative or overspent since FY 2008.

Public Health and Safety Vital Statistics Fees Fund Balance								
Fund Balance Revenues/Expenditures	Actual FY 2006	Actual FY 2007	Actual FY 2008	Actual FY 2009	Actual FY 2010	Projected FY 2011	Projected FY 2012	Projected FY 2013
Beginning Fund Balance	\$89,835	\$107,642	\$28,426	(\$26,213)	(\$27,977)	(\$2,108)	(\$88,651)	(\$99,424)
Revenues								
Charges for Services*	\$497,608	\$475,840	\$463,426	\$451,193	\$443,775	\$431,261	\$419,099	\$407,280
Grants/Transfers/Misc	0	0	2,603	0	0	0	0	0
Subtotal Revenues	\$497,608	\$475,840	\$466,029	\$451,193	\$443,775	\$431,261	\$419,099	\$407,280
Annual % Decline		-4.37%	-2.61%	-2.64%	-1.64%			
Rate of Decline, 4 years	-2.82%							
Expenditures								
Personal Services	\$307,752	\$323,225	\$315,925	\$255,480	\$245,825	\$291,658	\$259,941	\$259,869
Operating Costs	98,367	107,663	86,997	118,239	90,557	142,176	83,442	83,443
Equipment & Intangible Assets	0	0	2,603	0	0	0	0	0
Debt Service	4,470	1,617	4,411	0	0	0	0	0
Indirect Cost Allocation**	69,212	89,331	110,732	79,239	81,524	83,970	86,489	89,083
Subtotal Expenditures	\$479,801	\$521,836	\$520,668	\$452,958	\$417,906	\$517,804	\$429,872	\$432,395
Adjustment	0	(33,220)	0	0	0	0	0	0
Ending Fund Balance	<u>\$107,642</u>	<u>\$28,426</u>	<u>(\$26,213)</u>	<u>(\$27,978)</u>	<u>(\$2,108)</u>	<u>(\$88,651)</u>	<u>(\$99,424)</u>	<u>(\$124,539)</u>
Appropriated General Fund	\$212,366	\$212,503	\$274,922	\$276,036	\$387,012	\$388,448	\$419,691	\$419,603
Expended General Fund	<u>273,680</u>	<u>223,514</u>	<u>372,126</u>	<u>393,027</u>	<u>391,373</u>			
Increased Support	<u>\$61,314</u>	<u>\$11,011</u>	<u>\$97,204</u>	<u>\$116,991</u>	<u>\$4,361</u>			

* Forecasted revenues assumes average decline over last 4 years continues in next 3 years

** Unbudgeted costs, projected costs based on the increase in indirects between FY 2009 and FY 2010

As shown in the figure, in FY 2011 the appropriated costs for the program combined with unbudgeted costs to support indirect costs exceed the projected revenues by \$88,651. By the end of FY 2013, LFD projects that the fund balance will be over expended by almost \$125,000.

As shown in Figure 3, revenues generated through the fees have been declining since FY 2006, while general fund support for the program has increased above the level of support budgeted by the legislature during the same period.

**LFD
ISSUE CONT.**

Fees for vital statistic requests have remained unchanged for the last several years. Therefore, the department could consider increasing the fees above the current level. However, the decline in revenues shows a deeper issue – reduced requests for official records from the bureau. According to staff in the vital records program, after the terrorist act on 9/11 increases for certified records of birth went up dramatically due to a perceived need to prove citizenship. Since that time requests have continued to drop off. Staff has also noticed a reduction in requests since the recession and believe this is due to fewer children participating in sporting events that require a birth certificate to enter as a contestant.

The state's public purpose for this program is to maintain the official records of birth and death for Montana citizens. The legislature might consider the public policy in maintaining an official repository of these records and determine the support needed to provide for the ongoing costs of the program.

Option: The Human Services Joint Appropriation Subcommittee can consider the public policy in maintaining official birth and death certificates and develop a funding strategy to support the ongoing costs of the public program, including the percentage of general fund and state special revenues.

There are almost 50 federal funding sources listed in the division funding table, including 2 federal block grants and more than 40 categorical grants that each have explicit programmatic and expenditure requirements. In most cases the purpose of the grant can be determined from its name. The vast majority of the federal grants require the division to report on performance measurements as part of the grant requirements.

The largest federal grant funds the WIC program, which accounts for \$28.9 million of the 2013 biennial budget request. Federal funds supporting the emergency preparedness activities are the next significant federal funds source, accounting for \$12.2 million or 15% of the 2013 biennium federal special revenue request.

**LFD
COMMENT**

One of the budgetary risks for this funding source is that a change in the federal funding allocations to states could occur at the federal level. On June 8, 2010 the federal Office of Management and Budget (OMB) directed federal agencies to develop FY 2012 budget plans that would cut at least 5% from FY 2011 discretionary spending request levels. The specific proposals for reductions are to be included in the president's FY 2012 budget, released in February 2011. As a result of the policy, as well as national concern with the federal budget deficit, federal funding for some state programs could be reduced or eliminated.

One factor that could be used in determining federal agency budget reductions is the OMB program assessment ratings (PART). PART is a tool used to judge the effectiveness of programs. Included in a listing of major federal programs judged to be ineffective or with results not demonstrated are hospital preparedness grants and CDC state & local capacity (bioterrorism) grants. In Montana, the funding supports grants to local health departments in counties around the state and provides funding to hospitals for surge capacity development, pharmaceutical availability, education, health care credentialing, and protective equipment. In addition, at the state level the funding helps in providing state laboratory capacity, the health alert network, and the Montana Public Health Training and Communication Center. The Public Health System and Preparedness Bureau is wholly supported by these funds.

The legislature may wish to receive an update on federal funding from the department during budget deliberations and discuss with them potential ramifications.

Two federal block grants account for 7.6% of the PHSD 2013 biennium budget request for federal appropriation authority. They are the Maternal Child Health (MCH) block grant (\$2.5 million annually) and the Preventative Health block grant (\$0.6 million annually). These block grants support a variety of PHSD functions and are both allocated in consultation with division advisory councils. As a result, the allocation is usually somewhat different than anticipated in the budget request and by the legislature.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	3,396,584	3,396,584	6,793,168	100.96%	60,163,760	60,163,760	120,327,520	96.58%
Statewide PL Adjustments	81,730	79,333	161,063	2.39%	508,798	512,404	1,021,202	0.82%
Other PL Adjustments	(47,543)	(47,543)	(95,086)	(1.41%)	77,457	77,457	154,914	0.12%
New Proposals	(65,245)	(65,245)	(130,490)	(1.94%)	1,541,349	1,542,759	3,084,108	2.48%
Total Budget	\$3,365,526	\$3,363,129	\$6,728,655		\$62,291,364	\$62,296,380	\$124,587,744	

Due to reductions to the general fund included in the executive's proposed budget, the general fund is lower in the 2013 biennial budget than the FY 2010 base expenditures. Almost 60% of the statewide present law adjustments are funded with federal special revenues as are all of the new proposals. State special revenues support the remaining portions of the increases.

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,023,942					1,022,555
Vacancy Savings					(476,834)					(476,774)
Inflation/Deflation					(7,623)					(6,021)
Fixed Costs					(30,687)					(27,356)
Total Statewide Present Law Adjustments		\$81,730	\$179,801	\$247,267	\$508,798		\$79,333	\$186,676	\$246,395	\$512,404
DP 55140 - 17-7-140 Reductions - Optimizing Fed Funding BRFS										
0.00	(3,212)	0	0	(3,212)	0.00	(3,212)	0	0	(3,212)	
DP 55141 - 17-7-140 Reduction - Optimizing Fed Poison Cont										
0.00	(39,384)	0	0	(39,384)	0.00	(39,384)	0	0	(39,384)	
DP 55142 - 17-7-140 Reductions Operations Efficiencies										
0.00	(4,947)	0	0	(4,947)	0.00	(4,947)	0	0	(4,947)	
DP 70004 - Increased authority for State Laboratory										
0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000	
Total Other Present Law Adjustments	0.00	(\$47,543)	\$125,000	\$0	\$77,457	0.00	(\$47,543)	\$125,000	\$0	\$77,457
Grand Total All Present Law Adjustments	0.00	\$34,187	\$304,801	\$247,267	\$586,255	0.00	\$31,790	\$311,676	\$246,395	\$589,861

Program Personal Services Narrative

The following information is provided so that the legislature can consider various personal services issues when examining the agency budget. It was submitted by the agency and edited by LFD staff as necessary for brevity and/or clarity.

- o **Pay Plan Exceptions** - None
- o **Program Specific Obstacles** - For all agency programs, decreased numbers of staff and increased stress and burnout for employees has resulted in fewer internal referrals, decreased satisfaction with work/life balance, lack of available time and resources to train and develop current staff and new recruits, and fear and uncertainty with government job stability. In combination, these factors have led to a shortage of high-level skilled workers

seeking public service work with this agency. PHSD continues to have difficulty filling technical laboratory positions such as clinical laboratory specialists and chemists as well as specialized positions such as epidemiologists. The division competes with private and state hospitals and private laboratories for qualified applicants.

- o **Vacancy** - Occupations with historically high turnover rates in PHSD include health education specialists, clinical lab specialists, and information systems technicians. Ongoing vacancies have increased overtime, contributed to delays in client application processing and subsequent delays in delivery of client benefits, and increased employee workload and stress. Supervisors are carrying increasingly heavy workloads across all agency programs to cope with staff vacancies and as new employees are trained to be fully productive in their positions.
- o **Legislatively Applied Vacancy Savings** - Each agency division was given a target for personal services budget reductions. In general, vacancies were held open until the 7% savings was accomplished. However, the agency managed the vacancy savings based on ongoing assessment of what positions constituted the most critical need and allocating resources using an agency-wide strategy. Some critical positions were filled quickly while others were held open longer. Each request to fill was reviewed, evaluated, and either held open or approved to be filled by the program administrator. After approval by the administrator, each request to fill was also thoroughly scrutinized and considered for final approval by the agency director.
- o **Pay/Position Changes** - PHSD upgraded 6 positions and changed the pay for 4 positions including an operational research analyst, a financial specialist, a health education specialist, and an accounting technician. The pay increases were funded by vacancy or other budgetary savings. This issue is discussed in more detail in the program narrative.
- o **Retirements** - Out of 183 total employees in PHSD, 101 or 55.2% are eligible for retirement. The division estimates 22 employees will retire in the 2011 and 2013 biennia (including actual retirements in FY 2010) at a total cost of \$106,260. Planning for these vacancies is ongoing but doesn't contemplate double filling positions at this time due to budget restrictions.

New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
-----Fiscal 2012-----						-----Fiscal 2013-----				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55407 - 4% Personal Svs GF Bud Reduction										
07	(1.00)	(65,245)	0	0	(65,245)	(1.00)	(65,245)	0	0	(65,245)
DP 70105 - Health Professions Loan Repayment Program										
07	0.00	0	0	71,453	71,453	0.00	0	0	71,453	71,453
DP 70106 - Asthma Control Program										
07	2.50	0	0	348,942	348,942	2.50	0	0	350,000	350,000
DP 70107 - Colorectal Cancer Screening										
07	1.00	0	0	846,199	846,199	1.00	0	0	846,551	846,551
DP 70108 - WIC Infrastructure Funding										
07	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
DP 70109 - Diabetes Prevention										
07	0.00	0	0	40,000	40,000	0.00	0	0	40,000	40,000
Total	2.50	(\$65,245)	\$0	\$1,606,594	\$1,541,349	2.50	(\$65,245)	\$0	\$1,608,004	\$1,542,759

Sub-Program Details
PUBLIC HEALTH & SAFETY DIVISION 01**Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	34.00	0.00	(1.00)	33.00	0.00	(1.00)	33.00	33.00
Personal Services	2,059,318	154,256	(65,245)	2,148,329	154,242	(65,245)	2,148,315	4,296,644
Operating Expenses	738,345	(3,165)	0	735,180	(3,162)	0	735,183	1,470,363
Grants	79,975	0	0	79,975	0	0	79,975	159,950
Total Costs	\$2,877,638	\$151,091	(\$65,245)	\$2,963,484	\$151,080	(\$65,245)	\$2,963,473	\$5,926,957
General Fund	637,204	43,416	(65,245)	615,375	43,164	(65,245)	615,123	1,230,498
State/Other Special	874,267	56,240	0	930,507	58,808	0	933,075	1,863,582
Federal Special	1,366,167	51,435	0	1,417,602	49,108	0	1,415,275	2,832,877
Total Funds	\$2,877,638	\$151,091	(\$65,245)	\$2,963,484	\$151,080	(\$65,245)	\$2,963,473	\$5,926,957

Sub-Program Description

The Public Health and Safety Division Administration function provides oversight and administrative support for the division's other four bureaus and the Office of Epidemiology and Scientific Support. About 51% of the administrative functions are supported through indirect cost recovery allocations applied to the expenses of the division bureaus and offices through cost allocation. The Office of Vital Statistics is about 26% of the total proposed budget allocation in the 2013 biennium.

General fund supports 20.8% of proposed expenditures, state special revenues support 31.4%, and federal funds support 47.8%.

**LFD
ISSUE**Reductions to the General Fund Exceed Base Funding Level

The Behavioral Risk Factor Surveillance is a function of the division and included in the total budget. This function has been reduced in the executive budget, and a further reduction is part of the agency's plan to reduce base expenditures by 5%. However, both of the proposed reductions exceed the \$2,765 of general fund allocated to this function in the executive budget by a total of about \$6,420 each year of the biennium. Other uses of general fund included in the division administration budget include Vital Statistics and indirect costs that support other functions of the department.

Option: Allocate \$6,420 in reductions to the behavioral risk factor survey costs to federal and state special revenues to appropriately match revenues and expenditures and reduce general fund support for the division administration base by \$3,212 each year of the biennium from either the Vital Statistics Program or the cost allocation program.

Interim Reports to the Legislature

The 2009 Legislature included funding in HB 173 for a pilot program that would provide local public health agencies with funding and technical assistance to assess their readiness for an upcoming national voluntary public health accreditation program. At the national level the program was developed to guide basic public health activities that local public health agencies (county health departments) should carry out regardless of the makeup of their local health systems. In Montana a part of the legislative decision to fund the pilot program was the consideration that local public health agencies vary widely across the state because of variations in local funding resources. Seven local public health agencies serving counties with population sizes from frontier to urban were awarded contracts. The executive does not

include a proposal to continue funding for this pilot project to expand the number of counties provided assistance. A report on the FY 2010 program included:

- An assessment that the public health agencies (agencies) fully or partially met approximately 75% of the measures
- A determination of the agencies' areas of strongest and weakest performance
- Identification of challenges, including the necessity of local policymaker and community stakeholder support and the difficulty of estimating the cost of preparing for and maintaining accreditation
- An assessment of the benefits of implementing the proposed standards for strengthening public health agencies and increased public awareness of the programs and services provided to local communities

The report also included a number of recommendations as listed below:

- Encourage every Montana local public health agency to complete an Agency Readiness Review and the pre-requisites to apply for accreditation
- Continue to inform the public health system and the community about the benefits of public health accreditation
- Encourage local public health agencies to work collaboratively and regionally on accreditation activities
- Monitor the work underway by the Public Health Accreditation Board to estimate costs associated with preparing for and maintaining national standards. Continue to work with the Montana Public Health System Improvement Task Force (MPHSITF) to develop a methodology to accomplish this for Montana local public health agencies
- Continue to use the MPHSITF, a state and local partnership, to focus on public health improvement and meeting public health standards

The full report can be found at:

http://leg.mt.gov/content/Committees/Interim/2009_2010/Children_Family/Meeting_Documents/August%202010/hb-173-report.pdf

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	637,204	637,204	1,274,408	103.57%	2,877,638	2,877,638	5,755,276	97.10%
Statewide PL Adjustments	46,628	46,376	93,004	7.56%	154,303	154,292	308,595	5.21%
Other PL Adjustments	(3,212)	(3,212)	(6,424)	(0.52%)	(3,212)	(3,212)	(6,424)	(0.11%)
New Proposals	(65,245)	(65,245)	(130,490)	(10.60%)	(65,245)	(65,245)	(130,490)	(2.20%)
Total Budget	\$615,375	\$615,123	\$1,230,498		\$2,963,484	\$2,963,473	\$5,926,957	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					246,489					246,472
Vacancy Savings					(92,233)					(92,230)
Inflation/Deflation					47					50
Total Statewide Present Law Adjustments		\$46,628	\$56,240	\$51,435	\$154,303		\$46,376	\$58,808	\$49,108	\$154,292
DP 55140 - 17-7-140 Reductions - Optimizing Fed Funding BRFSS										
	0.00	(3,212)	0	0	(3,212)	0.00	(3,212)	0	0	(3,212)
Total Other Present Law Adjustments	0.00	(\$3,212)	\$0	\$0	(\$3,212)	0.00	(\$3,212)	\$0	\$0	(\$3,212)
Grand Total All Present Law Adjustments	0.00	\$43,416	\$56,240	\$51,435	\$151,091	0.00	\$43,164	\$58,808	\$49,108	\$151,080

DP 55140 - 17-7-140 Reductions - Optimizing Fed Funding BRFSS - The Governor made reductions to agencies’ 2011 biennium general fund budgets in accordance with 17-7-140, MCA. A portion of the reductions was effective in FY 2011 and therefore is not reflected in the base. This reduction is to continue the original reduction in the 2013 biennium. The executive proposes to reduce general fund support for the Behavioral Risk Factor Surveillance System (BRFSS) by \$3,212 per year of the biennium.

**LFD
ISSUE**

Please refer to the LFD Issue in the subprogram narrative for a discussion of the reduction to the Behavioral Risk Factor Surveillance System included in the package.

New Proposals

The “New Proposals” table summarizes all new proposals requested by the Governor.

New Proposals										
-----Fiscal 2012-----					-----Fiscal 2013-----					
Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 55407 - 4% Personal Svs GF Bud Reduction										
01	(1.00)	(65,245)	0	0	(65,245)	(1.00)	(65,245)	0	0	(65,245)
Total	(1.00)	(\$65,245)	\$0	\$0	(\$65,245)	(1.00)	(\$65,245)	\$0	\$0	(\$65,245)

DP 55407 - 4% Personal Svs GF Bud Reduction - The executive recommends a 4% reduction of personal services funded with general fund. The reduction includes the permanent reduction of FTE associated with positions vacant when budgets were developed. The executive proposes to eliminate 1.00 FTE for a health program representative and reduce general fund by \$65,245 each year.

Sub-Program Details**CHRONIC DISEASE PREV & HEALTH PROMOTION 03****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	44.50	0.00	3.50	48.00	0.00	3.50	48.00	48.00
Personal Services	2,403,382	143,709	272,132	2,819,223	144,879	271,469	2,819,730	5,638,953
Operating Expenses	6,185,627	1,114	596,028	6,782,769	1,224	596,028	6,782,879	13,565,648
Grants	8,009,973	(39,384)	366,981	8,337,570	(39,384)	369,054	8,339,643	16,677,213
Benefits & Claims	1,343,058	0	0	1,343,058	0	0	1,343,058	2,686,116
Total Costs	\$17,942,040	\$105,439	\$1,235,141	\$19,282,620	\$106,719	\$1,236,551	\$19,285,310	\$38,567,930
General Fund	591,741	(24,850)	0	566,891	(25,410)	0	566,331	1,133,222
State/Other Special	10,921,866	44,086	0	10,965,952	47,236	0	10,969,102	21,935,054
Federal Special	6,428,433	86,203	1,235,141	7,749,777	84,893	1,236,551	7,749,877	15,499,654
Total Funds	\$17,942,040	\$105,439	\$1,235,141	\$19,282,620	\$106,719	\$1,236,551	\$19,285,310	\$38,567,930

Sub-Program Description

The Chronic Disease Prevention and Health Promotion Bureau provides for the following functions:

- Cardiovascular health
- Diabetes control and prevention
- Nutrition and physical activity
- Cancer control
- Emergency medical services, trauma systems, and injury prevention
- Asthma control
- Tobacco use prevention and cessation

The various functions use surveillance, health status, and health care service information to monitor health conditions in Montana. The information is used to direct the efforts of the various programs within the bureau.

LFD ISSUE As discussed in the Agency Overview and the funding narrative for PHSD, the tobacco cessation and prevention account is over appropriated at the end of the 2013 biennium by \$4.7 million or approximately 20% of the proposed expenditures supported by this fund. Tobacco use prevention and cessation, chronic disease programs including cardiovascular health, diabetes control and prevention, cancer control, asthma control, and tribal programs included in this function are supported by this funding source. See the Agency Overview for full discussion.

Funding Allocation to the Various Programs within Chronic Disease Prevention and Health Promotion Bureau (bureau)

The figure below shows the various programs included in the bureau, the base budget, each change requested by the executive by fiscal year, and the total amount requested for each program. The figure also shows how much of the tobacco settlement funds are allocated to this function in the executive budget. The percentage of tobacco settlement funds is shown to assist the legislature in assessing the impacts of:

- Any reductions to the programs supported by tobacco cessation and prevention funding to address the over appropriation of funds
- Increases in federal funds for new federal programs or increased federal funds for existing programs

Public Health and Safety Division 2013 Biennium Chronic Disease Prevention and Health Promotion By Program and Funding											
	FY 2012					FY 2013					% of
Base Program Funding and Present Law and New Proposals	General Fund	State Special	Federal Special	Total	% of Tobacco Settlement	General Fund	State Special	Federal Special	Total	% of Tobacco Settlement	Biennial Total
<i>Emergency Medical Services and Trauma Systems</i>											
FY 2010 Base Funding	\$520,986	\$122,288	\$367,456	\$1,010,730	0.00%	\$520,986	\$122,288	\$367,456	\$1,010,730	0.00%	5.24%
Statewide Present Law Adjustments	10,845	(337)	(1,013)	9,495	0.00%	10,280	0	0	10,280	0.00%	0.05%
DP 55141 17-7-140 Reduction Optimizing Fed Poison Control	(39,384)	0	0	(39,384)	0.00%	(39,384)	0	0	(39,384)	0.00%	-0.20%
Total Emergency Medical Services and Trauma Systems	<u>\$492,447</u>	<u>\$121,951</u>	<u>\$366,443</u>	<u>\$980,841</u>	<u>0.00%</u>	<u>\$491,882</u>	<u>\$122,288</u>	<u>\$367,456</u>	<u>\$981,626</u>	<u>0.00%</u>	<u>5.09%</u>
Percent Change Over Base Budget	-5.48%	-0.28%	-0.28%	-2.96%		-5.59%	0.00%	0.00%	-2.88%		
<i>Cancer Control</i>											
FY 2010 Base Funding	\$70,755	\$1,058,746	\$2,518,505	\$3,648,006	29.02%	\$70,755	\$1,058,746	\$2,518,505	\$3,648,006	29.02%	18.92%
Statewide Present Law Adjustments	3,689	20,692	49,813	74,194	27.89%	3,694	20,765	49,989	74,448	27.89%	0.39%
DP 70107 Colorectal Cancer Screening	0	0	846,199	846,199	0.00%	0	0	846,551	846,551	0.00%	4.39%
Total Cancer Control	<u>\$74,444</u>	<u>\$1,079,438</u>	<u>\$3,414,517</u>	<u>\$4,568,399</u>	<u>23.63%</u>	<u>\$74,449</u>	<u>\$1,079,511</u>	<u>\$3,415,045</u>	<u>\$4,569,005</u>	<u>23.63%</u>	<u>23.69%</u>
Percent Change Over Base Budget	5.21%	1.95%	35.58%	25.23%		5.22%	1.96%	35.60%	25.25%		
<i>Asthma, Diabetes, Cardiovascular Health</i>											
FY 2010 Base Funding	\$0	\$1,515,558	\$2,741,265	\$4,256,823	35.60%	\$0	\$1,515,558	\$2,741,265	\$4,256,823	35.60%	22.07%
Statewide Present Law Adjustments	0	26,936	26,418	53,354	50.49%	0	26,471	27,356	53,827	49.18%	0.28%
DP 70106 Asthma Control Program	0	0	348,942	348,942	0.00%	0	0	350,000	350,000	0.00%	1.81%
DP 70109 Diabetes Prevention	0	0	40,000	40,000	0.00%	0	0	40,000	40,000	0.00%	0.21%
Total Asthma, Diabetes, Cardiovascular Health	<u>\$0</u>	<u>\$1,542,494</u>	<u>\$3,156,625</u>	<u>\$4,699,119</u>	<u>32.83%</u>	<u>\$0</u>	<u>\$1,542,029</u>	<u>\$3,158,621</u>	<u>\$4,700,650</u>	<u>32.80%</u>	<u>24.37%</u>
Percent Changes Over Base Budget	0.00%	1.78%	15.15%	10.39%		0.00%	1.75%	15.22%	10.43%		
<i>Tobacco Control and Prevention</i>											
FY 2010 Base Funding	\$0	\$8,225,274	\$801,207	\$9,026,481	91.12%	\$0	\$8,225,274	\$801,207	\$9,026,481	91.12%	46.81%
Statewide Present Law Adjustments	0	(3,205)	10,985	7,780	-41.20%	0	0	7,548	7,548	0.00%	0.04%
Total Tobacco Control and Prevention	<u>\$0</u>	<u>\$8,222,069</u>	<u>\$812,192</u>	<u>\$9,034,261</u>	<u>91.01%</u>	<u>\$0</u>	<u>\$8,225,274</u>	<u>\$808,755</u>	<u>\$9,034,029</u>	<u>91.05%</u>	<u>46.85%</u>
Percent Changes Over Base Budget	0.00%	-0.04%	1.37%	0.09%		0.00%	0.00%	0.94%	0.08%		
Chronic Disease Prevention and Health Promotion Total	<u>\$566,891</u>	<u>\$10,965,952</u>	<u>\$7,749,777</u>	<u>\$19,282,620</u>		<u>\$566,331</u>	<u>\$10,969,102</u>	<u>\$7,749,877</u>	<u>\$19,285,310</u>		
Percent Change Over Base Budget	-4.20%	0.40%	20.55%	7.47%		-4.29%	0.43%	20.56%	7.49%		

As shown, tobacco settlement funds support:

- 24% of cancer control activities
- 33% of asthma, diabetes, and cardiovascular health programs
- 91% of tobacco control and prevention

The following figure shows the tobacco settlement funds for tobacco cessation and prevention activities.

Figure 18

Public Health and Safety Division Tobacco Settlement Account - Fund Balance Master Settlement Agreement Payment Allocations to State Special Revenue Accounts					
Fund Balances, Revenues, Expenditures	FY 2010	FY 2011	FY 2012	FY 2013	% of Biennial Total
32% Allocation to Tobacco Cessation/Prevention					
Beginning Fund Balance	\$3,157,838	\$1,263,211	(\$725,853)	(\$2,636,107)	
Revenues*	10,090,579	10,369,920	10,367,360	10,354,880	
Expenditures					
Department of Revenue	295,135	311,720	307,863	308,603	2.5%
Department of Justice	121,793	115,864	125,903	126,058	1.0%
Public Health and Safety Division					
Tobacco Control & Prevention	7,595,274	7,675,649	8,222,069	8,225,274	66.4%
Chronic Disease Programs	2,574,304	2,678,291	2,621,932	2,621,540	21.2%
Home Health Visiting/MIAMI	396,379	366,440	404,545	404,666	3.3%
Tribal Programs	630,000	720,000	0	0	0.0%
Division Administrative Costs	134,388	164,755	132,006	132,357	1.1%
DPHHS Cost Allocated Administration**	229,764	326,265	463,296	657,881	4.5%
Subtotal Expenditures	11,977,037	12,358,984	12,277,614	12,476,379	100.0%
Adjustments	(8,169)	0	0	0	
Percentage of Annual Increase		3.19%	-0.66%	1.62%	
Ending Fund Balance	\$1,263,211	(\$725,853)	(\$2,636,107)	(\$4,757,606)	
* Revenue as adopted by the Revenue and Transportation Interim Committee on November 19, 2010					
** Nonbudgeted expenditures					

As shown in the figure, the executive proposes to expend \$4.7 million more for programs in the Chronic Disease Prevention and Health Promotion Bureau than is available in revenues. The subcommittee may wish to discuss with PHSD the division's recommendations for proposed reductions to the program in light of increasing costs and flat revenues supporting the programs.

LFD COMMENT

Previous legislatures have included restricted funding for tribal programs funded by tobacco settlement funds. The restriction required \$90,000 for each of the tribes to be used for tobacco use prevention programs that met the same requirements as other community-based contractors providing tobacco use prevention programs.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	591,741	591,741	1,183,482	104.44%	17,942,040	17,942,040	35,884,080	93.04%
Statewide PL Adjustments	14,534	13,974	28,508	2.52%	144,823	146,103	290,926	0.75%
Other PL Adjustments	(39,384)	(39,384)	(78,768)	(6.95%)	(39,384)	(39,384)	(78,768)	(0.20%)
New Proposals	0	0	0	0.00%	1,235,141	1,236,551	2,471,692	6.41%
Total Budget	\$566,891	\$566,331	\$1,133,222		\$19,282,620	\$19,285,310	\$38,567,930	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					249,841					251,059
Vacancy Savings					(106,132)					(106,180)
Inflation/Deflation					(3,845)					(3,769)
Fixed Costs					4,959					4,993
Total Statewide Present Law Adjustments										
		\$14,534	\$44,086	\$86,203	\$144,823		\$13,974	\$47,236	\$84,893	\$146,103
DP 55141 - 17-7-140 Reduction - Optimizing Fed Poison Cont										
	0.00	(39,384)	0	0	(39,384)	0.00	(39,384)	0	0	(39,384)
Total Other Present Law Adjustments										
	0.00	(\$39,384)	\$0	\$0	(\$39,384)	0.00	(\$39,384)	\$0	\$0	(\$39,384)
Grand Total All Present Law Adjustments										
	0.00	(\$24,850)	\$44,086	\$86,203	\$105,439	0.00	(\$25,410)	\$47,236	\$84,893	\$106,719

DP 55141 - 17-7-140 Reduction - Optimizing Fed Poison Cont - The Governor made reductions to agencies' 2011 biennium general fund budgets in accordance with 17-7-140, MCA. A portion of the reductions was effective in FY 2011 and therefore is not reflected in the base. This reduction is to continue the original reduction in the 2013 biennium.

**LFD
COMMENT**

The executive is reducing general fund support for poison control. To offset the reduction PHSD would reprioritize spending for the Preventative Health Block grant and provide funding for poison control activities within current federal resources.

New Proposals

The “New Proposals” table summarizes all new proposals requested by the Governor.

New Proposals										
Sub Program	Fiscal 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70106 - Asthma Control Program										
03	2.50	0	0	348,942	348,942	2.50	0	0	350,000	350,000
DP 70107 - Colorectal Cancer Screening										
03	1.00	0	0	846,199	846,199	1.00	0	0	846,551	846,551
DP 70109 - Diabetes Prevention										
03	0.00	0	0	40,000	40,000	0.00	0	0	40,000	40,000
Total	3.50	\$0	\$0	\$1,235,141	\$1,235,141	3.50	\$0	\$0	\$1,236,551	\$1,236,551

DP 70106 - Asthma Control Program - The executive requests funding for 2.50 FTE and approximately \$350,000 each year of the biennium in federal funds to address asthma from a public health perspective. DPHHS received a cooperative agreement award from the CDC to support primary care practices to improve the quality of asthma care, to provide public education regarding tobacco use/cessation related to asthma, and for a school grant program.

DP 70107 - Colorectal Cancer Screening - The executive proposes adding 1.00 FTE and \$1.7 million of federal funds over the biennium to support a colorectal cancer screening program. DPHHS received a cooperative agreement from the CDC to implement the colorectal cancer screening program for under-insured and uninsured Montanans aged 50 to 64 years. This program is designed to provide public awareness regarding screening and to implement policy and systems approaches to increase screening among the broader Montana population.

DP 70109 - Diabetes Prevention - The executive requests \$40,000 each year of the biennium in federal funding to support diabetes prevention. DPHHS received a cooperative agreement from the CDC to support the delivery of the department’s cardiovascular disease and diabetes prevention program. This program brings lifestyle intervention to remote rural communities through tele-health videoconferencing. These funds are also being used to support training for health professionals from Tribal Health Departments and Indian Health Service Units regarding implementing the diabetes prevention program lifestyle curriculum.

Sub-Program Details**FAMILY & COMMUNITY HEALTH 04****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	34.25	0.00	0.00	34.25	0.00	0.00	34.25	34.25
Personal Services	2,006,331	44,687	0	2,051,018	44,390	0	2,050,721	4,101,739
Operating Expenses	1,525,596	(5,181)	6,000	1,526,415	(2,615)	6,000	1,528,981	3,055,396
Grants	7,796,597	0	365,453	8,162,050	0	365,453	8,162,050	16,324,100
Benefits & Claims	11,507,276	0	0	11,507,276	0	0	11,507,276	23,014,552
Total Costs	\$22,835,800	\$39,506	\$371,453	\$23,246,759	\$41,775	\$371,453	\$23,249,028	\$46,495,787
General Fund	816,562	4,731	0	821,293	5,182	0	821,744	1,643,037
State/Other Special	2,138,157	3,099	0	2,141,256	4,162	0	2,142,319	4,283,575
Federal Special	19,881,081	31,676	371,453	20,284,210	32,431	371,453	20,284,965	40,569,175
Total Funds	\$22,835,800	\$39,506	\$371,453	\$23,246,759	\$41,775	\$371,453	\$23,249,028	\$46,495,787

Sub-Program Description

The Family and Community Health Bureau programs and services are designed to improve the health of Montana's women, children, and families. The bureau provides support for the following programs:

- Maternal and child health data monitoring
- Infant, child, and maternal health including public home health visiting and MIAMI programs
- Women, Infants, and Children (WIC) Nutrition program
- Women's and Men's Health including family planning, teen pregnancy prevention, and women's health services
- Children's Special Health Services incorporating specialty clinics, newborn metabolic and hearing screening, and genetics services

The Family and Community Health Bureau proposed budget increases by \$825,000 in the FY 2013 biennium when compared to the FY 2010 base. The majority of the increases are for two federal programs:

- Health professional loan repayment program at \$0.4 million over the biennium
- WIC infrastructure funding at \$0.6 million over the biennium

General fund supports 3.5% of proposed expenditures, state special revenues support 9.2%, and federal funds support 87.3%.

**LFD
COMMENT**

Included in the federal Patient Protection and Affordable Care Act (ACA) is a requirement that states conduct a statewide needs assessment identifying at-risk communities as a condition of the Maternal and Child Health block grant. States were required to submit the information in September 2010.

PHSD included the information on at risk communities in Montana in the Montana Needs Assessment. The full report can be found at: [Montana Needs Assessment](#)

Several of the programs budgeted in the Family and Community Health bureau serve populations identified in the report. Programs include prevention of low birth weight babies, premature births, and infant mortality; teenage pregnancy prevention, and children screened at birth for hearing loss or certain disorders and conditions that hinder normal development.

**LFD
COMMENT CONT.**

The report identified 27 communities at risk based on a very simple method of establishing risk. Risk was measured by examining a number of statewide measures for each county, and determining the measures for which the county had a higher prevalence than the statewide measurement. While the information is requested at the federal level as part of a request to apply for the receipt of the PPACA Maternal, Infant and Early Childhood Home Visiting Program for Montana, the legislature can also use the information to assess the need for services provided to Montana children and other individuals at risk.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	816,562	816,562	1,633,124	99.40%	22,835,800	22,835,800	45,671,600	98.23%
Statewide PL Adjustments	4,731	5,182	9,913	0.60%	39,506	41,775	81,281	0.17%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	371,453	371,453	742,906	1.60%
Total Budget	\$821,293	\$821,744	\$1,643,037		\$23,246,759	\$23,249,028	\$46,495,787	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					130,149					129,836
Vacancy Savings					(85,462)					(85,446)
Inflation/Deflation					(2,029)					(1,999)
Fixed Costs					(3,152)					(616)
Total Statewide Present Law Adjustments		\$4,731	\$3,099	\$31,676	\$39,506		\$5,182	\$4,162	\$32,431	\$41,775
Grand Total All Present Law Adjustments										
	0.00	\$4,731	\$3,099	\$31,676	\$39,506	0.00	\$5,182	\$4,162	\$32,431	\$41,775

New Proposals

The "New Proposals" table summarizes all new proposals requested by the Governor.

New Proposals										
Sub Program	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70105 - Health Professions Loan Repayment Program										
04	0.00	0	0	71,453	71,453	0.00	0	0	71,453	71,453
DP 70108 - WIC Infrastructure Funding										
04	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
Total	0.00	\$0	\$0	\$371,453	\$371,453	0.00	\$0	\$0	\$371,453	\$371,453

DP 70105 - Health Professions Loan Repayment Program - The executive proposes to add \$71,453 each year of the biennium in federal funds to support the loan repayment program for health professionals who practice in designated shortage areas, accept Medicaid and Medicare, and offer sliding scale payments. The funds would be used to pay for student loans up to \$15,000 per year for two years.

DP 70108 - WIC Infrastructure Funding - The executive requests \$300,000 each year of the biennium in federal funding to support Women, Infants, and Children (WIC) infrastructure efforts. These funds will be used for the development and support of projects, including rebranding of WIC educational materials, promotion of locally grown produce, and working with farmers markets.

Sub-Program Details**COMMUNICABLE DISEASE CONTROL & PREV 05****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	28.93	0.00	0.00	28.93	0.00	0.00	28.93	28.93
Personal Services	1,395,966	209,560	0	1,605,526	209,473	0	1,605,439	3,210,965
Operating Expenses	1,023,821	(8,512)	0	1,015,309	(8,397)	0	1,015,424	2,030,733
Grants	2,675,437	0	0	2,675,437	0	0	2,675,437	5,350,874
Benefits & Claims	1,041,977	0	0	1,041,977	0	0	1,041,977	2,083,954
Total Costs	\$6,137,201	\$201,048	\$0	\$6,338,249	\$201,076	\$0	\$6,338,277	\$12,676,526
General Fund	859,066	36,538	0	895,604	34,682	0	893,748	1,789,352
State/Other Special	1,258,768	3,349	0	1,262,117	4,632	0	1,263,400	2,525,517
Federal Special	4,019,367	161,161	0	4,180,528	161,762	0	4,181,129	8,361,657
Total Funds	\$6,137,201	\$201,048	\$0	\$6,338,249	\$201,076	\$0	\$6,338,277	\$12,676,526

Sub-Program Description

The Communicable Disease Control and Prevention Bureau (bureau) provides public health functions including:

- Disease surveillance
- Disease investigation
- Regulatory public health activities
- Coordination of prevention and treatment
- Education
- Training

The communicable disease and epidemiology/TB section, the food and consumer safety, the HIV/STD prevention section, and the immunization section are supported through the 2013 biennial budget request.

The executive proposes general fund support of 14.1% for proposed expenditures, state special revenues support of 19.9%, and federal funds support 66.0%. The majority of the general fund (61%) supports food and consumer safety activities, with the remainder almost evenly split between the communicable disease and epidemiology/TB and HIV/STD preventions sections.

Legislative Audit Division – Performance Audit

The Legislative Audit Division (LAD) issued a performance audit report on inspection and enforcement activities for retail food establishments dated November 2010. The report focused on the work of the Food and Consumer Safety Section (section) within the bureau. Audit work indicated that:

- Annual inspections are not always occurring as required by statute
- Program operations could be improved by reviewing and verifying existing management information collected by the section
- Management has improved some of the section's operations, such as prioritizing the collection of annual license fees that were delinquent
- The section had begun establishing a food safety task force or advisory council as outlined in statute

LAD made recommendations to improve program operations including:

- Develop a plan to comply with state law regarding inspections on retail food establishments
- Establish a food safety task force or advisory council
- Review quarterly inspection reports
- Verify inspections are being conducted
- Assure the balance remaining from license fees is being used for program operations
- Verify which counties have elected to participate in the retail food payment schedule

The division concurred with the audit recommendations. The full report can be found at:

<http://leg.mt.gov/content/Publications/Audit/Report/10P-06.pdf>

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	859,066	859,066	1,718,132	96.02%	6,137,201	6,137,201	12,274,402	96.83%
Statewide PL Adjustments	41,485	39,629	81,114	4.53%	205,995	206,023	412,018	3.25%
Other PL Adjustments	(4,947)	(4,947)	(9,894)	(0.55%)	(4,947)	(4,947)	(9,894)	(0.08%)
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$895,604	\$893,748	\$1,789,352		\$6,338,249	\$6,338,277	\$12,676,526	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					276,457					276,369
Vacancy Savings					(66,897)					(66,896)
Inflation/Deflation					(3,565)					(3,450)
Total Statewide Present Law Adjustments		\$41,485	\$3,349	\$161,161	\$205,995		\$39,629	\$4,632	\$161,762	\$206,023
DP 55142 - 17-7-140 Reductions Operations Efficiencies	0.00	(4,947)	0	0	(4,947)	0.00	(4,947)	0	0	(4,947)
Total Other Present Law Adjustments	0.00	(\$4,947)	\$0	\$0	(\$4,947)	0.00	(\$4,947)	\$0	\$0	(\$4,947)
Grand Total All Present Law Adjustments	0.00	\$36,538	\$3,349	\$161,161	\$201,048	0.00	\$34,682	\$4,632	\$161,762	\$201,076

DP 55142 - 17-7-140 Reductions Operations Efficiencies - The Governor made reductions to agencies' 2011 biennium general fund budgets in accordance with 17-7-140, MCA. A portion of the reductions was effective in FY 2011 and therefore is not reflected in the base. This reduction is to continue the original reduction in the 2013 biennium. The Public Health and Safety Division will make reductions in expenditures in the areas of travel, conferences, supplies, newspaper ads, cell phone use, postage, and contracting.

Sub-Program Details
STATE LABORATORIES 07**Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	32.32	0.00	0.00	32.32	0.00	0.00	32.32	32.32
Personal Services	1,835,383	79,536	0	1,914,919	78,092	0	1,913,475	3,828,394
Operating Expenses	2,203,515	100,352	0	2,303,867	101,320	0	2,304,835	4,608,702
Equipment & Intangible Assets	130,393	0	0	130,393	0	0	130,393	260,786
Total Costs	\$4,169,291	\$179,888	\$0	\$4,349,179	\$179,412	\$0	\$4,348,703	\$8,697,882
General Fund	492,011	(25,648)	0	466,363	(25,828)	0	466,183	932,546
State/Other Special	2,831,130	198,027	0	3,029,157	196,838	0	3,027,968	6,057,125
Federal Special	846,150	7,509	0	853,659	8,402	0	854,552	1,708,211
Total Funds	\$4,169,291	\$179,888	\$0	\$4,349,179	\$179,412	\$0	\$4,348,703	\$8,697,882

Sub-Program Description

The Laboratory Services Bureau is comprised of the environment laboratory section, the microbiology/molecular section, and the serology/newborn screening/preparedness section. The bureau focuses on the prevention and control of disease and the improvement of community health by providing testing in support of disease assessment and control.

**LFD
COMMENT**

The 2007 Legislature provided a one-time-only \$1.5 million general fund appropriation and the 2009 Legislature provided \$2.0 million in federal stimulus funding to support grants to county health boards in counties with a proliferation of tremolite asbestos-related diseases. PHSD granted the funds to the Lincoln County Health Department. The funding was included in the appropriations for the Laboratory Services Bureau. The executive has not included proposals to restore funding for the state grants. Since the legislature appropriated the funding further resolution for the victims of Libby asbestos has occurred including:

- The Patient Protection and Affordable Care Act included a provision that victims of Libby's asbestos are eligible for Medicare, regardless of age. The health care law contains a clause that opens Medicare to anyone diagnosed with an asbestos-related disease who stayed in Lincoln County a total of six months over a 10-year period
- The Environmental Protection Agency declared Libby a "public health emergency"
- The U.S. Department of Health and Human Services provided a \$6.0 million grant to provide health services and screenings to qualifying patients with asbestos-related diseases

The executive proposes general fund support of 10.7% for proposed expenditures, state special revenues support of 69.6%, and federal funds support of 19.6%.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	492,011	492,011	984,022	105.52%	4,169,291	4,169,291	8,338,582	95.87%
Statewide PL Adjustments	(25,648)	(25,828)	(51,476)	(5.52%)	54,888	54,412	109,300	1.26%
Other PL Adjustments	0	0	0	0.00%	125,000	125,000	250,000	2.87%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$466,363	\$466,183	\$932,546		\$4,349,179	\$4,348,703	\$8,697,882	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
	-----Fiscal 2012-----					-----Fiscal 2013-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					159,323					157,819
Vacancy Savings					(79,787)					(79,727)
Inflation/Deflation					2,231					3,379
Fixed Costs					(26,879)					(27,059)
Total Statewide Present Law Adjustments										
		(\$25,648)	\$73,027	\$7,509	\$54,888		(\$25,828)	\$71,838	\$8,402	\$54,412
DP 70004 - Increased authority for State Laboratory										
	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
Total Other Present Law Adjustments										
	0.00	\$0	\$125,000	\$0	\$125,000	0.00	\$0	\$125,000	\$0	\$125,000
Grand Total All Present Law Adjustments										
	0.00	(\$25,648)	\$198,027	\$7,509	\$179,888	0.00	(\$25,828)	\$196,838	\$8,402	\$179,412

DP 70004 - Increased authority for State Laboratory - This request adds \$125,000 each year of the biennium in state special revenue to meet projected increases in DPHHS laboratory supplies and other operating expenses. The expenses for laboratory supplies and other operating expenses are expected to increase an estimated 4% or \$125,000 each year. This estimate is based on maintaining current level test volumes. Increased expenses would be covered by laboratory fees.

**LFD
ISSUE**Funding for the Laboratory Services Bureau

The PHSD is required by statute to maintain both a public health and environmental laboratory (labs). The environmental laboratory function provides analyses for the Safe Drinking Water Act, and testing under the Clean Water Act, the National Pollutant Discharge Elimination Systems, the Clean Air Act, and the Dyed Fuel Program for the Montana Department of Transportation. Tests are provided for private well owners under the Safe Drinking Water Act. The public health function provides services to identify and confirm the cause of a wide variety of diseases, and plays a role in statewide surveillance of conditions of public health importance such as tuberculosis outbreaks. The public health lab also conducts tests that are unavailable elsewhere in the state.

**LFD
ISSUE CONT.**

Until FY 2010, the labs have been traditionally funded with fees for the services provided and with federal grants. The funding mix for the labs is a policy decision of the legislature. If the main objective of the labs is to provide timely, official, objective, and accurate test results to hospitals, physicians, outpatient clinics, or private residents interested in their well water safety, then there may not be a direct correlation to general public health and consequently should be supported by those users. However, if the labs provide surveillance for disease outbreaks or contamination of ground water, and monitor and notify the public of associated potential health risks, there would be a public health benefit to the labs and general fund support for the labs a consideration of the legislature.

The executive's proposal uses a funding mix of 10.7% general fund, 69.6% state special revenues, and 19.6% federal special revenues, therefore implicitly stating that there is a public health benefit to having the public health and environmental labs. It also makes the assumption that the PHSD proposal for labs' fees are adequate and that increased fee revenue generated from the fees should be used to offset operating costs or laboratory equipment. The policy issue for the legislature is whether this funding mix is appropriate, or some other assumption should be made.

There are two issues with the level of fees:

1. The fees for the labs are set in rule and at the control of PHSD. PHSD amended the fees for the state laboratories in March 2008 and again in March 2010 generating additional state special revenues. The executive proposes using the additional revenues generated by the March 2010 change for increased operating costs and laboratory equipment
2. Additional changes to the fees are not contemplated in the executive's proposed budget. PHSD has revised fees every two years for the last two biennia and therefore in March 2012 may do so again, generating additional state special revenues for FY 2013 that can be used to support the labs and offset general fund

Options

- Establish a funding mix through appropriations that reflects legislative policy to either
 - a. Fund the executive's request
 - b. Establish some other mix that reflects policy on how much the labs provide a general public benefit and how much the private entities benefit with having the labs, and considers the potential for additional state special revenues in FY 2013
- Use the additional fee revenue anticipated to offset general fund

Sub-Program Details**PUBLIC HEALTH SYS IMPROV & PREPAREDNESS 08****Sub-Program Proposed Budget**

The following table summarizes the total executive budget for the sub-program by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2010	PL Base Adjustment Fiscal 2012	New Proposals Fiscal 2012	Total Exec. Budget Fiscal 2012	PL Base Adjustment Fiscal 2013	New Proposals Fiscal 2013	Total Exec. Budget Fiscal 2013	Total Exec. Budget Fiscal 12-13
FTE	19.50	0.00	0.00	19.50	0.00	0.00	19.50	19.50
Personal Services	1,196,428	(84,640)	0	1,111,788	(85,295)	0	1,111,133	2,222,921
Operating Expenses	1,064,982	(6,077)	0	1,058,905	(4,906)	0	1,060,076	2,118,981
Equipment & Intangible Assets	146,849	0	0	146,849	0	0	146,849	293,698
Grants	3,793,531	0	0	3,793,531	0	0	3,793,531	7,587,062
Total Costs	\$6,201,790	(\$90,717)	\$0	\$6,111,073	(\$90,201)	\$0	\$6,111,589	\$12,222,662
Federal Special	6,201,790	(90,717)	0	6,111,073	(90,201)	0	6,111,589	12,222,662
Total Funds	\$6,201,790	(\$90,717)	\$0	\$6,111,073	(\$90,201)	\$0	\$6,111,589	\$12,222,662

Sub-Program Description

The fully federally funded Public Health System and Preparedness Bureau provides leadership in emergency preparedness in working with county and tribal health departments and hospitals around Montana. It is also a part of the state's emergency preparedness system and works with the Department of Military Affairs to implement the requirements of the Public Health Security and Bioterrorism Preparedness and Response Act of 2002 (act). The act establishes opportunities for states and local governments to conduct evaluations of public health emergency preparedness and enhances public health infrastructure and the capacity to prepare for and respond to public health emergencies.

**LFD
COMMENT**

As discussed in the program narrative, one of the budgetary risks for this program is that the federal PART system has identified the programs supported with the funds as ineffective or having results not demonstrated.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent Of Budget
Base Budget	0	0	0	0.00%	6,201,790	6,201,790	12,403,580	101.48%
Statewide PL Adjustments	0	0	0	0.00%	(90,717)	(90,201)	(180,918)	(1.48%)
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	0	0	0	0.00%
Total Budget	\$0	\$0	\$0		\$6,111,073	\$6,111,589	\$12,222,662	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes to the adjusted base budget proposed by the executive. “Statewide Present Law” adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2012-----					-----Fiscal 2013-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				(38,317)					(39,000)	
Vacancy Savings				(46,323)					(46,295)	
Inflation/Deflation				(462)					(232)	
Fixed Costs				(5,615)					(4,674)	
Total Statewide Present Law Adjustments	\$0	\$0	(\$90,717)	(\$90,717)		\$0	\$0	(\$90,201)	(\$90,201)	
Grand Total All Present Law Adjustments	0.00	\$0	\$0	(\$90,717)	0.00	\$0	\$0	(\$90,201)	(\$90,201)	