

### Program Budget Comparison

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

| Program Budget Comparison |                     |                        |                       |                       |                          |                          |                    |                      |
|---------------------------|---------------------|------------------------|-----------------------|-----------------------|--------------------------|--------------------------|--------------------|----------------------|
| Budget Item               | Base<br>Fiscal 2012 | Approp.<br>Fiscal 2013 | Budget<br>Fiscal 2014 | Budget<br>Fiscal 2015 | Biennium<br>Fiscal 12-13 | Biennium<br>Fiscal 14-15 | Biennium<br>Change | Biennium<br>% Change |
| FTE                       | 146.00              | 146.00                 | 146.00                | 146.00                | 146.00                   | 146.00                   | 0.00               | 0.00%                |
| Personal Services         | 7,843,193           | 8,201,723              | 8,191,660             | 8,203,679             | 16,044,916               | 16,395,339               | 350,423            | 2.18%                |
| Operating Expenses        | 6,288,754           | 5,298,878              | 6,322,760             | 6,342,327             | 11,587,632               | 12,665,087               | 1,077,455          | 9.30%                |
| Benefits & Claims         | 13,345,125          | 12,284,420             | 13,516,735            | 13,691,777            | 25,629,545               | 27,208,512               | 1,578,967          | 6.16%                |
| Transfers                 | 0                   | 0                      | 0                     | 0                     | 0                        | 0                        | 0                  | n/a                  |
| <b>Total Costs</b>        | <b>\$27,477,072</b> | <b>\$25,785,021</b>    | <b>\$28,031,155</b>   | <b>\$28,237,783</b>   | <b>\$53,262,093</b>      | <b>\$56,268,938</b>      | <b>\$3,006,845</b> | <b>5.65%</b>         |
| General Fund              | 5,111,808           | 5,364,352              | 5,602,510             | 5,673,164             | 10,476,160               | 11,275,674               | 799,514            | 7.63%                |
| State Special             | 930,775             | 1,735,183              | 980,372               | 997,760               | 2,665,958                | 1,978,132                | (687,826)          | (25.80%)             |
| Federal Special           | 21,434,489          | 18,685,486             | 21,448,273            | 21,566,859            | 40,119,975               | 43,015,132               | 2,895,157          | 7.22%                |
| <b>Total Funds</b>        | <b>\$27,477,072</b> | <b>\$25,785,021</b>    | <b>\$28,031,155</b>   | <b>\$28,237,783</b>   | <b>\$53,262,093</b>      | <b>\$56,268,938</b>      | <b>\$3,006,845</b> | <b>5.65%</b>         |

### Page Reference

Legislative Budget Analysis, B-23

### Funding

The program is funded from a variety of sources and funding and federal matching rates vary by function.

General fund comprises 20.0% of the budget, with most used to match federal funds. The activities supported entirely by the general fund are the extended employment program, visual services medical support, and the Montana Youth Leadership Forum.

State special revenue comprises about 3.5% of the budget and is the sole support of the MTAP program. MTAP revenue is raised by a fee of 10 cents a month assessed on bills for subscriber connections and/or prepaid wireless telecommunication services per 53-19-311, MCA.

Federal funds comprise over 76.4% of the budget. The disability determination function is funded entirely with federal funds, as is the Montech assistive technology program and supported employment.

### Budget Summary by Category

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

| Budget Item              | -----General Fund----- |                       |                          |                      | -----Total Funds----- |                       |                          |                      |
|--------------------------|------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|--------------------------|----------------------|
|                          | Budget<br>Fiscal 2014  | Budget<br>Fiscal 2015 | Biennium<br>Fiscal 14-15 | Percent<br>of Budget | Budget<br>Fiscal 2014 | Budget<br>Fiscal 2015 | Biennium<br>Fiscal 14-15 | Percent<br>of Budget |
| Base Budget              | 5,111,808              | 5,111,808             | 10,223,616               | 90.67%               | 27,477,072            | 27,477,072            | 54,954,144               | 97.66%               |
| Statewide PL Adjustments | 423,318                | 425,240               | 848,558                  | 7.53%                | 345,656               | 360,351               | 706,007                  | 1.25%                |
| Other PL Adjustments     | (369,660)              | (369,666)             | (739,326)                | (6.56%)              | 36,817                | 53,708                | 90,525                   | 0.16%                |
| New Proposals            | 437,044                | 505,782               | 942,826                  | 8.36%                | 171,610               | 346,652               | 518,262                  | 0.92%                |
| <b>Total Budget</b>      | <b>\$5,602,510</b>     | <b>\$5,673,164</b>    | <b>\$11,275,674</b>      |                      | <b>\$28,031,155</b>   | <b>\$28,237,783</b>   | <b>\$56,268,938</b>      |                      |

### Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the base budget adopted by the legislature.

| Present Law Adjustments                            | -----Fiscal 2014----- |                    |                 |                   |                  | -----Fiscal 2015----- |                    |                 |                   |                  |
|--|-----------------------|--------------------|-----------------|-------------------|------------------|-----------------------|--------------------|-----------------|-------------------|------------------|
|  | FTE                   | General Fund       | State Special   | Federal Special   | Total Funds      | FTE                   | General Fund       | State Special   | Federal Special   | Total Funds      |
| Personal Services                                  |                       |                    |                 |                   | 689,793          |                       |                    |                 |                   | 702,311          |
| Vacancy Savings                                    |                       |                    |                 |                   | (341,326)        |                       |                    |                 |                   | (341,825)        |
| Inflation/Deflation                                |                       |                    |                 |                   | (5,387)          |                       |                    |                 |                   | (2,650)          |
| Fixed Costs  |                       |                    |                 |                   | 2,576            |                       |                    |                 |                   | 2,515            |
| <b>Total Statewide Present Law Adjustments</b>     |                       | <b>\$423,318</b>   | <b>\$12,780</b> | <b>(\$90,442)</b> | <b>\$345,656</b> |                       | <b>\$425,240</b>   | <b>\$13,277</b> | <b>(\$78,166)</b> | <b>\$360,351</b> |
| DP 50 - Initial Motion to FY 2012 Base             | 0.00                  | (423,318)          | (12,780)        | 90,442            | (345,656)        | 0.00                  | (425,240)          | (13,277)        | 78,166            | (360,351)        |
| DP 51 - Adjustment for Statewide Personal Services | 0.00                  | 54,198             | 10,029          | 284,240           | 348,467          | 0.00                  | 55,615             | 10,375          | 294,496           | 360,486          |
| DP 52 - Adjustment for Statewide Operations        | 0.00                  | (540)              | (411)           | (1,860)           | (2,811)          | 0.00                  | (41)               | (269)           | 175               | (135)            |
| DP 110 - MTAP Relay Services                       | 0.00                  | 0                  | 36,817          | 0                 | 36,817           | 0.00                  | 0                  | 53,708          | 0                 | 53,708           |
| <b>Total Other Present Law Adjustments</b>         | <b>0.00</b>           | <b>(\$369,660)</b> | <b>\$33,655</b> | <b>\$372,822</b>  | <b>\$36,817</b>  | <b>0.00</b>           | <b>(\$369,666)</b> | <b>\$50,537</b> | <b>\$372,837</b>  | <b>\$53,708</b>  |
| <b>Grand Total All Present Law Adjustments</b>     | <b>0.00</b>           | <b>\$53,658</b>    | <b>\$46,435</b> | <b>\$282,380</b>  | <b>\$382,473</b> | <b>0.00</b>           | <b>\$55,574</b>    | <b>\$63,814</b> | <b>\$294,671</b>  | <b>\$414,059</b> |

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment funds the fixed cost and inflation/deflation rates as approved by the General Government Subcommittee.

DP 110 - MTAP Relay Services - The legislature approved an increase in state special revenue for the Montana Telecommunications Access Program (MTAP) to cover the projected costs of minutes used in providing traditional relay services and CapTel relay services for people with severe hearing, mobility, or speech impairments.

The legislature also approved inclusion of language in HB 2 related to MTAP: "The Disability Employment & Transitions Division is appropriated \$775,000 of state special revenue from the Montana Telecommunications Access Program (MTAP) during each year of the 2015 biennium to cover a contingent FCC mandate, which would require states to provide either Video or Internet Protocol relay services for people with severe hearing, mobility or speech impairments."

### New Proposals

| New Proposals                         | -----Fiscal 2014----- |                  |                |                    |                  | -----Fiscal 2015----- |                  |                |                    |                  |             |
|---------------------------------------|-----------------------|------------------|----------------|--------------------|------------------|-----------------------|------------------|----------------|--------------------|------------------|-------------|
|                                       | Program               | FTE              | General Fund   | State Special      | Federal Special  | Total Funds           | FTE              | General Fund   | State Special      | Federal Special  | Total Funds |
| DP 53 - Base Funding Switch           |                       |                  |                |                    |                  |                       |                  |                |                    |                  |             |
| 01                                    | 0.00                  | 369,660          | 3,162          | (372,822)          | 0                | 0.00                  | 369,666          | 3,171          | (372,837)          | 0                |             |
| DP 1901 - PRI Vocation Rehabilitation |                       |                  |                |                    |                  |                       |                  |                |                    |                  |             |
| 01                                    | 0.00                  | 67,384           | 0              | 104,226            | 171,610          | 0.00                  | 136,116          | 0              | 210,536            | 346,652          |             |
| <b>Total</b>                          | <b>0.00</b>           | <b>\$437,044</b> | <b>\$3,162</b> | <b>(\$268,596)</b> | <b>\$171,610</b> | <b>0.00</b>           | <b>\$505,782</b> | <b>\$3,171</b> | <b>(\$162,301)</b> | <b>\$346,652</b> |             |

DP 53 - Base Funding Switch - This adjustment establishes a fund switch between fund types to fund base operations.

DP 1901 - PRI Vocation Rehabilitation - The legislature approved a 2% provider rate increase in each year of the biennium for Extended Employment, Independent Living, and other Vocational Rehabilitation providers and included the requirement in LC 1673, the bill to implement HB 2.

**Language and Statutory Authority**

The legislature proposes the following language for inclusion in HB 2.

The Disability Employment & Transitions Division is appropriated \$775,000 of state special revenue from the Montana Telecommunications Access Program (MTAP) during each year of the 2015 biennium to cover a contingent FCC mandate, which would require states to provide either Video or Internet Protocol relay services for people with severe hearing, mobility or speech impairments.

“The department of public health and human services must use \$171,610 in fiscal year 2014 and \$346,652 in fiscal year 2015 of funds in the Management and Disability Transitions Division to raise provider rates by 2% in fiscal year 2014 and by an additional 2% in fiscal year 2015.”