MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

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Errata to the 2011 Biennium Legislative Fiscal Report

Adjustments to Volumes 3 and 4 Subsequent to Publication Date

Volume 3

Page A-50 - The following table replaces the main table for the Secretary of State:

Agency Budget Comparison Budget Item	Base Fiscal 2008	Approp. Fiscal 2009	Budget Fiscal 2010	Budget Fiscal 2011	Biennium Fiscal 08-09	Biennium Fiscal 10-11	Biennium Change	Biennium % Change
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	n/a
Personal Services	0	0	0	0	0	0	0	n/a
Operating Expenses	0	0	0	0	0	0	0	n/a
Equipment & Intangible Assets	0	0	0	0	0	0	0	n/a
Grants	0	0	1.400,000	0	0	1,400,000	1,400,000	n/a
Total Costs	**$0**	**$0**	**$1,400,000**	**$0**	**$0**	**$1,400,000**	**$1,400,000**	**n/a**
Federal Special	0	0	1,400,000	0	0	1,400,000	1,400,000	n/a
Total Funds	**$0**	**$0**	**$1,400,000**	**$0**	**$0**	**$1,400,000**	**$1,400,000**	**n/a**

Page A-52 - The following replaces the program table for the Secretary of State

Executive Budget Comparison Budget Item	Base Budget Fiscal 2008	Executive Budget Fiscal 2010	Legislative Budget Fiscal 2010	Leg – Exec. Difference Fiscal 2010	Executive Budget Fiscal 2011	Legislative Budget Fiscal 2011	Leg – Exec. Difference Fiscal 2011	Biennium Difference Fiscal 10-11
FTE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Personal Services	0	0	0	0	0	0	0	0
Operating Expenses	0	0	0	0	0	0	0	0
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Grants	0	165,000	1,4000,000	1,235,000	140,000	0	(140,000)	1,095,000
Total Costs	**$0**	**$165,000**	**$1,400,000**	**$1,235,000**	**$140,000**	**$0**	**($140,000)**	**$1,095,000**
Federal Special	0	165,000	1,400,000	1,235,000	140,000	0	(140,000)	1,095,000
Total Funds	**$0**	**$165,000**	**$1,400,000**	**$1,235,000**	**$140,000**	**$0**	**($140,000)**	**$1,095,000**

Page A-137 – The following language is stricken, as it does not appear in the bill: "The department is appropriated up to $500,000 of state special revenue each year of the biennium to assist agencies in reducing workers' compensation injuries and costs. These funds may not be expended for activities that duplicate other agency expenditures or programs."

Page A-198 – In the last paragraph, "General fund comprises approximately 3.7 percent of the total funding…" should read: "General fund comprises approximately 3.6 percent of the total funding…"

Page A-213 – In the second bullet in the highlights table, "…indirect costs of $89,866…" should read "…indirect costs of $90,199…"

Page A-224 – The current statement should read as follows. The additional language is bolded for emphasis. "The legislature has removed funding for the Athletics Licensing program resulting in a decrease in state special revenue spending. This reduction was made in conjunction with legislation removing the program from statute. **The legislature concurred with the Governor's amendatory veto to maintain state regulation of professional boxing.**"

Page B-2 – In the highlights table under "Major increases to the general fund over the biennium include:" the following is stricken: "$333.4 million for Medicaid services"

Explanatory note about HB 645 appropriations for Medicaid costs:

The 2011 Biennium Fiscal Report combines HB 2 and HB 645 appropriations for Medicaid services. The fiscal report shows the appropriations for each Medicaid service from each bill. In the case of HB 2, individual decision packages are listed. In the case of HB 645, the legislature considered appropriations that were very specific and some that were to be allocated across Medicaid and foster care services.

Legislative Fiscal Division (LFD) staff developed decision packages to allocate the $97.0 million general fund reduction among Medicaid and foster care services due to the enhanced federal match rate. LFD staff requested the allocation that would be used by the executive from both the Office of Budget and Program Planning (OBPP) and Department of Public Health and Human Services (DPHHS). Neither entity had developed the allocation in time to be included in the fiscal report.

In order to make the fiscal report useful, especially in an historic context, LFD staff developed an allocation methodology to distribute the general fund reduction proportionally among Medicaid and foster care benefits. Neither OBPP nor DPHHS objected to the methodology when it was presented to them.

The fiscal report explains that the HB 645 Medicaid general fund reduction is based on the LFD allocation, which could be different from the DPHHS distribution.

The LFD also constructed a table (Figure 2 on page B-5) to show uses of the $40.7 million general fund lump sum appropriation for Medicaid services in HB 645:

- A reserve fund ($18.8 million)
- A recessionary spike ($10.8 million)
- The amount to fund updated Medicaid cost estimates ($10.1 million)
- The amount allowed for administrative cost increases ($1.0 million)

The legislature did not specifically break down all the components of the appropriation in HB 645. The legislature did not restrict any of the appropriation to be used exclusively for the updated Medicaid caseload estimates. However, the LFD chose to display the components of the increase to include $10.1 million general fund for updated cost estimates to HB 645 for several reasons.

- The Health and Human Services Joint Appropriation Subcommittee (subcommittee) adopted the estimate on February 20, 2009. The legislature did not take specific action on this recommendation
- The subcommittee voted specifically to accept the OBPP recommendation that it be funded in the bill to implement the federal stimulus legislation (HB 645)
- Neither OBPP nor DPHHS requested an amendment to fund the February Medicaid caseload cost increase in any other legislation or in any other way
- There is no other source of funding to support the February caseload cost and, OBPP and DPHHS testified that it is not possible to reduce Medicaid services, provider payments, or eligibility and continue to receive the enhanced federal Medicaid match rate. Therefore, if Medicaid costs exceed HB2 appropriations, the cost must be funded from HB 645

Page B-141 – The footnote in Figure 26 stating "The legislature approved a $25.8 million biennial appropriation…" should read "The legislature approved a $26.0 million appropriation."

Volume 4

Page E-108 – In the first bullet of the highlights table, "$1.1 million to fund increases in student support fees…" should read "$1.4 million to fund increases in student support fees…"

Page E-131 – In the last bullet of the highlights table, "…of which $2.0 million are one-time-only" should read "…of which $1.1 million are one-time-only"