

## Program Budget Comparison

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

Program 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	Biennium % Change
FTE	147.00	147.00	141.97	141.97	147.00	141.97	(5.03)	(3.42)%
Personal Services	8,408,617	9,028,213	9,132,344	9,131,982	17,436,830	18,264,326	827,496	4.75 %
Operating Expenses	4,690,936	6,342,327	5,115,635	5,144,001	11,033,263	10,259,636	(773,627)	(7.01)%
Benefits & Claims	14,266,466	13,691,777	14,706,157	14,976,100	27,958,243	29,682,257	1,724,014	6.17 %
Transfers	0	0	0	0	0	0	0	0.00 %
<b>Total Costs</b>	<b>\$27,366,019</b>	<b>\$29,062,317</b>	<b>\$28,954,136</b>	<b>\$29,252,083</b>	<b>\$56,428,336</b>	<b>\$58,206,219</b>	<b>\$1,777,883</b>	<b>3.15 %</b>
General Fund	5,726,929	5,777,130	6,040,044	6,129,856	11,504,059	12,169,900	665,841	5.79 %
State/Other Special Rev. Funds	930,524	1,029,065	947,359	948,528	1,959,589	1,895,887	(63,702)	(3.25)%
Federal Spec. Rev. Funds	20,708,566	22,256,122	21,966,733	22,173,699	42,964,688	44,140,432	1,175,744	2.74 %
<b>Total Funds</b>	<b>\$27,366,019</b>	<b>\$29,062,317</b>	<b>\$28,954,136</b>	<b>\$29,252,083</b>	<b>\$56,428,336</b>	<b>\$58,206,219</b>	<b>\$1,777,883</b>	<b>3.15 %</b>

## Program Description

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

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

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

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

## Program Highlights

<b>Disability Employment and Transitions Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2017 biennial appropriations increased by 1.5% or approximately \$0.9 million in total funds when compared with the 2015 appropriation. This amount was the product of offsetting reductions and increases including:                             <ul style="list-style-type: none"> <li>◦ Reduced operating costs of nearly \$1.0 million in each year</li> <li>◦ Reduced information technology costs for the Vocational Rehabilitation and Blind services program</li> <li>◦ Reduced MTAP relay services expenditures</li> <li>◦ Increased Vocational Rehabilitation and Blind services benefits costs</li> <li>◦ Increases for health insurance and reinstatement of vacancy savings</li> <li>◦ Increased support for Disability Determination Services</li> <li>◦ Increased funding for Montana Youth Transitions</li> <li>◦ Provider rate increases for Vocational Rehabilitation, Extended Employment, and Independent Living</li> </ul> </li> <li>• The legislature restricted provider rate increases and the Montana Youth Transitions program to ensure the funds are used for those purposes.</li> <li>• Additionally, the legislature provided a contingency appropriation of \$775,000 for state special revenue in each year of the biennium to be used for a potential Federal Communications Commission (FCC) mandate for state provisions of video and internet protocol relay services.</li> </ul>

## Program Narrative

For the 2017 biennium, the legislature approved an increase in total funds of \$0.9 million over the 2015 biennium appropriation. The legislature provided additional funding for caseloads in Disability Determination services and Vocational Rehabilitation and Blind services. It reduced funding for MTAP relay services and case management system support from the amount of the 2015 appropriation to align with expected lower expenditures in those areas. The legislature also funded provider rate increases for the program's various social service providers at 2.0% in each year of the biennium.

### *Montana Youth Transitions*

In addition to the executive request, the legislature chose to appropriate an additional \$50,000 each year for Montana Youth Transitions. Montana Youth Transitions (MYTransitions) is a tool for youth with disabilities and their families who are transitioning out of high school. Its purpose is to increase the number of youth with disabilities who achieve their desired post-school outcomes through connection with other students and families in Montana who have either already navigated the transition process or are also currently in transition.

## Funding

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

Economic Security Services Branch, 01-Disability Employment & Transitions Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	12,169,900	0	0	12,169,900	20.91 %
02159 Handicapped Telecommunications	1,819,628	0	0	1,819,628	95.98 %
02434 02 Indirect Activity Prog 01	76,259	0	0	76,259	4.02 %
<b>State Special Total</b>	<b>\$1,895,887</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,895,887</b>	<b>3.26 %</b>
03024 Soc Sec - Trust Funds	1,890,724	0	0	1,890,724	4.28 %
03234 Promise Grant	0	0	0	0	0.00 %
03365 03 Indirect Activity Prog 01	10,201	0	0	10,201	0.02 %
03554 84.169 - Independent Living 90	548,328	0	0	548,328	1.24 %
03555 84.177 - Indep Living Old BLIN	464,528	0	0	464,528	1.05 %
03557 84.187 - Vic Sup Employment	728,988	0	0	728,988	1.65 %
03558 84.224 - Mon Tech 100%	848,958	0	0	848,958	1.92 %
03559 84.265 - In Service Training 9	28,600	0	0	28,600	0.06 %
03588 93.802 - Disabil Deter Adm 100	12,003,736	0	0	12,003,736	27.19 %
03604 84.126 - Rehab-Sec110 A 78.7%	27,616,369	0	0	27,616,369	62.56 %
<b>Federal Special Total</b>	<b>\$44,140,432</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,140,432</b>	<b>75.83 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$58,206,219</b>	<b>\$0</b>	<b>\$0</b>	<b>\$58,206,219</b>	

The division is funded with a variety of sources and both sources and federal matching rates vary by function. General fund comprises 20.91% of the budget, with most used to match federal funds.

Federal funds comprise 75.83% of the 2017 biennium budget. The disability determination function, the Montech assistive technology program, and supported employment are entirely federally funded. The remaining federally funded programs require state matching funds.

State special revenue makes up about 3.26% of the budget and fully supports the MTAP program. MTAP revenue is raised by a fee of 10 cents per month assessed on subscriber connections and prepaid wireless telecommunication services per 53-19-311, MCA.

## Budget Summary by Category

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

## 69020 - Economic Security Services Branch 01-Disability Employment & Transitions Division

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	5,767,310	5,767,310	11,534,620	94.78 %	29,007,759	29,007,759	58,015,518	99.67 %
PL Adjustments	135,134	135,593	270,727	2.22 %	(368,272)	(340,268)	(708,540)	(1.22)%
New Proposals	137,600	226,953	364,553	3.00 %	314,649	584,592	899,241	1.54 %
<b>Total Budget</b>	<b>\$6,040,044</b>	<b>\$6,129,856</b>	<b>\$12,169,900</b>		<b>\$28,954,136</b>	<b>\$29,252,083</b>	<b>\$58,206,219</b>	

### Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Personal Services to 2014 Levels	0.00	62,137	13,209	(25,174)	50,172	0.00	62,158	14,599	(26,947)	49,810
DP 102 - General Operations to 2014 Levels	0.00	94,265	(17,094)	(944,934)	(867,763)	0.00	94,347	(17,121)	(944,990)	(867,764)
DP 515 - State Share Health Insurance	0.00	10,231	2,030	56,737	68,998	0.00	10,231	2,030	56,737	68,998
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	3,341	1,665	34,513	39,519	0.00	3,341	1,665	34,513	39,519
DP 525 - Fixed Costs	0.00	516	119	1,187	1,822	0.00	515	122	1,192	1,829
DP 527 - Inflation/Deflation	0.00	(13,999)	(5,042)	(52,690)	(71,731)	0.00	(13,642)	(5,239)	(51,337)	(70,218)
DP 100444 - Statewide 4% FTE Reduction - Program 1	(5.03)	0	0	0	0	(5.03)	0	0	0	0
DP 101001 - DDS Operations Support	0.00	0	0	273,025	273,025	0.00	0	0	299,872	299,872
DP 101003 - VRB Annualization of 2015B Funding	0.00	285,490	0	1,357,910	1,643,400	0.00	285,490	0	1,357,910	1,643,400
DP 101006 - MTAP Annualization of Relay Services	0.00	0	(65,136)	0	(65,136)	0.00	0	(65,136)	0	(65,136)
DP 101008 - VRB Support Fee for Case Mgmt System	0.00	(306,847)	0	(1,133,731)	(1,440,578)	0.00	(306,847)	0	(1,133,731)	(1,440,578)
<b>Grand Total All Present Law Adjustments</b>	<b>(5.03)</b>	<b>\$135,134</b>	<b>(\$70,249)</b>	<b>(\$433,157)</b>	<b>(\$368,272)</b>	<b>(5.03)</b>	<b>\$135,593</b>	<b>(\$69,080)</b>	<b>(\$406,781)</b>	<b>(\$340,268)</b>

\*\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

### DP 101 - Personal Services to 2014 Levels -

The legislature appropriated additional funds in each year of the biennium to fund personal services at the current usage level; this net increase includes changes such as longevity, workers compensation rates, movement of 1.00 FTE into Disability Employment and Transitions from the Public Health and Safety division, and various other adjustments.

### DP 102 - General Operations to 2014 Levels -

The legislature approved a reduction in funds in each year of the biennium to fund operations at the current usage level; operational expenses are currently lower than anticipated by the FY 2015 appropriation.

### DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance rates as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Costs -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 100444 - Statewide 4% FTE Reduction - Program 1 -

FY 2016 and FY 2017 contain reductions in FTE made by the executive to implement the boilerplate language in HB 2. Though intended by the legislature, the FY 2014 and FY 2015 FTE levels do not reflect this language.

DP 101001 - DDS Operations Support -

The legislature approved federal funds of \$273,025 in FY 2016 and \$299,872 in FY 2017 to annualize the costs associated with maintaining existing levels of service for Disability Determination Services.

DP 101003 - VRB Annualization of 2015B Funding -

The legislature approved \$1,357,910 federal funds and \$285,490 general fund in each year of the biennium to annualize benefit increases for the Vocational Rehabilitation and Blind Services (VRB) program implemented during the 2015 biennium.

DP 101006 - MTAP Annualization of Relay Services -

The legislature approved a decrease of \$65,136 in state special funds each year of the biennium to align with current relay service contract rates.

DP 101008 - VRB Support Fee for Case Mgmt System -

The legislature approved reductions of \$306,847 general fund and \$1,133,731 federal funds in each year of the biennium to align with current support needs for the Vocational Rehabilitation and Blind (VRB) program's case management system.

**New Proposals**

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals										
-----Fiscal 2016-----						-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 10201 - Montana Youth Transitions (RST)	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 101009 - PRI - Vocation Rehabilitation (RST)	0.00	47,918	0	177,049	224,967	0.00	96,795	0	357,639	454,434
DP 101010 - PRI - Extended Employment (RST)	0.00	26,048	0	0	26,048	0.00	52,617	0	0	52,617
DP 101011 - PRI - Independent Living (RST)	0.00	13,634	0	0	13,634	0.00	27,541	0	0	27,541
<b>Total</b>	<b>0.00</b>	<b>\$137,600</b>	<b>\$0</b>	<b>\$177,049</b>	<b>\$314,649</b>	<b>0.00</b>	<b>\$226,953</b>	<b>\$0</b>	<b>\$357,639</b>	<b>\$584,592</b>

\*\*\*Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

**DP 10201 - Montana Youth Transitions (RST) -**

The legislature restricted \$90,000 general fund in each year of the biennium for the Montana Youth Transitions program; the restriction included \$40,000 from the base and \$50,000 in additional authority.

**DP 101009 - PRI - Vocation Rehabilitation (RST) -**

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

**DP 101010 - PRI - Extended Employment (RST) -**

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

**DP 101011 - PRI - Independent Living (RST) -**

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