

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	191.95	191.95	181.02	181.01	191.95	181.01	(10.94)
Personal Services	12,406,591	12,750,464	12,884,933	12,882,376	25,157,055	25,767,309	610,254
Operating Expenses	12,314,255	14,072,460	10,139,920	10,147,401	26,386,715	20,287,321	(6,099,394)
Equipment & Intangible Assets	36,500	224,556	224,556	224,556	261,056	449,112	188,056
Grants	21,944,730	24,168,273	24,183,058	24,183,058	46,113,003	48,366,116	2,253,113
Benefits & Claims	14,039,913	14,656,277	14,656,277	14,656,277	28,696,190	29,312,554	616,364
Transfers	390,674	474,785	0	0	865,459	0	(865,459)
Total Costs	\$61,132,663	\$66,346,815	\$62,088,744	\$62,093,668	\$127,479,478	\$124,182,412	(\$3,297,066)
General Fund	3,672,480	4,143,476	3,857,129	3,856,743	7,815,956	7,713,872	(102,084)
State/Other Special Rev. Funds	16,291,732	16,847,018	18,075,780	18,079,732	33,138,750	36,155,512	3,016,762
Federal Spec. Rev. Funds	41,168,451	45,356,321	40,155,835	40,157,193	86,524,772	80,313,028	(6,211,744)
Total Funds	\$61,132,663	\$66,346,815	\$62,088,744	\$62,093,668	\$127,479,478	\$124,182,412	(\$3,297,066)

Agency Description

The mission of the Public Health and Safety Division (PHSD) is to improve and protect the health of Montanans by creating conditions for healthy living. 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:

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

Agency Highlights

Public Health and Safety Division Major Budget Highlights
<ul style="list-style-type: none"> • The 2017 biennium appropriation is \$3.3 million, or about 3%, and 10.94 FTE lower than the 2015 biennium budget <ul style="list-style-type: none"> ◦ FTE reductions are due to: <ul style="list-style-type: none"> ▪ Implementation of legislative intent included in HB 2 by the 2013 Legislature, which called for FTE reductions equivalent to a 4% vacancy savings - 7.44 FTE ▪ Funding federal Title X (family planning) activities through a statutory appropriation rather than HB 2 - 3.50 FTE ◦ Reductions in operating costs are offset primarily by increases in grant and personal services ◦ Increases in grant appropriations are due in part to: <ul style="list-style-type: none"> ▪ Increased state special revenue for colorectal cancer screening, expansion of the asthma home visiting, cardiovascular and diabetes prevention programs ▪ Reallocation of appropriation authority from operating costs to grants to accurately reflect the type of expenditure ◦ Increases are partially offset by moving Title X federal funding to a statutory appropriation from HB 2 ◦ Reductions in operating appropriations are due to: <ul style="list-style-type: none"> ▪ Decline in federal funding for several categorical grants due to sequestration ▪ Transfer of some expenditures to the grant category ▪ Use of a statutory appropriation instead of HB 2 funding for Title X grant funds

Summary of Legislative Action

The legislature approved a reduction of \$3.3 million, or 2.6%, for the PHSD 2017 biennium appropriation compared to the 2015 biennium. The most significant decline is in the operating cost category and is due to federal grant reductions due to federal sequestration and other federal fund reductions, moving appropriation authority from operating expenditures to grants to more accurately reflect the purpose of the appropriation, and moving Title X (family planning funding) to a statutory appropriation.

Grant appropriations increase a net \$2.3 million between biennia. Specific appropriation changes approved by the legislature include:

- An increase of \$2.0 million for additional tobacco prevention and control activities aimed at youth prevention, tobacco use cessation, and smoke free housing
- A reduction of \$1.4 million for Title X family planning funded through a statutory appropriation
- An increase of \$300,000 for colorectal cancer screening
- An increase of \$180,000 for expanded asthma home visiting
- A net change of \$1.2 million due to moving authority from operating expenditures to grants

Benefits and claims increase \$1.2 million from the 2015 biennium budget to the 2017 biennium budget due to adoption of the FY 2015 appropriation as the legislative base budget. The FY 2015 appropriation includes a higher funding level for the Women, Infants, and Children (WIC) nutrition program compared to the FY 2014 expenditure level.

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	7,713,872	0	0	7,713,872	6.21 %
State Special Total	36,155,512	0	0	36,155,512	29.11 %
Federal Special Total	80,313,028	0	0	80,313,028	64.67 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$124,182,412	\$0	\$0	\$124,182,412	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %		

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	3,788,496	3,788,496	7,576,992	98.23 %	66,218,973	66,218,973	132,437,946	106.65 %
PL Adjustments	68,633	68,247	136,880	1.77 %	(2,546,995)	(2,542,758)	(5,089,753)	(4.10)%
New Proposals	0	0	0	0.00 %	(1,583,234)	(1,582,547)	(3,165,781)	(2.55)%
Total Budget	\$3,857,129	\$3,856,743	\$7,713,872		\$62,088,744	\$62,093,668	\$124,182,412	

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	Base Budget	Executive Budget	Legislative Budget	Leg — Exec. Difference	Executive Budget	Legislative Budget	Leg — Exec. Difference	Biennium Difference
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	Fiscal 2017	Fiscal 16-17
FTE	191.95	184.52	181.02	(3.50)	184.51	181.01	(3.50)	(3.50)
Personal Services	12,406,591	13,363,965	12,884,933	(479,032)	13,361,005	12,882,376	(478,629)	(957,661)
Operating Expenses	12,314,255	12,576,503	10,139,920	(2,436,583)	12,579,287	10,147,401	(2,431,886)	(4,868,469)
Equipment & Intangible Assets	36,500	36,500	224,556	188,056	36,500	224,556	188,056	376,112
Grants	21,944,730	23,707,257	24,183,058	475,801	23,707,257	24,183,058	475,801	951,602
Benefits & Claims	14,039,913	14,039,913	14,656,277	616,364	14,039,913	14,656,277	616,364	1,232,728
Transfers	390,674	390,674	0	(390,674)	390,674	0	(390,674)	(781,348)
Total Costs	\$61,132,663	\$64,114,812	\$62,088,744	(\$2,026,068)	\$64,114,636	\$62,093,668	(\$2,020,968)	(\$4,047,036)
General Fund	3,672,480	3,864,690	3,857,129	(7,561)	3,863,707	3,856,743	(6,964)	(14,525)
State/other Special Rev. Funds	16,291,732	18,152,485	18,075,780	(76,705)	18,155,511	18,079,732	(75,779)	(152,484)
Federal Spec. Rev. Funds	41,168,451	42,097,637	40,155,835	(1,941,802)	42,095,418	40,157,193	(1,938,225)	(3,880,027)
Total Funds	\$61,132,663	\$64,114,812	\$62,088,744	(\$2,026,068)	\$64,114,636	\$62,093,668	(\$2,020,968)	(\$4,047,036)

The 2017 biennium legislative appropriation for the division is a net \$4.0 million lower than the executive request because the legislature:

- Moved funding for the Title X (family planning) federal grant from HB 2 to a statutory appropriation - \$3.9 million
- Did not approve funding for the executive implementation of the 2015 biennium pay plan - \$0.5 lower million
- Adopted the FY 2015 appropriation as a starting point - \$0.4 million higher

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 - Remaining Differences from FY 2015 Appropriation - Pers Servs	0.00	(92,742)	(464,604)	740,221	182,875	0.00	(94,492)	(463,698)	738,110	179,920
DP 102 - Remaining Differences from FY 2015 Appropriation - Other Cost	0.00	45,292	174,000	(4,459,209)	(4,239,917)	0.00	46,265	176,497	(4,457,290)	(4,234,528)
DP 515 - State Share Health Insurance	0.00	11,385	31,913	46,379	89,677	0.00	11,385	31,911	46,376	89,672
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	4,324	17,983	37,678	59,985	0.00	4,324	17,983	37,678	59,985
DP 525 - Fixed Costs	0.00	91,411	101,808	110,007	303,226	0.00	91,634	102,057	110,275	303,966
DP 527 - Inflation/Deflation	0.00	8,963	16,205	31,991	57,159	0.00	9,131	16,507	32,589	58,227
DP 700444 - Statewide 4% FTE Reduction - Program 7	(7.43)	0	0	0	0	(7.44)	0	0	0	0
DP 707001 - Tobacco Use Prevention Program	0.00	0	1,000,000	0	1,000,000	0.00	0	1,000,000	0	1,000,000
Grand Total All Present Law Adjustments	(7.43)	\$68,633	\$877,305	(\$3,492,933)	(\$2,546,995)	(7.44)	\$68,247	\$881,257	(\$3,492,262)	(\$2,542,758)

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

DP 101 - Remaining Differences from FY 2015 Appropriation - Pers Servs -

The legislature adjusted from the FY 2015 base appropriation to account for the remainder of differences in personal services between the legislative appropriation and executive request.

DP 102 - Remaining Differences from FY 2015 Appropriation - Other Cost -

The legislature reduced funding to account for the difference between the FY 2015 appropriation and the executive request. The majority of difference is due to lower federal grant funds in the 2017 biennium compared to the FY 2015 appropriation.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, 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 700444 - Statewide 4% FTE Reduction - Program 7 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium.

DP 707001 - Tobacco Use Prevention Program -

The legislature appropriated \$1.0 million each year of the biennium in state special revenue tobacco settlement funds for the Montana Tobacco Use Prevention Program. This adjustment will fund youth prevention, tobacco use cessation, and smoke-free housing activities. The FY 2015 base appropriation for grant funding administered by the tobacco control and prevention program is \$4.1 million.

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 707002 - CV Disease & Diabetes Prevention	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000
DP 707003 - Asthma Home Visiting Program	0.00	0	90,000	0	90,000	0.00	0	90,000	0	90,000
DP 707004 - Colorectal Cancer Screening	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 707005 - Move Title X Funding to a Statutory Appropriation	(3.50)	0	0	(1,923,234)	(1,923,234)	(3.50)	0	0	(1,922,547)	(1,922,547)
Total	(3.50)	\$0	\$340,000	(\$1,923,234)	(\$1,583,234)	(3.50)	\$0	\$340,000	(\$1,922,547)	(\$1,582,547)

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

DP 707002 - CV Disease & Diabetes Prevention -

The legislature added funds to expand the Cardiovascular Disease and Diabetes Prevention program. Funds will be used to increase the number of Montana communities that have access to these prevention services.

DP 707003 - Asthma Home Visiting Program -

The legislature added \$90,000 in each year of the biennium in tobacco settlement state special revenue to expand the asthma home visiting program.

DP 707004 - Colorectal Cancer Screening -

The legislature approved \$300,000 for the biennium in state special revenue tobacco settlement funds for the Colorectal Cancer Screening program. This new funding will allow the agency to screen 600 low-income adults for colorectal cancer.

DP 707005 - Move Title X Funding to a Statutory Appropriation -

The legislature passed HB 606, which moved federal Title X funding to a statutory appropriation. Previously these funds had been included in HB 2. This adjustment removes federal authority and funding for 3.50 FTE from HB 2.