

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	1,179.47	1,179.47	1,149.25	1,149.25	1,179.47	1,149.25	(30.22)
Personal Services	65,531,552	68,985,311	70,394,543	70,367,383	134,516,863	140,761,926	6,245,063
Operating Expenses	20,722,657	22,231,747	22,212,791	22,294,471	42,954,404	44,507,262	1,552,858
Equipment & Intangible Assets	21,456	144,914	121,456	46,456	166,370	167,912	1,542
Capital Outlay	0	0	0	0	0	0	0
Grants	26,746,239	27,927,656	28,749,065	28,745,363	54,673,895	57,494,428	2,820,533
Benefits & Claims	302,492,619	329,291,306	311,763,665	314,113,978	631,783,925	625,877,643	(5,906,282)
Transfers	2,524,135	2,587,919	2,524,135	2,524,135	5,112,054	5,048,270	(63,784)
Debt Service	1,158	1,527	1,158	1,158	2,685	2,316	(369)
Total Costs	\$418,039,816	\$451,170,380	\$435,766,813	\$438,092,944	\$869,210,196	\$873,859,757	\$4,649,561
General Fund	75,248,669	80,187,551	83,156,587	84,908,468	155,436,220	168,065,055	12,628,835
State/Other Special Rev. Funds	5,639,778	6,904,101	5,819,805	5,821,085	12,543,879	11,640,890	(902,989)
Federal Spec. Rev. Funds	337,151,369	364,078,728	346,790,421	347,363,391	701,230,097	694,153,812	(7,076,285)
Total Funds	\$418,039,816	\$451,170,380	\$435,766,813	\$438,092,944	\$869,210,196	\$873,859,757	\$4,649,561

Agency Description

The Economic Security Services branch delivers a broad range of social and public health services to communities in Montana through the combined efforts of the Disability and Employment Transitions Division (DETD), the Human and Community Services Division (HCSD), the Child and Family Services Division (CFSD), and the Child Support Enforcement Division (CSED).

The primary functions of the branch include:

- Providing eligibility determination for and administration of public assistance in the form of:
 - Supplemental Nutrition Assistance Program (SNAP)
 - Temporary Assistance for Needy Families (TANF)
 - Low income energy assistance (LIEAP) & weatherization
 - Child care subsidies and programs
- Child welfare services including foster care, subsidized adoption, and family stabilization services
- Independent living support
- Vocational Rehabilitation for the blind or disabled
- Child support enforcement including collections, ensuring medical support, and establishing paternity

Agency Highlights

Economic Security Services Branch Major Budget Highlights
<ul style="list-style-type: none"> • The 2017 biennial appropriations decreased by 2.6% or \$23.4 million in total funds compared to the 2015 biennium. All values discussed below are biennial • Increased general fund due to: <ul style="list-style-type: none"> ◦ Higher state match rates to draw down federal funding for foster care, guardianship, subsidized adoption, and cost allocation ◦ Lower revenue into the state special revenue account for the Child Support Enforcement Division • A contingency appropriation of state special revenue for voice and internet relay services for the Montana Telecommunications Access Program provided these services are delegated to the state by the federal government - \$ 1.5 million, potential • The legislature approved and restricted provider rate increases for service providers across the branch, except child care • The legislature appropriated one-time-only general fund for the Best Beginnings STARS to Quality child care program for the biennium - \$2.4 million • The legislature appropriated funds to support various aspects of the Child and Family Services Division that were originally included in HB 305 - \$4.4 million • The legislature approved the addition of 8.00 one-time-only FTE in the Offices of Public Assistance in the Human and Community Services Division - \$0.8 million

Summary of Legislative Action

The legislature considered the budget for the 2017 biennium from a starting point of the FY 2015 appropriation. From this starting point, the economic security services branch had large reductions in benefits and claims, and slight increases in personal services, operating expenses, and grants.

The legislature adjusted benefits down from the level at which they were appropriated for FY 2015 to the lower level at which the department is currently experiencing and anticipating various caseloads. This meant reductions in both TANF cash benefits and SNAP benefits. Though some of the TANF reduction was replaced when the legislature adopted an increase in the level of benefits for TANF recipients from 33% of the 2011 federal poverty level (FPL) to 35% of the most recent year's FPL (2015 for benefits in 2016, and 2016 for benefits in 2017).

The legislature adopted both increases and decreases throughout program budgets in the branch to align expenditures in the coming biennium with the current and anticipated caseloads. This led to increases for Disability Determination Services, Vocational Rehabilitation and Blind (VRB) Services, TANF non-assistance programs, foster care, and subsidized guardianship. This also led to decreases for Montana Telecommunications Access Program (MTAP) Relay Services, the VRB Case Management System, SNAP benefits, TANF cash benefits, Child and Adult Care Food Program (CACFP) benefits, Intergovernmental Human Services Bureau (IHSB) grants, and subsidized adoption.

In addition to these present law adjustments, the legislature adopted provider rate increases of 2.0% in each year for various service providers throughout the branch, provided additional funding for the Montana Youth Transitions program, increased the TANF cash benefits level, funded the Child Care STARS to Quality program, funded 8.00 additional FTE as one-time-only for the Offices of Public Assistance, funded Tribal Foster Care, and appropriated \$4.4 million over the biennium for various program improvements in the Child and Family Services division.

All of these actions will be further addressed in the various program level narratives.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	168,065,055	0	0	168,065,055	19.23 %
State Special Total	11,640,890	0	130,000	11,770,890	1.35 %
Federal Special Total	694,153,812	0	0	694,153,812	79.42 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$873,859,757	\$0	\$130,000	\$873,989,757	
Percent - Total All Sources	99.99 %	0.00 %	0.01 %		

This branch is funded predominantly with federal funds, with general fund as about one-fifth of total funding. Across the branch, general fund is used primarily as a matching source to draw down federal funding for various social assistance programs. The required match rates vary by function throughout the divisions: CFSD and CSED generally receive the Federal Medical Assistance Percentage (FMAP) rate; HCSD primarily uses maintenance of effort (MOE) funding, which is a set dollar amount, rather than a match rate; DETD varies throughout its programs, but in general has a match rate higher than FMAP.

As compared to the 2015 biennium, the general fund appropriation for the 2017 biennium has increased while both the state special revenue and federal special revenue appropriations have decreased. This is due to a number of factors including, but not limited to, the change in FMAP leading to a larger state share of payments for foster care, subsidized adoption, etc., replacing one-time-only federal dollars with general fund to continue the Child Care STARS to Quality program, declining revenue to the state special fund for the Child Support Enforcement division.

Budget Summary by Category

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

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	79,942,503	79,942,503	159,885,006	95.13 %	449,114,518	449,114,518	898,229,036	102.79 %
PL Adjustments	241,010	1,621,063	1,862,073	1.11 %	(20,111,459)	(18,824,274)	(38,935,733)	(4.46)%
New Proposals	2,973,074	3,344,902	6,317,976	3.76 %	6,763,754	7,802,700	14,566,454	1.67 %
Total Budget	\$83,156,587	\$84,908,468	\$168,065,055		\$435,766,813	\$438,092,944	\$873,859,757	

Other Legislation

HB 472 - This legislation makes permanent the office of the child and family ombudsman that was created with one-time-only funding by the 2013 Legislature. It provides funding for this position by transferring \$85,741 in each year of the biennium from the department of public health and human services to the department of justice.

SB 150 - Increases the amount of a public utility's minimum annual funding requirement for low-income energy and weatherization assistance. This has no impact on the department's budget.

SB 405 - Some of the administrative costs for the Montana Health and Economic Livelihood Partnership (HELP) Act will fall to the Human and Community Services division.

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	1,179.47	1,149.25	1,149.25	0.00	1,149.25	1,149.25	0.00	0.00
Personal Services	65,531,552	70,976,840	70,394,543	(582,297)	70,949,953	70,367,383	(582,570)	(1,164,867)
Operating Expenses	20,722,657	21,807,884	22,212,791	404,907	21,908,766	22,294,471	385,705	790,612
Equipment & Intangible Assets	21,456	121,456	121,456	0	46,456	46,456	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	26,746,239	28,749,065	28,749,065	0	28,749,065	28,745,363	(3,702)	(3,702)
Benefits & Claims	302,492,619	129,061,384	311,763,665	182,702,281	131,992,206	314,113,978	182,121,772	364,824,053
Transfers	2,524,135	2,524,135	2,524,135	0	2,524,135	2,524,135	0	0
Debt Service	1,158	1,158	1,158	0	1,158	1,158	0	0
Total Costs	\$418,039,816	\$253,241,922	\$435,766,813	\$182,524,891	\$256,171,739	\$438,092,944	\$181,921,205	\$364,446,096
General Fund	75,248,669	81,398,731	83,156,587	1,757,856	83,162,583	84,908,468	1,745,885	3,503,741
State/other Special Rev. Funds	5,639,778	5,812,559	5,819,805	7,246	5,815,499	5,821,085	5,586	12,832
Federal Spec. Rev. Funds	337,151,369	166,030,632	346,790,421	180,759,789	167,193,657	347,363,391	180,169,734	360,929,523
Total Funds	\$418,039,816	\$253,241,922	\$435,766,813	\$182,524,891	\$256,171,739	\$438,092,944	\$181,921,205	\$364,446,096

The 2017 biennium legislatively approved budget includes federal funding of \$360.9 million above the level requested by the executive. This includes Supplemental Nutrition Assistance Program (SNAP) funding which the executive had requested (via legislation) be moved out of HB 2 and into a statutory appropriation. The legislative appropriation also includes funding for the Safe Child Initiative in the Child and Family Services Division; this funding had originally been requested in HB 305, which was tabled. Of the \$4.4 million in originally in HB 305, \$3.4 is in the Safe Child Initiative line item with the other \$1.0 million in a language appropriation earmarked for the same purpose.

Appropriations requested by the executive include caseload and provider rate increases throughout the economic security services branch to cover foster care and guardianship programs that are split between federal and state funding sources, and 8.00 one-time-only FTE for the Offices of Public Assistance. The budget also includes a contingency appropriation of \$775,000 in annual allocation of state special revenue held in case the federal government requires the State to take over portions of the Montana Telecommunications Access Program (MTAP) for which administration has historically been federal.

This budget does not fund lease adjustments for the Offices of Public Assistance in the Human and Community Services Division, and it does fund increased overtime and holiday pay for the Child and Family Services division at 50% of the requested amount.

Language and Statutory Authority

The following language was included in HB 2:

The Disability Employment and 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 Federal Communications Commission mandate, which would require states to provide both video and internet protocol relay services for people with severe hearing, mobility, or speech impairments.

Provider Rate Increase may be used only to raise rates paid to service providers.

If HB 305 is not passed and approved, then the Safe Child Initiative is appropriated an additional \$500,000 of general fund in each year of the 2017 biennium. (HB 305 was tabled in Senate Finance and Claims.)