



6901 Dept Of Public Health & Human Services Revised Executive Budget Comparison Table					690110 Disability Services Division			
R02 Budget Version	Base	Approp	Budgeted	Budgeted	Biennium	Biennium	Biennial	Biennial
Budget Item	FY 2008	FY 2009	FY 2010	FY 2011	FY 2008-09	FY 2010-11	Change	Percent
Personal Services	23,981,359	25,383,197	25,879,724	25,987,768	49,364,556	51,867,492	2,502,936	5.1%
Operating Expenses	8,602,388	9,891,903	9,957,592	10,086,543	18,494,291	20,044,135	1,549,844	8.4%
Equipment & Intangible Assets	57,356	15,000	57,356	57,356	72,356	114,712	42,356	58.5%
Benefits & Claims	114,752,238	114,979,411	120,880,317	122,471,151	229,731,649	243,351,468	13,619,819	5.9%
<b>Total Costs</b>	<b>147,393,341</b>	<b>150,269,511</b>	<b>156,774,989</b>	<b>158,602,818</b>	<b>297,662,852</b>	<b>315,377,807</b>	<b>17,714,955</b>	<b>6.0%</b>
General Fund	52,551,559	54,188,192	56,962,019	57,943,125	106,739,751	114,905,144	8,165,393	7.7%
State/other Special Rev. Funds	3,685,456	5,251,431	5,637,891	5,635,739	8,936,887	11,273,630	2,336,743	26.2%
Federal Spec. Rev. Funds	91,156,326	90,829,888	94,175,079	95,023,954	181,986,214	189,199,033	7,212,819	4.0%
<b>Total Funds</b>	<b>147,393,341</b>	<b>150,269,511</b>	<b>156,774,989</b>	<b>158,602,818</b>	<b>297,662,852</b>	<b>315,377,807</b>	<b>17,714,955</b>	<b>6.0%</b>

### The Disability Services Division Presented in the Governor’s Budget on December 15, 2008

This addendum reflects the changes made to the budget for the Disability Services Division as analyzed in the January 2009 Legislative Budget Analysis, Volume 4, which was based upon the November 15, 2008 executive budget submission.

The total funding for the division increases 6.0 percent when the 2009 and 2011 biennia are compared. The November 15, 2008 budget included a 7.56 percent increase when the 2009 and 2011 biennia are compared. The 1.56 percent reduction between the two executive budgets is primarily due to:

- The addition of a new proposal to increase vacancy savings from 4 percent to 7 percent – a decrease of \$0.5 million in general fund
- The elimination of requests for provider rate increases and a transitions coordinator – a decrease of \$1.4 million general fund
- A reduction and funding switch for the request for early intervention caseload growth – a decrease of \$2.3 million general fund

### Changes or Additions

The following tables and narrative reflect the differences between the November 15, 2008 and the December 15, 2008 budgets.

The Executive Budget Reconciliation table on the following page shows the November 15<sup>th</sup> budget submission and the executive budget revisions. The top section of the table shows the November 15, 2008 executive submission and the total revised amounts from the December 15<sup>th</sup> budget. The middle and bottom sections of the table list the specific revisions by present law and then new proposals. LFD staff discussion follows this table.

The final table is the entire list of present law and new proposal requests included in the Governor’s December, 15, 2008 budget.



6901 Dept Of Public Health & Human Services			690110 Disability Services Division			
Executive Budget Reconciliation						
	General Fund FY 2010	General Fund FY 2011	General Fund FY 2010-11	Total Funds FY 2010	Total Funds FY 2011	Total Funds FY 2010-11
<i>Calculation of Executive Budget (Nov. 15, 2008)</i>						
FY 2008 Base	52,551,559	52,551,559	105,103,118	147,393,341	147,393,341	294,786,682
Statewide Present Law Adjustments	1,100,980	1,202,541	2,303,521	898,178	1,016,176	1,914,354
Other Present Law Adjustments	3,022,596	3,452,693	6,475,289	5,228,374	5,692,074	10,920,448
New Proposals	2,123,293	3,172,680	5,295,973	5,061,593	7,468,260	12,529,853
<b>Original Executive Budget</b>	<b>58,798,428</b>	<b>60,379,473</b>	<b>119,177,901</b>	<b>158,581,486</b>	<b>161,569,851</b>	<b>320,151,337</b>
<b>Revised Executive Budget</b>	<b>56,962,019</b>	<b>57,943,125</b>	<b>114,905,144</b>	<b>156,774,989</b>	<b>158,602,818</b>	<b>315,377,807</b>
<i>Executive Budget Revisions (Dec. 15, 2008)</i>						
PL010005 Rent For Non-State Facilities	8,850	-	8,850	16,900	-	16,900
PL07101 Fuel Inflation Reduction	(5,132)	(5,890)	(11,022)	(6,036)	(6,929)	(12,965)
<b>Present Law Total</b>	<b>3,718</b>	<b>(5,890)</b>	<b>(2,172)</b>	<b>10,864</b>	<b>(6,929)</b>	<b>3,935</b>
NP010009 Provider Rate Increase - DSD	(393,001)	(933,246)	(1,326,247)	(804,049)	(1,896,215)	(2,700,264)
NP010012 Transitions Coordinator	(50,004)	(50,019)	(100,023)	(50,004)	(50,019)	(100,023)
NP010020 Early Intervention Caseload Growth	(1,130,289)	(1,179,403)	(2,309,692)	(530,289)	(579,403)	(1,109,692)
NP08101 Increasing 4% Vacancy Savings to 7%	(266,833)	(267,790)	(534,623)	(433,019)	(434,467)	(867,486)
<b>New Proposal Total</b>	<b>(1,840,127)</b>	<b>(2,430,458)</b>	<b>(4,270,585)</b>	<b>(1,817,361)</b>	<b>(2,960,104)</b>	<b>(4,777,465)</b>
<b>Total All Decision Packages</b>	<b>(1,836,409)</b>	<b>(2,436,348)</b>	<b>(4,272,757)</b>	<b>(1,806,497)</b>	<b>(2,967,033)</b>	<b>(4,773,530)</b>

## Present Law Adjustments

### Adjustments to the November 15, 2008 Budget

#### Page B-181 of the January 2009 Legislative Budget Analysis, Volume 4

DP 10005 – Rent For Non-State facilities - The December 15, 2008 Governor’s budget includes a total fund increase of \$16,900 to DP 10005. The increase comprises increases of \$8,850 general fund, \$4,394 state special revenue, and \$3,656 federal funds and is to cover office equipment, telephones and relocation costs for staff moving to the South Point building in Helena.

The original rent request includes rent at the new South Pointe building at a rate of \$23.13 per square foot in FY 2010, with an increase of 1 percent in FY 2011. Costs related to South Pointe total \$466,503, comprising \$202,385 in general funds, \$145,396 in state funds and \$118,722 in federal funds for the biennium. Offices that would be moving are the MTAP, which is currently located in downtown Helena, and the vocational rehabilitation (VR) and developmentally disabled program (DDP) regional offices that are located in Helena’s Northgate building on Montana Avenue.

Other amounts are based on 2-3 percent increases for current sites and new leases for two locations.

#### LFD ISSUE

Not all Rent Costs may be Needed

The main driver for the increase in rent is \$466,503 over the biennium for staff located throughout Helena that will ultimately have to move. This amount is essentially a place holder at this time because the staff is scheduled to relocate to a new building that is not yet built. The increase is based on a July 2009 move, but the actual date is uncertain.

Options the legislature may wish to consider:

- Restricting the \$466,503 of the request to be expended only on payment of rent for the VR and DDP



regional offices to ensure the funds are not spent on other items if they are unused

- Designating the \$16,900 request for communication and office equipment as one-time-only so that amount does not go into the base, and restricting the amount to ensure the funds are not spent on other items if they are unused

*New to the November 15, 2008 Budget*

DP 7101 – Fuel Inflation Reduction – This request would reduce funding for gasoline and diesel by the amount that these two expenditure categories were increased in the statewide present law adjustment for inflation. The effect is to apply no inflation adjustment to these two expenditure categories. The total reduction for the biennium for the Disability Services Division is \$11,022 general fund, \$1,723 state special revenue, and \$220 federal revenue.

**New Proposals**

*Eliminated from to the November 15, 2008 Budget*

Page B-184 of the January 2009 Legislative Budget Analysis, Volume 4

DP 10009 – Provider Rate Increase - \$1,326,247 reduction to the general fund

Page B-187 of the January 2009 Legislative Budget Analysis, Volume 4

DP 10012 – Transitions Coordinator - \$100,023 reduction to the general fund

*Reduction from to the November 15, 2008 Budget*

Page B-197 of the January 2009 Legislative Budget Analysis, Volume 4

DP 10020 – Early Intervention Caseload Growth – The November 15<sup>th</sup> executive budget requested over \$2 million general fund over the biennium to support caseload growth in the Part C Early Intervention Program. There is further discussion on page B-197.

The December 15<sup>th</sup> budget reduces the request by \$1,109,692 general fund, leaving \$600,000 each year of the biennium to be funded with tobacco settlement trust fund interest rather than general fund.

**LFD  
ISSUE**

The Tobacco Settlement Trust Fund Interest is Over-Appropriated

As of this writing, it is uncertain how much of the \$1.2 million can be funded from tobacco settlement trust fund interest.

As shown on page B-18 of the January 2009 Legislative Budget Analysis, Volume 4, the expenditures to the tobacco settlement trust fund interest exceeded revenues each year of the 2011 biennium leaving a deficit of \$7,994 for FY 2010 and \$218,966 for FY 2011 in the November 15, 2008 Governor’s budget.

On page B-19 of the January 2009 Legislative Budget Analysis, Volume 4 LFD staff noted that excess tobacco settlement cessation and prevention funds could be shifted to home health visiting services in the Public Health and Human Services Division that are currently funded by trust interest. The shift would free up \$357,283 of tobacco settlement interest.

However, the addition of the tobacco cessation and prevention funds would not balance the tobacco settlement interest fund with the changes in the Governor’s December 15<sup>th</sup> budget. Options to reduce program costs supported by the tobacco settlement trust fund interest are discussed in the attached addendum summary document.



*New to the November 15, 2008 Budget*

NP 8101 – Increasing 4% Vacancy Savings To 7% - This request would add an additional 3 percent per year to the 4 percent personal services vacancy savings reduction contained in the statewide present law adjustment. The proposal decreases the general fund by \$534,623 over the biennium, with decreases of \$15,841 and \$317,022 to state special revenue and federal revenue, respectively. Vacancy savings are discussed on page B-180 –B-181 of the January 2009 Legislative Budget Analysis, Volume 4.

**List of all Decision Packages**

6901 Dept Of Public Health & Human Services			690110 Disability Services Division			
<i>Executive Budget Revisions (Dec. 15, 2008)</i>	General Fund	General Fund	General Fund	Total Funds	Total Funds	Total Funds
Decision Package	FY 2010	FY 2011	FY 2010-11	FY 2010	FY 2011	FY 2010-11
PL010001 FMAP Adjustment	875,591	1,241,563	2,117,154	-	-	-
PL010002 Annualization of Community Service Cost Plans	260,534	264,224	524,758	802,136	802,136	1,604,272
PL010003 Annualize DSD Provider Rate Increases	462,710	501,937	964,647	1,828,215	1,828,215	3,656,430
PL010004 Restore Zero-Based Personal Services at MDC	1,181,084	1,181,084	2,362,168	1,181,084	1,181,084	2,362,168
PL010005 Rent For Non-State Facilities	150,734	163,092	313,826	300,236	311,642	611,878
PL010006 Disability Determination Services Base Adjustments	-	-	-	152,984	270,198	423,182
PL010007 FTE for Disability Determination	-	-	-	183,702	183,762	367,464
PL010018 MDC Utilization Fee, Medicaid Reimbursement Adjust	100,793	100,793	201,586	701,414	1,016,670	1,718,084
PL010019 Restore Zero-Based Personal Services at DDS	-	-	-	95,503	98,367	193,870
PL07101 Fuel Inflation Reduction	(5,132)	(5,890)	(11,022)	(6,036)	(6,929)	(12,965)
<b>Present Law Total</b>	<b>3,026,314</b>	<b>3,446,803</b>	<b>6,473,117</b>	<b>5,239,238</b>	<b>5,685,145</b>	<b>10,924,383</b>
NP010008 DSD Caseload Adjustments	499,999	960,012	1,460,011	1,123,310	2,390,832	3,514,142
NP010011 Autism Waiver	50,000	50,000	100,000	153,941	151,791	305,732
NP010015 MTAP New Technologies (Bien)	-	-	-	800,000	800,000	1,600,000
NP010016 Developmental Disabilities Program - Fed. Funding	-	-	-	1,000,000	1,000,000	2,000,000
NP010020 Early Intervention Caseload Growth	-	-	-	600,000	600,000	1,200,000
NP08101 Increasing 4% Vacancy Savings to 7%	(266,833)	(267,790)	(534,623)	(433,019)	(434,467)	(867,486)
<b>New Proposal Total</b>	<b>283,166</b>	<b>742,222</b>	<b>1,025,388</b>	<b>3,244,232</b>	<b>4,508,156</b>	<b>7,752,388</b>
<b>Total All Decision Packages</b>	<b>3,309,480</b>	<b>4,189,025</b>	<b>7,498,505</b>	<b>8,483,470</b>	<b>10,193,301</b>	<b>18,676,771</b>