

Program Budget Comparison

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

Agency Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	191.96	191.96	191.96	191.96	191.96	191.96	0.00	0.00%
Personal Services	10,582,164	11,595,969	11,751,725	11,767,489	22,178,133	23,519,214	1,341,081	6.05%
Operating Expenses	12,330,780	11,875,720	14,523,738	14,509,592	24,206,500	29,033,330	4,826,830	19.94%
Equipment & Intangible Assets	224,556	277,242	224,556	224,556	501,798	449,112	(52,686)	(10.50%)
Grants	21,439,775	20,432,232	24,342,532	24,343,058	41,872,007	48,685,590	6,813,583	16.27%
Benefits & Claims	14,656,277	13,637,295	14,656,277	14,656,277	28,293,572	29,312,554	1,018,982	3.60%
Transfers	0	252,000	0	0	252,000	0	(252,000)	(100.00%)
Total Costs	\$59,233,552	\$58,070,458	\$65,498,828	\$65,500,972	\$117,304,010	\$130,999,800	\$13,695,790	11.68%
General Fund	3,598,646	2,723,255	4,015,475	4,018,585	6,321,901	8,034,060	1,712,159	27.08%
State Special	14,765,002	14,804,580	16,607,810	16,607,638	29,569,582	33,215,448	3,645,866	12.33%
Federal Special	40,869,904	40,542,623	44,875,543	44,874,749	81,412,527	89,750,292	8,337,765	10.24%
Total Funds	\$59,233,552	\$58,070,458	\$65,498,828	\$65,500,972	\$117,304,010	\$130,999,800	\$13,695,790	11.68%

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
- Emergency Medical Services

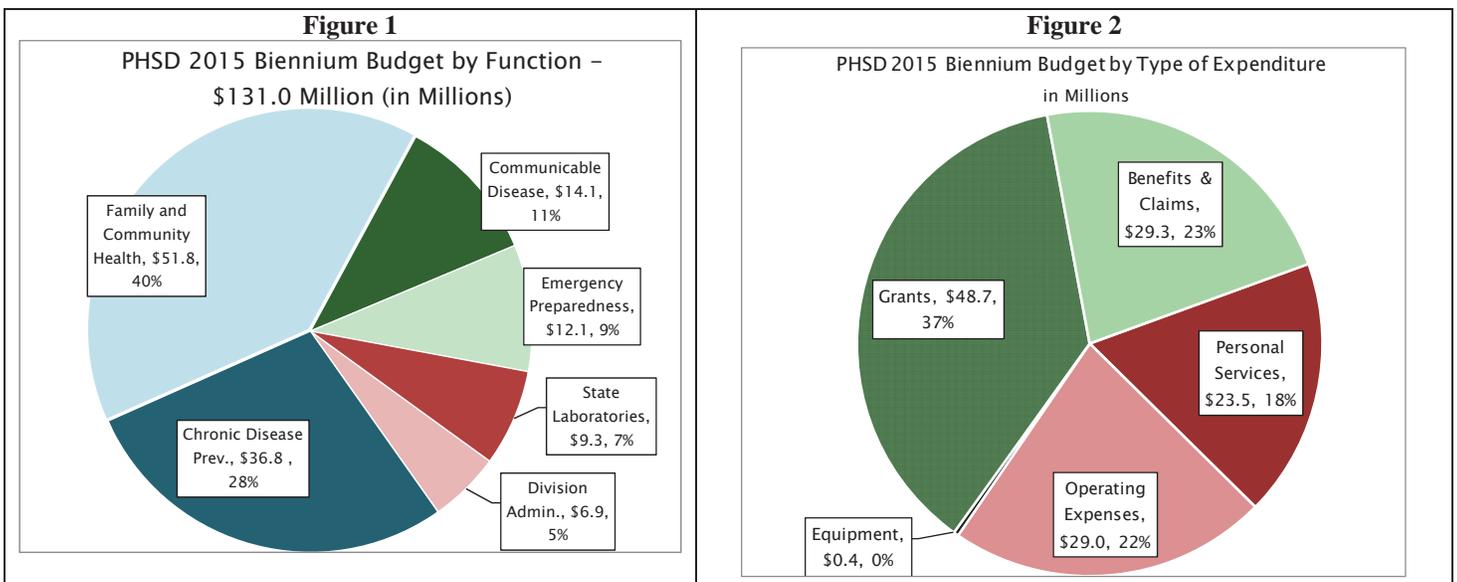
Statutory authority for public health functions, including local public health activities, is in Title 50, MCA,. Rules concerning public health programs are in Title 37 of the Administrative Rules of Montana. Specific citations include: Title V of the Social Security Act; Family Planning Title X of the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

Division Highlights

Public Health and Safety Division Major Budget Highlights	
<ul style="list-style-type: none"> ◆ Significant changes contributing to the \$13.7 million increase from the 2013 biennium budget are: <ul style="list-style-type: none"> ◆ \$8.2 million in new proposals to add: <ul style="list-style-type: none"> • Federal grant funding to expand/improve home visiting services, children’s special health services, a state arthritis program, and laboratories • State special revenue to expand state funded genetics, asthma, and heart disease prevention programs ◆ \$2.8 million in state special revenue for tobacco control prevention, vital statistics, state laboratory services, and statewide present law adjustments ◆ \$0.8 million general fund for statewide present law adjustments and to offset a federal grant reduction for the state poison control program 	
Major LFD Issues	
<ul style="list-style-type: none"> ◆ Federal sequestration would reduce some grant funds that support division activities ◆ State laboratory fees may not be sufficient to support executive budget ◆ There is additional revenue allocated to tobacco cessation that could be used to address legislative initiatives 	

Division Budget Request

The PHSD 2015 biennium budget increases \$13.7 million compared to the 2013 biennium. Figure 1 shows the 2015 biennium budget by major function.



The majority – 60% - of the PHSD 2015 biennium budget request supports grants to local governments and direct services (benefits and claims) to low-income individuals (See Figure 2). Additionally, the majority of the increase

between the 2013 and 2015 biennial budgets - \$7.8 million – is for grants and direct services to persons. Both functions are supported primarily by federal categorical grants with stipulations about how the funds may be spent.

The majority of benefits and claims - \$10.4 million annually - supports the Women, Infant, and Children (WIC) nutrition program that provides vouchers for defined types of food for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age five who are found to be at nutritional risk. WIC also funds health care referrals and nutrition education. The remainder of direct services expenditures supports breast and cervical cancer screenings and treatment.

The major grant functions in the 2015 biennium budget request are:

- \$4.1 million – WIC grant to counties for nutrition services
- \$3.4 million – tobacco prevention and control
- \$2.9 million – bioterrorism hospital preparedness
- \$2.7 million – family planning grants
- \$1.6 million – maternal child health grants to counties
- \$1.3 million - breast and cervical cancer prevention

Personal services increase \$2.4 million from the 2013 biennium budget. The majority of the increase is due to:

- Full funding for positions that were vacant during the base budget year – about \$618,000
- Pay plan increases granted by DPHHS and discussed in the agency overview - about \$300,000

The 2015 biennium budget for operating costs increases \$4.8 million over the 2013 biennium budget. The main change is \$2.2 million for contracted services to:

- Increase public health laboratory operations - \$1.4 million
- Develop an arthritis program - \$0.8 million
- Implement statewide chronic disease prevention activities - \$0.5 million
- Increase genetics program functions - \$0.4 million
- Implement a program to detect and monitor disease occurrence as early as possible - \$0.3 million

Funding

The following table shows program funding, by source for the 2015 biennium as recommended by the Governor.

Total Public Health Funding by Source of Authority 2015 Biennium Budget - Public Health & Safety Div.							
Funds	HB 2	Non-		Total All Sources	% Total All Funds	MCA Reference	Statutory Category
		Budgeted Proprietary	Statutory Appropriation				
General Fund	\$8,034,060	\$0	\$0	\$8,034,060	6.1%		
State Special Total	\$33,215,448	\$0	\$0	\$33,215,448	25.4%		
02199 Dhes Food & Consumer	\$13,928	\$0	\$0	\$13,928	0.0%		
02366 Public Health Laboratory	\$6,327,691	\$0	\$0	\$6,327,691	4.8%		
02379 02 Indirect Activity Prog 07	\$889,845	\$0	\$0	\$889,845	0.7%		
02419 Vital Statistics	\$854,382	\$0	\$0	\$854,382	0.7%		
02462 Food/lodging License	\$1,902,552	\$0	\$0	\$1,902,552	1.5%		
02512 Brfs Survey Fees	\$107,686	\$0	\$0	\$107,686	0.1%		
02765 Fees On Insurance Policies - Sb 275	\$2,564,835	\$0	\$0	\$2,564,835	2.0%		
02772 Tobacco Hlth & Medicd Initiative	\$51,314	\$0	\$0	\$51,314	0.0%		
02773 Childrens Special Health Services	\$925,992	\$0	\$0	\$925,992	0.7%		
02790 6901-statewide Tobacco Sttlmnt	\$17,638,325	\$0	\$0	\$17,638,325	13.5%		
02987 Tobacco Interest	\$1,938,898	\$0	\$0	\$1,938,898	1.5%		
Federal Special Total	\$89,750,292	\$0	\$0	\$89,750,292	68.5%		
03004 Ems Data Injury	\$219,128	\$0	\$0	\$219,128	0.2%		
03020 Ph Workforce Development	\$1,894	\$0	\$0	\$1,894	0.0%		
03026 Family Planning Title X	\$4,612,010	\$0	\$0	\$4,612,010	3.5%		
03027 Wic (women,infants & Children)	\$20,816,042	\$0	\$0	\$20,816,042	15.9%		
03030 Health Prevention & Services	\$208,040	\$0	\$0	\$208,040	0.2%		
03031 Maternal & Child Health	\$4,981,114	\$0	\$0	\$4,981,114	3.8%		
03057 Newborn Hearing Screening	\$525,272	\$0	\$0	\$525,272	0.4%		
03105 Mt Diabetes	\$997,882	\$0	\$0	\$997,882	0.8%		
03146 10.577 Wic Bf Peer Counseling	\$416,558	\$0	\$0	\$416,558	0.3%		
03150 Wic Cdc Surveillance	\$181,826	\$0	\$0	\$181,826	0.1%		
03159 Tuberculosis Grant	\$329,586	\$0	\$0	\$329,586	0.3%		
03203 Strengthen Phi Component I	\$490,976	\$0	\$0	\$490,976	0.4%		
03246 Wic Admin	\$10,042,698	\$0	\$0	\$10,042,698	7.7%		
03253 Homeland Security Program	\$10,000	\$0	\$0	\$10,000	0.0%		
03273 Primary Care Services	\$223,258	\$0	\$0	\$223,258	0.2%		
03274 Ryan White Act, Title Ii	\$1,561,078	\$0	\$0	\$1,561,078	1.2%		
03275 Adult Viral Hepatitis Prevent	\$44,458	\$0	\$0	\$44,458	0.0%		
03294 Primary Care Services Ara	\$32,306	\$0	\$0	\$32,306	0.0%		
03310 Aca Mdcld Incent For Prev Of Cd	\$223,582	\$0	\$0	\$223,582	0.2%		
03328 Afford Care Act Miechvp Fmla	\$2,000,000	\$0	\$0	\$2,000,000	1.5%		
03334 Aca Community Transformation	\$1,538,390	\$0	\$0	\$1,538,390	1.2%		
03336 Food Inspection Program	\$170,058	\$0	\$0	\$170,058	0.1%		
03362 Data Integration	\$115,802	\$0	\$0	\$115,802	0.1%		
03366 Emsc Sproc	\$400,000	\$0	\$0	\$400,000	0.3%		
03370 Epi & Lab Surveillance E. Coli	\$741,000	\$0	\$0	\$741,000	0.6%		
03371 Mt Arthritis	\$856,918	\$0	\$0	\$856,918	0.7%		
03380 Cyschn	\$589,824	\$0	\$0	\$589,824	0.5%		
03392 Colorectal Cancer Screening	\$1,604,740	\$0	\$0	\$1,604,740	1.2%		
03396 Ryan White Hiv Treatment	\$11,108	\$0	\$0	\$11,108	0.0%		
03399 Healthy Communities	\$75,098	\$0	\$0	\$75,098	0.1%		
03402 Addressing Asthma	\$550,000	\$0	\$0	\$550,000	0.4%		
03420 Early Hearing Deficit Intrv	\$274,422	\$0	\$0	\$274,422	0.2%		
03421 Obesity Prevention	\$1,530,000	\$0	\$0	\$1,530,000	1.2%		
03451 69010-cdp For Brfs	\$936,878	\$0	\$0	\$936,878	0.7%		
03510 Heart Disease & Stroke Program	\$2,080,000	\$0	\$0	\$2,080,000	1.6%		
03541 State Loan Repayment Program	\$144,140	\$0	\$0	\$144,140	0.1%		
03596 03 Indirect Activity Prog 07	\$1,958,326	\$0	\$0	\$1,958,326	1.5%		
03689 6901-bioter Hosp Preparedness	\$3,222,042	\$0	\$0	\$3,222,042	2.5%		
03690 6901-rape Prev & Educ 93.126	\$237,565	\$0	\$0	\$237,565	0.2%		
03709 6901-rural Access Emerg Device	\$1,868	\$0	\$0	\$1,868	0.0%		
03711 6901-breast & Cervical Cancer	\$4,384,548	\$0	\$0	\$4,384,548	3.3%		
03712 6901-cancer Registries 93.283	\$566,379	\$0	\$0	\$566,379	0.4%		
03713 6901-wic Farmer Market 10.572	\$104,332	\$0	\$0	\$104,332	0.1%		
03788 Montana Disability And Health Progr	\$840,000	\$0	\$0	\$840,000	0.6%		
03822 Tobacco Control	\$1,715,945	\$0	\$0	\$1,715,945	1.3%		
03929 Seroprevalence/surveillance	\$136,684	\$0	\$0	\$136,684	0.1%		
03933 Affordable Care Act Elc	\$1,067,062	\$0	\$0	\$1,067,062	0.8%		
03936 Vaccination Program	\$2,367,520	\$0	\$0	\$2,367,520	1.8%		
03937 Std Program	\$645,676	\$0	\$0	\$645,676	0.5%		
03938 Aids Fed. Cat. #13.118	\$2,585,762	\$0	\$0	\$2,585,762	2.0%		
03959 Bioterrorism	\$9,178,840	\$0	\$0	\$9,178,840	7.0%		
03969 Bunker Hill	\$635,280	\$0	\$0	\$635,280	0.5%		
03979 Comprehensive Cancer Control	\$566,377	\$0	\$0	\$566,377	0.4%		
Total All Funds	\$130,999,800	\$0	\$0	\$130,999,800	100.0%		
Percent - Total All Sources	100.0%	0.0%	0.0%				

The 2015 biennium PSHD budget request is funded by general fund (6%), state special revenue (25%), and federal funds (69%). The major sources of state special revenue are:

- o Tobacco settlement funds and tobacco settlement trust fund interest
- o Insurance fees for a genetics program (\$1 annually for each Montana resident insured under any individual or group disability or health insurance policy)
- o Licensing fees for food manufacturers or food sales establishments (5% of an annual license fee of \$115)
- o Fees for laboratory services

LFD COMMENT	<p>The tobacco settlement funds and income from the tobacco settlement trust fund support several functions across the department and in the Office of the State Auditor. Issues and legislative options associated with these funding sources are discussed in the DPHHS agency narrative. There is \$3.7 million as of the end of FY 2015 in the tobacco settlement account and about \$400,000 in the tobacco settlement interest account that can be used to fund other legislative initiatives that are within the statutorily allowed uses</p>
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Federal funding sources supporting PSHD functions are categorical grants governed by federal laws that specify allowable uses for each. Figure 3 shows the major PSHD functions and the fund source(s) for each.

Figure 3

Public Health and Safety Division by Major Function			
Funding Type Supporting Function			
Major Program/Function	State		
	General Fund	Special Revenue*	Federal Funds
Administration - Division and Bureau	x	x	x
Asthma, Diabetes, Cardiovascular Health		x	x
Behavioral Risk Factor Surveillance		x*	x
Cancer Control	x	x	x
Childrens Special Health Services		x	x
Communicable Disease and Epidemiology	x	x	x
Emergency Medical Services & Trauma Systems	x	x	x
Emergency Preparedness			x
Food and Consumer Safety	x	x*	x
Genetics		x	x
HIV & Sexually Transmitted Disease Prevention	x	x	x
Immunization	x	x	x
Maternal Child Health		x	x
Newborn Hearing Screening		x	
Public Health Home Visits	x	x	
Tobacco Prevention and Control		x	x
Vital Statistics	x	x*	
Women's and Men's Health	x		x
Women, Infant, & Children Nutrition Assistance		x	x

*Sources of state special revenue include fee for service income.

LFD ISSUE	<p><u>Federal Sequestration</u></p> <p>A significant number of public health functions administered by PSHD are funded from federal grants. Legislative staff requested a list of federal grants that fund PHSD that could be subject to potential federal sequestration as well as the FY 2012 grant amount and estimated reduction in each grant per sequestration guidelines. DPHHS did not provide the information in time to be compiled, evaluated, and included in the budget analysis. If federal grant funding for PHSD functions is reduced, the legislature may wish to request that DPHHS provide detailed information on the effect of these reductions including:</p> <ul style="list-style-type: none"> ○ The specific grant subject to reduction ○ The amount of reduction by grant by fiscal year ○ The specific actions DPHHS will take to implement the grant reductions ○ The impacts of those actions <p>This issue is also discussed in the agency overview.</p>
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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 Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	3,598,646	3,598,646	7,197,292	89.58%	59,233,552	59,233,552	118,467,104	90.43%
Statewide PL Adjustments	234,429	237,539	471,968	5.87%	1,289,641	1,291,785	2,581,426	1.97%
Other PL Adjustments	182,400	182,400	364,800	4.54%	900,000	900,000	1,800,000	1.37%
New Proposals	0	0	0	0.00%	4,075,635	4,075,635	8,151,270	6.22%
Total Budget	\$4,015,475	\$4,018,585	\$8,034,060		\$65,498,828	\$65,500,972	\$130,999,800	

The majority of the PHSD 2015 biennium budget request funds continuation of present law services – about 94%. New proposals are about 6% of the total. The majority of the general fund increase supports statewide present law adjustments for personal services and fixed cost adjustments. The remaining present law general fund request offsets the anticipated reduction in federal grant funds that support the statewide poison control program and as noted later in the division discussion should be categorized as a new proposal because it is a funding shift

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 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,659,215					1,675,633
Vacancy Savings					(489,654)					(490,308)
Inflation/Deflation					(1,724)					61
Fixed Costs					121,804					106,399
Total Statewide Present Law Adjustments		\$234,429	\$527,808	\$527,404	\$1,289,641		\$237,539	\$527,636	\$526,610	\$1,291,785
DP 70104 - State Laboratory Operations	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
DP 70112 - Poison Control Hotline (contingent)	0.00	182,400	0	(182,400)	0	0.00	182,400	0	(182,400)	0
DP 70113 - Tobacco Use Prevention	0.00	0	750,000	0	750,000	0.00	0	750,000	0	750,000
Total Other Present Law Adjustments	0.00	\$182,400	\$900,000	(\$182,400)	\$900,000	0.00	\$182,400	\$900,000	(\$182,400)	\$900,000
Grand Total All Present Law Adjustments	0.00	\$416,829	\$1,427,808	\$345,004	\$2,189,641	0.00	\$419,939	\$1,427,636	\$344,210	\$2,191,785

LFD
ISSUE

Statewide Present Law Adjustments

The statewide present law adjustments for this division account for \$2.6 million of the \$4.4 million biennial increase, or more than one third of the total. The general fund increase due to statewide present law adjustments is nearly 60% of the biennial general fund increase.

Personal services adjustments are the lion’s share of the statewide present law increase. About \$700,00 of the biennial increase is due to pay increases granted by DPHHS late in FY 2012 and about \$740,000 is due to other adjustments such as longevity increases and changes in employer taxes, including workers’ compensation rates. Personal services issues are discussed in more detail in the agency narrative.

Some PHSD statewide present law adjustments are funded entirely from general fund or at a higher percentage of general fund than base budget expenditures. In these instances LFD staff requested information as to why the adjustments were not allocated across all funding sources or were not allocated according to base budget funding percentages. Information was not received in time to be compiled, evaluated, and included in the analysis. The legislature may wish to consider reviewing present law personal services adjustments that are funded from a higher percentage of general fund than base budget expenditures for the following functions:

- Emergency medical services
- Asthma and diabetes control
- Women and men’s health
- Food and consumer safety
- Communicable disease and epidemiology
- Cost allocated administration

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 70100 - Community Transformation Grant											
07	0.00	0	0		769,195	769,195	0.00	0	0	769,195	769,195
DP 70103 - Improve Serv for Children With Special Hlt Needs											
07	0.00	0	0		294,912	294,912	0.00	0	0	294,912	294,912
DP 70105 - EPI and Laboratory Capacity Grant											
07	0.00	0	0		533,531	533,531	0.00	0	0	533,531	533,531
DP 70106 - Medicaid Incentive Grant											
07	0.00	0	0		111,791	111,791	0.00	0	0	111,791	111,791
DP 70108 - MIEC Home Visiting Program - Formula											
07	0.00	0	0		1,000,000	1,000,000	0.00	0	0	1,000,000	1,000,000
DP 70109 - Public Health System Improvement Grant											
07	0.00	0	0		150,000	150,000	0.00	0	0	150,000	150,000
DP 70110 - State Loan Repayment Program											
07	0.00	0	0		35,617	35,617	0.00	0	0	35,617	35,617
DP 70118 - Asthma Home Visiting											
07	0.00	0	90,000		0	90,000	0.00	0	90,000	0	90,000
DP 70119 - Heart Disease & Diabetes Prevention Program											
07	0.00	0	125,000		0	125,000	0.00	0	125,000	0	125,000
DP 70120 - Genetics Program											
07	0.00	0	200,000		0	200,000	0.00	0	200,000	0	200,000
DP 70121 - State-Based Arthritis Program											
07	0.00	0	0		428,459	428,459	0.00	0	0	428,459	428,459
DP 70122 - Regional Emergency Pediatric Services Grant											
07	0.00	0	0		200,000	200,000	0.00	0	0	200,000	200,000
DP 70124 - Syndromic Surveillance Program											
07	0.00	0	0		137,130	137,130	0.00	0	0	137,130	137,130
Total	0.00	\$0	\$415,000		\$3,660,635	\$4,075,635	0.00	\$0	\$415,000	\$3,660,635	\$4,075,635

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 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15	
FTE	34.00	0.00	0.00	34.00	0.00	0.00	34.00	34.00	
Personal Services	2,106,604	197,256	0	2,303,860	200,865	0	2,307,469	4,611,329	
Operating Expenses	896,935	27,967	103,277	1,028,179	28,070	103,204	1,028,209	2,056,388	
Grants	45,000	0	46,723	91,723	0	46,796	91,796	183,519	
Total Costs	\$3,048,539	\$225,223	\$150,000	\$3,423,762	\$228,935	\$150,000	\$3,427,474	\$6,851,236	
General Fund	663,127	126,782	0	789,909	127,801	0	790,928	1,580,837	
State/Other Special	835,446	89,836	0	925,282	91,185	0	926,631	1,851,913	
Federal Special	1,549,966	8,605	150,000	1,708,571	9,949	150,000	1,709,915	3,418,486	
Total Funds	\$3,048,539	\$225,223	\$150,000	\$3,423,762	\$228,935	\$150,000	\$3,427,474	\$6,851,236	

Sub-Program Description

The Public Health and Safety Division Administration function provides oversight and administrative support for the four bureaus and the Office of Epidemiology and Scientific Support. The sub-program also includes the Vital Statistics program and the behavior risk factor surveillance function.

Sub-Program Narrative

The division administration sub-program budget request is about \$0.8 million higher than the FY 2012 base budget doubled. The majority of the increase is due to statewide present law adjustments for pay increases and offsets for vacancies in FY 2012, while a \$0.3 million request for federal grant funds supports a public health system improvement project.

Just under one half of the division administration sub-program budget is supported through indirect cost recovery allocations applied to the expenses of all division programs through a federally approved cost allocation plan. The Office of Vital Statistics is about 27% of the total 2015 biennium request and is supported through general fund and state special revenue.

General fund supports 23% of 2015 biennium budget request, state special revenue supports 27%, and federal funds support 50%.

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 Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	663,127	663,127	1,326,254	83.90%	3,048,539	3,048,539	6,097,078	88.99%
Statewide PL Adjustments	126,782	127,801	254,583	16.10%	225,223	228,935	454,158	6.63%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	150,000	150,000	300,000	4.38%
Total Budget	\$789,909	\$790,928	\$1,580,837		\$3,423,762	\$3,427,474	\$6,851,236	

The majority of the 2015 biennium budget increase continues base budget and statewide present law adjustments for personal services and fixed cost increases. A single new proposal to prepare Montana for national public health accreditation adds \$300,000 in federal funds.

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 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					293,251					297,009
Vacancy Savings					(95,995)					(96,144)
Inflation/Deflation					48					151
Fixed Costs					27,919					27,919
Total Statewide Present Law Adjustments		\$126,782	\$89,836	\$8,605	\$225,223		\$127,801	\$91,185	\$9,949	\$228,935
Grand Total All Present Law Adjustments	0.00	\$126,782	\$89,836	\$8,605	\$225,223	0.00	\$127,801	\$91,185	\$9,949	\$228,935

New Proposals

Sub Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70109 - Public Health System Improvement Grant										
01	0.00	0	0	150,000	150,000	0.00	0	0	150,000	150,000
Total	0.00	\$0	\$0	\$150,000	\$150,000	0.00	\$0	\$0	\$150,000	\$150,000

DP 70109 - Public Health System Improvement Grant - This new proposal would be used to prepare Montana for national public health accreditation by meeting public health practice standards and implementing quality improvement activities. The request is funded by federal grant funds.

PHSD would use funding from the National Public Health Improvement Initiative to continue to strengthen and improve Montana's public health system through the following key activities:

- o To bring public health programs and practices into alignment with national public health standards and measurements as set forth by the Public Health Accreditation Board
- o To implement performance and quality improvement activities and increase the use of evidence-based interventions to increase the effectiveness of programs and practices
- o To bring public health programs and practices of local and tribal public health departments into alignment with national public health standards and measurements
- o To provide training and technical assistance that will prepare state, local and tribal public health agencies for voluntary national accreditation

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	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	48.00	0.00	0.00	48.00	0.00	0.00	48.00	48.00
Personal Services	2,511,147	381,980	0	2,893,127	387,636	0	2,898,783	5,791,910
Operating Expenses	5,219,618	13,813	750,515	5,983,946	14,458	750,346	5,984,422	11,968,368
Equipment & Intangible Assets	7,815	0	0	7,815	0	0	7,815	15,630
Grants	6,689,528	750,000	973,930	8,413,458	750,000	974,099	8,413,627	16,827,085
Benefits & Claims	1,111,367	0	0	1,111,367	0	0	1,111,367	2,222,734
Total Costs	\$15,539,475	\$1,145,793	\$1,724,445	\$18,409,713	\$1,152,094	\$1,724,445	\$18,416,014	\$36,825,727
General Fund	555,020	271,456	0	826,476	271,450	0	826,470	1,652,946
State/Other Special	7,423,955	892,360	215,000	8,531,315	899,946	215,000	8,538,901	17,070,216
Federal Special	7,560,500	(18,023)	1,509,445	9,051,922	(19,302)	1,509,445	9,050,643	18,102,565
Total Funds	\$15,539,475	\$1,145,793	\$1,724,445	\$18,409,713	\$1,152,094	\$1,724,445	\$18,416,014	\$36,825,727

Sub-Program Description

The Chronic Disease Prevention and Health Promotion Bureau administers 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

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

Sub-Program Narrative

The 2015 biennium budget request is \$5.7 million greater than the FY 2012 base, including \$0.5 million general fund. The changes are:

- \$3.4 million in federal grants for new proposals to test financial incentives to encourage Medicaid enrollees to implement healthy lifestyle changes, implement an arthritis program, and enhance emergency pediatric services and several chronic disease prevention activities
- \$2.3 million total funds (including \$0.4 million general fund) for statewide present law and present law adjustments to increase tobacco prevention efforts targeted to young people, to expand asthma, heart disease, and diabetes services prevention and treatment, and to offset a potential loss of federal grant funds for the poison control hotline

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 Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	555,020	555,020	1,110,040	67.16%	15,539,475	15,539,475	31,078,950	84.39%
Statewide PL Adjustments	89,056	89,050	178,106	10.78%	395,793	402,094	797,887	2.17%
Other PL Adjustments	182,400	182,400	364,800	22.07%	750,000	750,000	1,500,000	4.07%
New Proposals	0	0	0	0.00%	1,724,445	1,724,445	3,448,890	9.37%
Total Budget	\$826,476	\$826,470	\$1,652,946		\$18,409,713	\$18,416,014	\$36,825,727	

Most of the funding requested (91%) for the 2015 biennium budget supports present law services. New proposals to add federal grant funds are 9% of the biennial request.

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 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					502,526					508,417
Vacancy Savings					(120,546)					(120,781)
Inflation/Deflation					59					704
Fixed Costs					13,754					13,754
Total Statewide Present Law Adjustments		\$89,056	\$142,360	\$164,377	\$395,793		\$89,050	\$149,946	\$163,098	\$402,094
DP 70112 - Poison Control Hotline (contingent)	0.00	182,400	0	(182,400)	0	0.00	182,400	0	(182,400)	0
DP 70113 - Tobacco Use Prevention	0.00	0	750,000	0	750,000	0.00	0	750,000	0	750,000
Total Other Present Law Adjustments	0.00	\$182,400	\$750,000	(\$182,400)	\$750,000	0.00	\$182,400	\$750,000	(\$182,400)	\$750,000
Grand Total All Present Law Adjustments	0.00	\$271,456	\$892,360	(\$18,023)	\$1,145,793	0.00	\$271,450	\$899,946	(\$19,302)	\$1,152,094

DP 70112 - Poison Control Hotline (Contingent) - This request would cover a portion of the cost of providing 24/7 access to information and consultation regarding poisonous substances for citizens and health care providers. These costs were previously covered with federal funds that are proposed to be eliminated from the federal budget. This request is contingent upon elimination of the federal funds.

LFD ISSUE	<u>Contingent HB 2 Language and New Proposal</u>
	<p>The poison control function and several other functions are funded from the health and prevention services block grant. LFD staff has requested the following information from PHSD:</p> <ul style="list-style-type: none"> ○ What is the anticipated total federal grant amount for each year of the 2015 biennium? ○ What other sources of funding did DPHHS consider to offset the potential loss of federal grant funds? <p>If the legislature opts to approve the executive budget request, it could consider language restricting the use of the appropriation and limiting the amount of general fund to reduction in the federal grant. An example of such language would be:</p> <p>“If the federal health and prevention services grant is below (a specified amount) in either FY 2014 or FY 2015, general fund is appropriated up to the amount of the shortfall, but not to exceed \$182,400 in either year. The federal funds appropriated for Poison Control Hotline must be reduced by an amount equal to the general fund increase.”</p> <p>If the legislature includes the contingency language it could also consider removing the federal funding reduction in this request.</p> <p>This funding switch is characterized as a present law adjustment, but should be listed as a new proposal. If the legislature approves the request, it may wish to direct staff to change the categorization.</p>

DP 70113 - Tobacco Use Prevention - This present law adjustment for the Montana Tobacco Use Prevention Program would fund youth prevention activities including increasing awareness of the dangers of tobacco use, creating educational materials and campaigns geared toward children and teens, and building youth leadership skills. The request is for \$750,000 in each year of the biennium from tobacco settlement state special revenue, as provided in 17-6-606, MCA.

New Proposals

New Proposals										
Sub Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70100 - Community Transformation Grant										
03	0.00	0	0	769,195	769,195	0.00	0	0	769,195	769,195
DP 70106 - Medicaid Incentive Grant										
03	0.00	0	0	111,791	111,791	0.00	0	0	111,791	111,791
DP 70118 - Asthma Home Visiting										
03	0.00	0	90,000	0	90,000	0.00	0	90,000	0	90,000
DP 70119 - Heart Disease & Diabetes Prevention Program										
03	0.00	0	125,000	0	125,000	0.00	0	125,000	0	125,000
DP 70121 - State-Based Arthritis Program										
03	0.00	0	0	428,459	428,459	0.00	0	0	428,459	428,459
DP 70122 - Regional Emergency Pediatric Services Grant										
03	0.00	0	0	200,000	200,000	0.00	0	0	200,000	200,000
Total	0.00	\$0	\$215,000	\$1,509,445	\$1,724,445	0.00	\$0	\$215,000	\$1,509,445	\$1,724,445

DP 70100 - Community Transformation Grant - This new proposal would fund statewide chronic disease prevention activities including a hospital-based breast feeding initiative, work site health promotion focusing on nutrition and physical activity, community-based cardiovascular disease prevention, and coordination with local and tribal health departments to implement smoke free public housing policies. The request is supported by federal grant funds.

DP 70106 - Medicaid Incentive Grant - This new proposal would be used to test the results of providing financial incentives via a debit card to adults enrolled in Medicaid who are participating in an evidence-based lifestyle intervention to reduce their risk of developing diabetes. The request is funded from the federal Medicaid Incentive Grant.

LFD ISSUE	<p><u>Outcome Measures</u></p> <p>Legislative staff requested a copy of the federal grant and the PHSD grant application in order to determine the outcome measures for this grant. The information was not provided in time to be reviewed, evaluated and included in the budget analysis.</p> <p>The legislature may wish to review the outcome measures that will be tracked and reported for this federal grant when it considers the appropriation request. The legislature may wish to request that the outcome measures be augmented if it desires additional information, especially related to Medicaid services costs. It may wish to direct that PHSD provide project results to appropriate interim committees or the next legislature.</p>
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DP 70118 - Asthma Home Visiting - This present law adjustment would add three additional sites to provide services to children ages 0-17 with uncontrolled asthma. Children and families served by the program receive environmental home assessments to identify and mitigate asthma triggers, education to better manage the condition, and assistance in coordinating care with schools and primary care providers. The request is funded from tobacco settlement state special revenue as provided in 17-6-606, MCA.

DP 70119 - Heart Disease & Diabetes Prevention Program - This present law adjustment would fund five additional program sites. This program is based on the National Institutes of Health Diabetes Prevention Program (DPP), a lifestyle intervention that prevents the development of diabetes among high-risk adults through reduced fat and caloric intake and increased physical activity. The request is funded from tobacco settlement state special revenue as provided in 17-6-606, MCA.

DP 70121 - State-Based Arthritis Program - This new proposal would fund health education efforts to increase awareness of the benefits of physical activity among Montanans with arthritis, to implement arthritis control activities, and to monitor the burden of arthritis in Montana. The proposal is funded from federal funds.

DP 70122 - Regional Emergency Pediatric Services Grant - This new proposal would fund a pediatric illness and injury demonstration project in rural and tribal communities. The state would partner with a hospital/provider specializing in pediatric care to develop approaches to improved pediatric capacity. The request is supported by federal funds.

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 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	30.73	0.00	0.00	30.73	0.00	0.00	30.73	30.73
Personal Services	1,686,208	216,273	0	1,902,481	216,806	0	1,903,014	3,805,495
Operating Expenses	1,431,669	4,817	398,425	1,834,911	5,066	398,141	1,834,876	3,669,787
Grants	8,305,919	0	1,132,104	9,438,023	0	1,132,388	9,438,307	18,876,330
Benefits & Claims	12,730,292	0	0	12,730,292	0	0	12,730,292	25,460,584
Total Costs	\$24,154,088	\$221,090	\$1,530,529	\$25,905,707	\$221,872	\$1,530,529	\$25,906,489	\$51,812,196
General Fund	807,567	357	0	807,924	389	0	807,956	1,615,880
State/Other Special	2,332,750	8,006	200,000	2,540,756	7,642	200,000	2,540,392	5,081,148
Federal Special	21,013,771	212,727	1,330,529	22,557,027	213,841	1,330,529	22,558,141	45,115,168
Total Funds	\$24,154,088	\$221,090	\$1,530,529	\$25,905,707	\$221,872	\$1,530,529	\$25,906,489	\$51,812,196

Sub-Program Description

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

- Maternal and child health data monitoring
- Infant, child, and maternal health including public home health visiting and MIAMI (Montana Initiative for the Abatement of Mortality in Infants) 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

Sub-Program Narrative

The Family and Community Health Bureau 2015 biennium budget request is \$3.5 million higher than the FY 2012 base budget. The majority of the increase - \$1.3 million annually – adds federal grant funds to:

- Improve services for children with special needs
- Improve pregnancy outcomes and the health, development and school readiness of children ages 0 through 5
- Provide loan repayment funds for nurse practitioners, physician assistants, certified nurse midwives, dental and mental health professionals working in health professional shortage areas

LFD ISSUE Information to Evaluate New Proposals

Legislative staff requested the following information about the federal grant proposals in order to evaluate the proposals:

- Estimated number of persons that will be served or participate
- Types of services provided
- Average loan repayment amounts and average loan reduction

The information was not provided in time to be evaluated and included in the budget analysis. The legislature may wish to review information related to the proposed outcomes of the new proposals prior to taking action on them. The legislature may wish to review whether the funding should be designated as one time unless PHSD can provide information that the programs will be ongoing.

General fund supports 6% of the 2015 biennium budget request, state special revenues support 25%, and federal funds support 69%. Federal WIC nutrition funds support \$10.4 million annually for vouchers for food for low-income women and young children. WIC services comprise the majority of the expenditures for benefits and claims (direct services to individuals).

LFD COMMENT

The 2011 Legislature eliminated \$5.7 million in federal family planning funds from the 2013 biennium executive budget request. However, the legislature approved the Governor’s amendatory veto of HB 2 that included \$51.5 million of federal special revenue allocated to the Health Resources Division and added the following HB 2 language governing the appropriation: “Federal special revenue appropriated to the Department of Public Health and Human Services may be allocated among programs when developing 2013 biennial operating plans.” In FY 2012, DPHHS transferred \$2.3 million in federal authority from the federal appropriation to PHSD to expend federal Title X funds.

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 Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	807,567	807,567	1,615,134	99.95%	24,154,088	24,154,088	48,308,176	93.24%
Statewide PL Adjustments	357	389	746	0.05%	221,090	221,872	442,962	0.85%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	1,530,529	1,530,529	3,061,058	5.91%
Total Budget	\$807,924	\$807,956	\$1,615,880		\$25,905,707	\$25,906,489	\$51,812,196	

Over 94% of the PHSD budget request supports present law services. Requests for federal grant funds add \$3.1 million in new proposals over the 2015 biennium.

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.

	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					295,542					296,099
Vacancy Savings					(79,269)					(79,293)
Inflation/Deflation					(83)					166
Fixed Costs					4,900					4,900
Total Statewide Present Law Adjustments		\$357	\$8,006	\$212,727	\$221,090		\$389	\$7,642	\$213,841	\$221,872
Grand Total All Present Law Adjustments	0.00	\$357	\$8,006	\$212,727	\$221,090	0.00	\$389	\$7,642	\$213,841	\$221,872

Statewide present law adjustments for personal services add about \$430,000 over the biennium. Increases are due to pay raises implemented by DPHHS in late FY 2012 and fully funding positions that were vacant during the base year. Personal services adjustments are discussed in the agency overview.

New Proposals

Sub Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70103 - Improve Services for Children With Special Health Needs										
04	0.00	0	0	294,912	294,912	0.00	0	0	294,912	294,912
DP 70108 - MIEC Home Visiting Program - Formula										
04	0.00	0	0	1,000,000	1,000,000	0.00	0	0	1,000,000	1,000,000
DP 70110 - State Loan Repayment Program										
04	0.00	0	0	35,617	35,617	0.00	0	0	35,617	35,617
DP 70120 - Genetics Program										
04	0.00	0	200,000	0	200,000	0.00	0	200,000	0	200,000
Total	0.00	\$0	\$200,000	\$1,330,529	\$1,530,529	0.00	\$0	\$200,000	\$1,330,529	\$1,530,529

DP 70103 - Improve Services for Children With Special Health Needs - This new proposal would expand services for children and youth with special health needs by providing funding to community-based organizations, health care providers, and other partners for education, care coordination, assistance navigating the health care system, and other supportive services. Specifically this funding would be used to:

- o Establish a Montana Parents as Mentors program
- o Enhance transition services for youth with disabilities and their families as they transition into adulthood
- o Establish a link to available resources for Montana families with children with special health care needs and health care providers via the Utah Medical Home Web Portal
- o Provide trainings and technical assistance for Montana providers and partners to increase coordination of care for children and youth with special health care needs

DP 70108 - MIEC Home Visiting Program - Formula - This new proposal would be used to improve pregnancy outcomes and the health, development and school readiness of children up to the age of 5. Local and tribal health departments provide these services to high risk children and families. The request is funded from the federal Maternal, Infant and Early Childhood Home Visiting Grant.

The program provides evidence-based home visiting services to women, children, and families through six contracts with local public health departments. Additional funding would be used to:

- o Implement national home visiting models (Parents as Teachers and Nurse-Family Partnership) according to national model standards

- Provide additional services including health, hearing, vision, and developmental assessments and screenings, connecting families to resources, and providing education and support to parents on healthy pregnancies, overall health, child’s health and development, school readiness, development-centered parenting, positive parent-child interaction, and family well-being

DP 70110 - State Loan Repayment Program - This new proposal would provide loan repayment funds for nurse practitioners, physician assistants, certified nurse midwives, dental and mental health professionals working in health professional shortage areas. The request is supported by federal funds.

LFD ISSUE	<p><u>Delayed Receipt of Information</u></p> <p>Legislative staff requested the following information about this new proposal and expected outcomes:</p> <ul style="list-style-type: none"> ○ What are the eligibility criteria to participate in the program other than to practice in a medical shortage area? ○ How many persons will receive assistance with loan repayment? ○ What is the average amount of assistance per person? ○ About how much of an average loan would be repaid? <p>The information was received too late to be evaluated and included in the budget analysis. Legislators may wish to review the information requested prior to taking action on the request.</p>
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DP 70120 - Genetics Program - This present law adjustment would add state special revenue to fund enhanced clinical services and provide additional regional clinics and laboratory testing. The request is funded from a \$1 fee charged for each Montana resident insured under any individual or group disability or health insurance policy including the state employee group plan. The fee may be used only to fund the statewide genetics program established (33-2-713, MCA).

LFD ISSUE	<p><u>Replace Tobacco Settlement Trust Interest with Genetics Fee Revenue</u></p> <p>The present law budget for the genetics program includes \$41,462 in tobacco settlement trust interest each year of the biennium. The 2011 Legislature did not appropriate tobacco settlement trust to the genetics program. There is excess revenue from the genetics fee that could be used in place of the tobacco settlement trust interest, freeing up tobacco settlement trust interest for other uses.</p> <p>The tobacco settlement trust fund is established in Article 4 of the Montana Constitution. Appropriations of the interest or income from the trust fund may be used only for tobacco disease prevention programs and state programs providing benefits, services, or coverage that are related to the health care needs of the people of Montana. Further appropriations of the interest or income from the trust fund may not be used to replace state or federal money used to fund tobacco disease prevention programs and state programs that existed on December 31, 1999, providing benefits, services, or coverage of the health care needs of the people of Montana. The legislature could use the freed up tobacco trust interest for other uses.</p>
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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 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	27.58	0.00	0.00	27.58	0.00	0.00	27.58	27.58
Personal Services	1,497,097	70,887	0	1,567,984	73,711	0	1,570,808	3,138,792
Operating Expenses	1,067,827	15,215	137,130	1,220,172	15,505	137,130	1,220,462	2,440,634
Grants	3,459,066	0	0	3,459,066	0	0	3,459,066	6,918,132
Benefits & Claims	814,618	0	0	814,618	0	0	814,618	1,629,236
Total Costs	\$6,838,608	\$86,102	\$137,130	\$7,061,840	\$89,216	\$137,130	\$7,064,954	\$14,126,794
General Fund	1,013,243	18,234	0	1,031,477	20,099	0	1,033,342	2,064,819
State/Other Special	1,442,240	0	0	1,442,240	0	0	1,442,240	2,884,480
Federal Special	4,383,125	67,868	137,130	4,588,123	69,117	137,130	4,589,372	9,177,495
Total Funds	\$6,838,608	\$86,102	\$137,130	\$7,061,840	\$89,216	\$137,130	\$7,064,954	\$14,126,794

Sub-Program Description

The Communicable Disease Control and Prevention Bureau administers the following public health functions:

- o Disease surveillance and investigation
- o Education and training
- o Food and consumer safety
- o Communicable disease and epidemiology
- o HIV and sexually transmitted disease (STD) prevention
- o Immunizations

Sub-Program Narrative

The 2015 biennium budget request is about \$0.4 million greater than the base budget. Most of the increase supports a new proposal to add federal grant funds to coordinate activities to detect and monitor disease occurrence as early as possible.

General fund supports 15% of the 2015 biennium budget request, state special revenues support 20%, and federal funds support 65%. The majority of the general fund supports food and consumer safety activities, with the remainder almost evenly split between the communicable disease and epidemiology and HIV/STD preventions sections.

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 Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	1,013,243	1,013,243	2,026,486	98.14%	6,838,608	6,838,608	13,677,216	96.82%
Statewide PL Adjustments	18,234	20,099	38,333	1.86%	86,102	89,216	175,318	1.24%
Other PL Adjustments	0	0	0	0.00%	0	0	0	0.00%
New Proposals	0	0	0	0.00%	137,130	137,130	274,260	1.94%
Total Budget	\$1,031,477	\$1,033,342	\$2,064,819		\$7,061,840	\$7,064,954	\$14,126,794	

About 97% of the 2015 biennium budget request funds continuation of the base budget. Statewide present law adjustments are about 1% of the total request and a new proposal for federal grant funds is 2% of the total request.

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.

	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					136,222					139,159
Vacancy Savings					(65,335)					(65,448)
Inflation/Deflation					(469)					(179)
Fixed Costs					15,684					15,684
Total Statewide Present Law Adjustments		\$18,234	\$0	\$67,868	\$86,102		\$20,099	\$0	\$69,117	
Grand Total All Present Law Adjustments	0.00	\$18,234	\$0	\$67,868	\$86,102	0.00	\$20,099	\$0	\$69,117	\$89,216

New Proposals

Sub Program	-----Fiscal 2014-----					-----Fiscal 2015-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70124 - Syndromic Surveillance Program										
05	0.00	0	0	137,130	137,130	0.00	0	0	137,130	137,130
Total	0.00	\$0	\$0	\$137,130	\$137,130	0.00	\$0	\$0	\$137,130	\$137,130

DP 70124 - Syndromic Surveillance Program - This new proposal would be used to coordinate activities to detect and monitor disease occurrence as early as possible. Training and technical assistance would be provided to Montana hospitals and health care facilities to collect the relevant data. The request is funded from federal funds.

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	Base Budget Fiscal 2012	PL Base Adjustment Fiscal 2014	New Proposals Fiscal 2014	Total Exec. Budget Fiscal 2014	PL Base Adjustment Fiscal 2015	New Proposals Fiscal 2015	Total Exec. Budget Fiscal 2015	Total Exec. Budget Fiscal 14-15
FTE	31.69	0.00	0.00	31.69	0.00	0.00	31.69	31.69
Personal Services	1,598,838	267,586	0	1,866,424	269,152	0	1,867,990	3,734,414
Operating Expenses	1,826,261	188,980	533,531	2,548,772	178,871	533,531	2,538,663	5,087,435
Equipment & Intangible Assets	216,741	0	0	216,741	0	0	216,741	433,482
Total Costs	\$3,641,840	\$456,566	\$533,531	\$4,631,937	\$448,023	\$533,531	\$4,623,394	\$9,255,331
General Fund	559,689	0	0	559,689	200	0	559,889	1,119,578
State/Other Special	2,730,611	437,606	0	3,168,217	428,863	0	3,159,474	6,327,691
Federal Special	351,540	18,960	533,531	904,031	18,960	533,531	904,031	1,808,062
Total Funds	\$3,641,840	\$456,566	\$533,531	\$4,631,937	\$448,023	\$533,531	\$4,623,394	\$9,255,331

Sub-Program Description

The Laboratory Services Bureau administers:

- o The environment laboratory section
- o The microbiology/molecular section
- o 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.

Sub-Program Narrative

The 2015 biennium budget request is \$2.0 million higher than the FY 2012 base budget. Just under one half of the increase supports present law services, while the balance adds a new proposal for federal grant funding to improve laboratory capacity in Montana. The majority of the present law increase (\$0.6 million) funds statewide present law adjustments to fully fund personal services, including pay increases, and for fixed costs.

General fund supports 12% of the budget request, state special revenues support 68%, and federal funds support 20%. General fund is held constant at the FY 2012 base level.

**LFD
COMMENT**

The 2011 Legislature appropriated \$341,363 general fund each year of the 2013 biennium to support the Laboratory Services Bureau compared to base budget expenditures of \$559,689. The 2011 Legislature anticipated that 2013 biennium budget increases would be funded by higher laboratory fees. However, fee income did not rise as much as anticipated and general fund was transferred from Medicaid services appropriations. This issue is discussed in the agency overview.

Legislative staff has identified an issue with ongoing adequacy of laboratory fee income in the 2015 biennium that is discussed in the present law adjustments for this function. See DP 70104-State Laboratory Operations.

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 Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	559,689	559,689	1,119,378	99.98%	3,641,840	3,641,840	7,283,680	78.70%
Statewide PL Adjustments	0	200	200	0.02%	306,566	298,023	604,589	6.53%
Other PL Adjustments	0	0	0	0.00%	150,000	150,000	300,000	3.24%
New Proposals	0	0	0	0.00%	533,531	533,531	1,067,062	11.53%
Total Budget	\$559,689	\$559,889	\$1,119,578		\$4,631,937	\$4,623,394	\$9,255,331	

The majority of the 2015 biennium budget request continues present law services. New proposals are 12% of the total request and add federal grant funds.

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 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					345,351					346,984
Vacancy Savings					(77,765)					(77,832)
Inflation/Deflation					(676)					(380)
Fixed Costs					39,656					29,251
Total Statewide Present Law Adjustments		\$0	\$287,606	\$18,960	\$306,566		\$200	\$278,863	\$18,960	\$298,023
DP 70104 - State Laboratory Operations	0.00	0	150,000	0	150,000	0.00	0	150,000	0	150,000
Total Other Present Law Adjustments	0.00	\$0	\$150,000	\$0	\$150,000	0.00	\$0	\$150,000	\$0	\$150,000
Grand Total All Present Law Adjustments	0.00	\$0	\$437,606	\$18,960	\$456,566	0.00	\$200	\$428,863	\$18,960	\$448,023

Personal services statewide present law adjustments add almost \$700,000 over the biennium. Fully funding vacant positions adds about \$150,000. DPHHS granted pay raises in the later part of FY 2012. This issue is addressed in the agency overview. LFD staff has requested that DPHHS provide the effect of the pay raise for the laboratory function.

DP 70104 - State Laboratory Operations - This present law adjustment adds \$150,000 in state special revenue for the Public Health Laboratory to meet projected increases in laboratory supplies and operating expenses. Funding would be from revenues generated by laboratory testing services.

LFD
ISSUE

Fee Income Appears to be Inadequate to Support Executive Budget

Figure 4 shows the FY 2012 actual fund balance for public health laboratory fees compared to the FY 2013 appropriation and 2015 executive budget request. Fee income does not appear adequate to support ongoing expenditures from the account.

Figure 4

Public Health Laboratory Fees					
Allocation of Revenue, Expenditures, and Fund Balance	Actual FY 2012	Appropriated FY 2013	Budget Request		Biennial % of Ttl
			FY 2014	FY 2015	
Beginning Fund Balance	\$179,744	\$320,201	\$0	\$0	
Revenues	<u>3,279,483</u>	<u>2,979,753</u>	<u>3,183,200</u>	<u>3,183,200</u>	
Total Available for Appropriation	3,459,227	3,299,954	3,183,200	3,183,200	
Expenditures					
Public Health Laboratory Expenditures	2,730,611	3,027,968	3,168,217	3,159,474	87.4%
DPHHS Cost Allocated Administration**	<u>403,796</u>	<u>423,986</u>	<u>445,185</u>	<u>467,444</u>	<u>12.6%</u>
Subtotal Expenditures	<u>3,134,407</u>	<u>3,451,954</u>	<u>3,613,402</u>	<u>3,626,918</u>	<u>100.0%</u>
Adjustments	<u>(4,619)</u>	<u>0</u>	<u>0</u>	<u>0</u>	
Percentage Annual Change		10.1%	4.7%	0.4%	
Ending Fund Balance	<u>\$320,201</u>	<u>(\$152,000)</u>	<u>(\$430,202)</u>	<u>(\$443,718)</u>	

Expenditures must be reduced, fees must be increased, or general fund must be transferred to support ongoing functions supported by laboratory fee income. The legislature may wish to ask that PHSD identify what action it will take to address the projected fee income shortfall.

LFD Budget Analysis

B-100

2015 Biennium

New Proposals

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 70105 - EPI and Laboratory Capacity Grant											
07	0.00	0	0	533,531	533,531	0.00	0	0	533,531	533,531	
Total	0.00	\$0	\$0	\$533,531	\$533,531	0.00	\$0	\$0	\$533,531	\$533,531	

DP 70105 - EPI and Laboratory Capacity Grant - This new proposal would fund enhancements in epidemiology and laboratory capacity in Montana and in coordination and implementation of health care associated infection prevention activities. The request is supported by the federal Epidemiology and Laboratory Capacity Grant.

LFD
ISSUE

Delayed Receipt of Information

Legislative staff requested the following information about this new proposal:

- What specific activities are funded by this grant?
- How many laboratories will receive funds?
- Will public and private laboratories receive funds?

The information was received too late to be evaluated and included in the budget analysis. Legislators may wish to review the information requested prior to taking action on the request.

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	Base Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	PL Base Adjustment	New Proposals	Total Exec. Budget	Total Exec. Budget
Budget Item	Fiscal 2012	Fiscal 2014	Fiscal 2014	Fiscal 2014	Fiscal 2015	Fiscal 2015	Fiscal 2015	Fiscal 14-15
FTE	19.96	0.00	0.00	19.96	0.00	0.00	19.96	19.96
Personal Services	1,182,270	35,579	0	1,217,849	37,155	0	1,219,425	2,437,274
Operating Expenses	1,888,470	19,288	0	1,907,758	14,490	0	1,902,960	3,810,718
Grants	2,940,262	0	0	2,940,262	0	0	2,940,262	5,880,524
Total Costs	\$6,011,002	\$54,867	\$0	\$6,065,869	\$51,645	\$0	\$6,062,647	\$12,128,516
Federal Special	6,011,002	54,867	0	6,065,869	51,645	0	6,062,647	12,128,516
Total Funds	\$6,011,002	\$54,867	\$0	\$6,065,869	\$51,645	\$0	\$6,062,647	\$12,128,516

Sub-Program Description

The 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 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. 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.

Sub-Program Narrative

The 2015 biennium budget request increases slightly from the base budget due to statewide present law adjustments. The bureau is fully federally funded. About 48% of the budget is for grants to local governments and hospitals.

LFD ISSUE	<u>Change in Allocation of Expenditures</u>
	The 2013 biennium appropriation allocated \$3.8 million annually (62% of available funds) to grants for local governments and hospitals. In FY 2012, PHSD reduced grants by \$0.9 million annually and shifted funds to contracted services. Legislative staff has requested the rationale supporting the shift as well as information about the types of contracts funded.
The information was received too late to be evaluated and included in the budget analysis. Legislators may wish to review the information requested prior to taking action on the request.	

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 Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent Of Budget
Base Budget	0	0	0	0.00%	6,011,002	6,011,002	12,022,004	99.12%
Statewide PL Adjustments	0	0	0	0.00%	54,867	51,645	106,512	0.88%
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		\$6,065,869	\$6,062,647	\$12,128,516	

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.

	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					86,323					87,965
Vacancy Savings					(50,744)					(50,810)
Inflation/Deflation					(603)					(401)
Fixed Costs					19,891					14,891
Total Statewide Present Law Adjustments		\$0	\$0	\$54,867	\$54,867		\$0	\$0	\$51,645	\$51,645
Grand Total All Present Law Adjustments	0.00	\$0	\$0	\$54,867	\$54,867	0.00	\$0	\$0	\$51,645	\$51,645