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 Fiscal 2010	Approp. Fiscal 2011	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 10-11	Biennium Fiscal 12-13	Biennium Change	Biennium % Change
FTE	146.00	146.00	146.00	146.00	146.00	146.00	0.00	0.00%
Personal Services	7,491,367	8,119,654	8,081,193	8,077,424	15,611,021	16,158,617	547,596	3.51%
Operating Expenses	4,119,037	5,188,156	4,337,858	5,298,878	9,307,193	9,636,736	329,543	3.54%
Benefits & Claims	12,164,156	12,362,604	12,233,913	12,284,420	24,526,760	24,518,333	(8,427)	(0.03%)
Total Costs	**$23,774,560**	**$25,670,414**	**$24,652,964**	**$25,660,722**	**$49,444,974**	**$50,313,686**	**$868,712**	**1.76%**
General Fund	5,317,820	5,862,780	5,301,776	5,366,102	11,180,600	10,667,878	(512,722)	(4.59%)
State Special	865,705	1,792,847	834,188	1,609,134	2,658,552	2,443,322	(215,230)	(8.10%)
Federal Special	17,591,035	18,014,787	18,517,000	18,685,486	35,605,822	37,202,486	1,596,664	4.48%
Total Funds	**$23,774,560**	**$25,670,414**	**$24,652,964**	**$25,660,722**	**$49,444,974**	**$50,313,686**	**$868,712**	**1.76%**

Program Description

Disability Transitions Programs (DTP) assists Montanans with disabilities in living, working, and participating in their communities. The program provides or contracts for a variety of employment outcome-related, independent living, and transition services. These services include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment. DTP is responsible for medical adjudication of all claims for Social Security Disability and Supplemental Security Income.

Vocational Rehabilitation (VR) serves individuals with physical, mental, visual, hearing, brain injury, and other disabilities.

Disability Transitions Programs (DTP) serves the telecommunications needs of Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled through the Montana Telecommunication Access Program (MTAP).

The Economic Security Services Branch manager is attached to this program for budget purposes.

Statutory Title 53, MCA, 29 U.S.C. 721 et. seq., 29 U.S.C. 796, et. seq., 29 U.S.C. 774, 29 U.S.C. 777b, 29 U.S.C. 2201 et. seq., 42 U.S.C. 75, 6602, 72 U.S.C. 1300, 42 CFR 441.302(b), 42 CFR 441.302(g), 45 CFR 74.62, and 34 CRF Part 303

Program Highlights

Management and Disability Transitions Major Budget Highlights
♦ The legislature increased total funding by nearly $0.9 million from the 2011 biennium primarily due to statewide and present law adjustments, a federal fund increase for disability determination services, a contingency appropriation for the Montana Telecommunication Access Program and offsetting reductions in operations and personal services. Major increases include: • $0.9 million in statewide present law adjustments • About $0.8 million state special revenue in a contingency request should the federal government mandate that states pay for new technologies in telecommunication programs • About $1.0 million in the federally funded disability determination function ♦ The $50.3 million total fund legislative budget for the biennium includes: • About $24.5 million in benefits ($7.8 million general fund) • About $25.8 million for personal services and operations ($2.9 million general fund) ♦ The legislature made a one-time transfer of $1.85 million of state special revenue from the Montana Telecommunications Access Program fund to the general fund for the 2013 biennium through HB 604

Summary of Legislative Action

The legislature approved a 2013 biennium budget that is about 2.0% higher than the 2011 biennium primarily due to approval of statewide and present law adjustments as well as increases in federal funds of about $1.0 million for disability determination services and a contingency appropriation of about $0.8 million state special revenue for the MTAP program. The increases are partially offset by reductions in personal services, operations, and some benefits.

The legislative budget of over $50.3 million total funds for the biennium includes:

- $24.5 million total funds in benefit support to help individuals with physical, mental, visual, hearing, brain injury, and other disabilities obtain and keep a job and live independently
- $16.2 million to support personal services for 146.00 FTE that carry out the programs throughout the state
- $9.6 million for operations

Other Legislation

HB 604 - The legislature made statutory changes in HB 604 allowing the transfer of $1.85 million from the Montana Telecommunications Access Program state special revenue fund to the general fund for the 2013 biennium on a one-time-only basis. The action leaves a projected fund balance of $1.1 million for FY 2013 year end. There is further discussion in the following Program Narrative.

Program Narrative

The legislative budget for disability transitions includes functions related to vocational rehabilitation, independent living, services for older blind clients, the Montana Telecommunications Program, and the federally funded Disability Determination Program. The budget also funds a management component for the position of the Economic and Security Services Branch manager.

The following table shows the appropriations for benefits and functions of DTP.

Disability Transitions
Summary of Benefits and Administration Costs and Funding

	Fiscal 2010 Base				Fiscal 2012 Appropriation				Fiscal 2013 Appropriation				Percent
	General Fund	State Spec. Rev	Federal Funds	Total Funds	General Fund	State Spec. Rev	Federal Funds	Total Funds	General Fund	State Spec. Rev	Federal Funds	Total Funds	of Total Catetory
Total DTP Budget	$5,317,820	$865,705	$17,591,035	$23,774,560	$5,301,776	$834,188	$18,517,000	$24,652,964	$5,366,102	$1,609,134	$18,685,486	$25,660,722	
Benefits and Claims													
Vocational Rehabilitation Section 110	$1,696,722	$0	$6,120,380	$7,817,102	$1,732,178	$0	$6,120,380	$7,852,558	$1,772,478	$0	$6,120,380	$7,892,858	64.2%
Blind / Low Vision Benefits Section 110	286,482	0	1,058,585	1,345,067	$286,482	0	1,058,585	1,345,067	$286,482	0	1,058,585	1,345,067	11.0%
Independent Living Part B	471,457	0	202,165	673,622	471,457	0	202,165	673,622	471,457	0	202,165	673,622	5.5%
Independent Living /Older Blind Clients	1,990	0	4,126	6,116	1,990	0	4,126	6,116	1,990	0	4,126	6,116	0.0%
Extended Employment Benefits	1,279,803	0	0	1,279,803	1,279,803	0	0	1,279,803	1,279,803	0	0	1,279,803	10.4%
Assistive Technology Grants (Montech)	0	0	437,373	437,373	0	0	437,373	437,373	0	0	437,373	437,373	3.6%
Supported Employment	0	0	388,810	388,810	0	0	388,810	388,810	0	0	388,810	388,810	3.2%
Visual Services Medical	87,705	0	0	87,705	87,705	0	0	87,705	87,705	0	0	87,705	0.7%
Social Security Benefits	0	0	65,551	65,551	0	0	65,551	65,551	0	0	65,551	65,551	0.5%
Disability Determination Client Assist.	0	0	56,118	56,118	0	0	85,974	85,974	0	0	96,180	96,180	0.7%
* Program 01 ARRA	11,385	0	0	11,385	11,334	0	0	11,334	11,335	0	0	11,335	0.1%
Total Benefits & Claims	$3,835,544	$0	$8,333,108	$12,168,652	$3,870,949	$0	$8,362,964	$12,233,913	$3,911,250	$0	$8,373,170	$12,284,420	100.0%
Percent of Total Budget	72.1%	0.0%	47.4%	51.2%	73.0%	0.0%	45.2%	49.6%	72.9%	0.0%	44.8%	47.9%	
Administration													
Disability Determination	$0	$0	$4,935,730	$4,935,730	$0	$0	$5,399,757	$5,399,757	$0	$0	$5,585,638	$5,585,638	43.1%
Vocational Rehabilitation Section 110	1,023,622	0	3,307,696	4,331,318	1,029,147	0	3,684,911	4,714,058	1,049,271	0	3,661,460	4,710,731	37.0%
Blind / Low Vision Section 110	241,778	0	613,925	855,703	246,937	0	655,927	902,864	250,766	0	652,193	902,959	7.1%
Independent Living /Older Blind Clients	67,999	0	190,441	258,440	30,092	0	206,815	236,907	29,841	0	207,153	236,994	1.9%
Independent Living Part B	10,346	0	52,055	62,401	13,459	0	69,782	83,241	14,019	0	69,059	83,078	0.7%
MT Telecommunications Program	0	847,307	0	847,307	0	819,495	0	819,495	0	1,594,510	0	1,594,510	9.5%
In-Service Training	25,153	0	55,210	80,363	10,578	0	55,045	65,623	10,579	0	55,047	65,626	0.5%
MT Youth Leadership Forum	50,000	0	0	50,000	50,000	0	0	50,000	50,000	0	0	50,000	0.4%
Total Aministration	$1,418,898	$847,307	$9,155,057	$11,421,262	$1,380,213	$819,495	$10,072,237	$12,271,945	$1,404,476	$1,594,510	$10,230,550	$13,229,536	100%
Percent of Total Budget	26.7%	97.9%	52.0%	48.0%	26.0%	98.2%	54.4%	49.8%	26.2%	99.1%	54.8%	51.6%	
Total Benefits and Administration	$5,254,442	$847,307	$17,488,165	$23,589,914	$5,251,162	$819,495	$18,435,201	$24,505,858	$5,315,726	$1,594,510	$18,603,720	$25,513,956	
Percent of Total Budget	98.8%	97.9%	99.4%	99.2%	99.0%	98.2%	99.6%	99.4%	99.1%	99.1%	99.6%	99.4%	
Remaining for Branch Manager and DTP Indirects	$63,378	$18,398	$102,870	$184,646	$50,614	$14,693	$81,799	$147,106	$50,376	$14,624	$81,766	$146,766	
Total DTP Budget	$5,317,820	$865,705	$17,591,035	$23,774,560	$5,301,776	$834,188	$18,517,000	$24,652,964	$5,366,102	$1,609,134	$18,685,486	$25,660,722	

Benefits account for over 49.0% of the division budget in FY 2012 and nearly 48.0% in FY 2013. In addition to division administration, remaining expenditures include: 1) $11.0 million of federal funds for Disability Determination function over the biennium, which accounts for 43.0% of the administrative biennium budget and has no benefit component; and 2) $11.2 million for section 110 services (VR and older blind services), which contains $5.7 million for 51.00 FTE working as rehabilitation counselors that work throughout the state to provide one-on-one benefit consultation and support services helping individuals with a myriad of disabilities acquire education or skills to obtain and keep a job.

Montana Telecommunications Access Program (MTAP)

The legislature addressed the MTAP program and state special revenue fund balance in two parts. The first action approved a contingency request for authority to spend $775,000 in FY 2013 for the Montana Telecommunications Access Program. Funding would be used in the event the federal government mandates that the states pay for new technology services that are presently covered by the National Exchange Carrier Association (NECA). There is additional discussion in the new proposal section and contingency language in the language section.

The legislature also made statutory changes in HB 604 allowing the transfer of $1.85 million from the MTAP state special revenue fund to the general fund for the 2013 biennium. The following table shows this action and the projected fund balance through FY 2015.

Montana Telecommunications Access Program
FY 2010 Expenditures and Projected Budgets Through FY 2015

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Categories	Actual	Projected	Projected	Projected	Projected	Projected
Beginning Available Fund Balance	$ 1,522,978	$ 2,040,687	$ 2,571,386	$ 1,324,838	$ 1,087,941	$ 709,393
Fee Assessment Estimate / Per DOR*	1,364,371	1,454,575	1,503,419	1,553,903	1,606,083	1,660,015
Total Funds Available	$ 2,887,349	$ 3,495,262	$ 4,074,805	$ 2,878,741	$ 2,694,024	$ 2,369,408
Expenses						
Administration	$244,363	$223,686	$228,160	$232,723	$237,377	$242,125
Other Services	9,789	14,354	9,789	9,789	9,789	9,789
Outreach	115,128	160,000	115,128	115,128	115,128	115,128
Supplies	18,481	8,000	18,481	18,851	19,416	19,999
Distribution equipment	90,624	110,000	90,624	92,436	94,285	96,171
Communications	6,392	17,000	6,392	6,584	6,781	6,985
Travel	16,780	22,000	16,780	17,283	17,802	18,336
Rent/Utilities	32,413	31,021	32,413	33,385	34,387	35,419
Repairs/Maintenance	23,186	3,500	23,186	23,186	23,186	23,186
Other Expenses	6,317	7,500	6,317	6,443	6,572	6,704
Indirect Costs	30,071	37,500	38,625	39,784	40,977	42,207
Relay Services						
Traditional	127,905	123,641	134,881	134,881	134,881	134,881
CapTel	158,016	174,778	174,191	174,191	174,191	174,191
DP 1103 Video Relay Service (VRS)	0	0	0	**702,141**	738,797	775,452
DP 1103 Internet Protocol (IP)	0	0	0	**183,995**	194,422	204,848
Updated expense 3/16/11				**0**	**136,638**	**136,638**
Prior Year Adjust and Corrected Pmt.	(32,803)	(9,104)	5,000	0	0	0
Total Operating Expenses	$846,662	$923,876	$899,967	$1,790,801	$1,984,630	$2,042,057
Year Ending Fund Balance	$2,040,687	$2,571,386	$3,174,838	$1,087,941	$709,393	$327,351
Legislative Reduction per HB No. 604			($1,850,000)			
Ending Fund Balance			$1,324,838			

* Department of Revenue

Data Source: DPHHS

The $2.4 million state special revenue budget for MTAP supports 4.27 FTE over the biennium as well as special communication equipment to Montanans who are deaf, hard of hearing, speech disabled, or mobility disabled and the Montana Relay, which makes it possible to place calls between a standard telephone and a text telephone.

Funding

The following table shows program funding, by source for the base year and for the 2013 biennium as adopted by the legislature.

Program Funding Table
Management And Disability Transitions

Program Funding		Base FY 2010	% of Base FY 2010	Budget FY 2012	% of Budget FY 2012	Budget FY 2013	% of Budget FY 2013
01000	Total General Fund	$ 5,317,820	22.4%	$ 5,301,776	21.5%	$ 5,366,102	20.9%
	01100 General Fund	5,317,820	22.4%	5,301,776	21.5%	5,366,102	20.9%
02000	Total State Special Funds	865,705	3.6%	834,188	3.4%	1,609,134	6.3%
	02159 Handicapped Telecommunications	847,307	3.6%	819,495	3.3%	1,594,510	6.2%
	02434 02 Indirect Activity Prog 01	18,398	0.1%	14,693	0.1%	14,624	0.1%
03000	Total Federal Special Funds	17,591,035	74.0%	18,517,000	75.1%	18,685,486	72.8%
	03024 Soc Sec - Trust Funds	65,551	0.3%	65,551	0.3%	65,551	0.3%
	03365 03 Indirect Activity Prog 01	102,870	0.4%	81,799	0.3%	81,766	0.3%
	03554 84.169 - Independent Living 90	254,220	1.1%	271,947	1.1%	271,224	1.1%
	03555 84.177 - Indep Living Old Blin	194,567	0.8%	210,941	0.9%	211,279	0.8%
	03557 84.187 - Vic Sup Employment	388,810	1.6%	388,810	1.6%	388,810	1.5%
	03558 84.224 - Mon Tech 100%	437,373	1.8%	437,373	1.8%	437,373	1.7%
	03559 84.265 - In Service Training 9	55,210	0.2%	55,045	0.2%	55,047	0.2%
	03588 93.802 - Disabil Deter Adm 100	4,991,848	21.0%	5,485,731	22.3%	5,681,818	22.1%
	03604 84.126 - Rehab-Sec110 A 78.7%	11,100,586	46.7%	11,519,803	46.7%	11,492,618	44.8%
Grand	Total	$ 23,774,560	100.0%	$ 24,652,964	100.0%	$ 25,660,722	100.0%

The division is funded from a variety of sources with federal matching rates varying by function.

General fund is mostly used to match federal funds. It supports benefits, grants, and functions serving individuals wishing to live independently, obtain and maintain a job, and acquire the necessary assistive technology. Activities supported entirely by general fund include about $2.8 million for extended employment opportunities for people with the most severe disabilities, visual medical services, and the Montana Youth Leadership Forum.

State special revenue is the sole support of the Montana Telecommunications Access 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 completely support the disability determination function, the Montech assistive technology program, and supported employment. The legislature funded these programs over the biennium at about $11.2 million, over $0.8 million and over $0.7 million, respectively. The VR Section 110 services are funded as a ratio of 78.7% federal and 21.3% state funds. Some independent living services are funded at 90.0% federal funds. These programs account for about $24.0 million of the division's federal funding.

DDS staff works with the Social Security Administration (SSA) in administering two disability programs. They determine eligibility for Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) services using medical/vocational criteria. SSDI is a monthly benefit paid to eligible individuals who cannot work due to serious physical or mental disability. SSI is a needs based program that provides coverage for adults and children with limited resources and income.

Budget Summary by Category

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

Budget Summary by Category	General Fund				Total Funds			
Budget Item	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget	Budget Fiscal 2012	Budget Fiscal 2013	Biennium Fiscal 12-13	Percent of Budget
Base Budget	5,317,820	5,317,820	10,635,640	99.70%	23,774,560	23,774,560	47,549,120	94.51%
Statewide PL Adjustments	58,527	82,552	141,079	1.32%	450,863	444,351	895,214	1.78%
Other PL Adjustments	(3,299)	37,002	33,703	0.32%	39,901	80,202	120,103	0.24%
New Proposals	(71,272)	(71,272)	(142,544)	(1.34%)	387,640	1,361,609	1,749,249	3.48%
Total Budget	**$5,301,776**	**$5,366,102**	**$10,667,878**		**$24,652,964**	**$25,660,722**	**$50,313,686**	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes to the adjusted base budget adopted by the legislature. "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 2012					Fiscal 2013				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					805,895					798,805
Vacancy Savings					(331,887)					(331,606)
Inflation/Deflation					(10,661)					(10,363)
Fixed Costs					(12,484)					(12,485)
Total Statewide Present Law Adjustments		**$58,527**	**($31,517)**	**$423,853**	**$450,863**		**$82,552**	**($31,571)**	**$393,370**	**$444,351**
DP 1001 - Tuition Increase	0.00	39,901	0	0	39,901	0.00	80,202	0	0	80,202
DP 55140 - 17-7-140 Optimize In-Service and ILOB funding	0.00	(43,200)	0	43,200	0	0.00	(43,200)	0	43,200	0
Total Other Present Law Adjustments	**0.00**	**($3,299)**	**$0**	**$43,200**	**$39,901**	**0.00**	**$37,002**	**$0**	**$43,200**	**$80,202**
Grand Total All Present Law Adjustments	**0.00**	**$55,228**	**($31,517)**	**$467,053**	**$490,764**	**0.00**	**$119,554**	**($31,571)**	**$436,570**	**$524,553**

DP 1001 - Tuition Increase - The legislature approved a general fund increase to fund a portion of the increased tuition costs for Vocational Rehabilitation benefits. Funding supports post secondary education courses for individuals and new clients to help them return to work.

DP 55140 - 17-7-140 Optimize In-Service and ILOB funding - The legislature approved the Governor's request to reduce the general fund base budget for DTP by $43,200 and increase federal funding by the same amount each year of the biennium. The action continues the operational efficiencies reduction implemented by the Governor in the 2011 biennium in accordance with 17-7-140, MCA. Some operations and personal services costs would be funded from eligible federal funds rather than general fund.

New Proposals

New Proposals	Fiscal 2012						Fiscal 2013				
Program	FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 1103 - MTAP New Technologies											
01	0.00	0	0	0	0		0.00	0	775,000	0	775,000
DP 1104 - Disability Determination Federal Funds Adjustment											
01	0.00	0	0	392,940	392,940		0.00	0	0	591,909	591,909
DP 55401 - 4% Personal Svs GF Bud Reduction											
01	0.00	(65,972)	0	65,972	0		0.00	(65,972)	0	65,972	0
DP 95011 - 5% Plan - Operations Efficiency											
01	0.00	(5,300)	0	0	(5,300)		0.00	(5,300)	0	0	(5,300)
DP 95012 - 5% Plan - Reduce Extended Employment Benefits											
01	0.00	(12,845)	0	0	(12,845)		0.00	(12,845)	0	0	(12,845)
DP 96012 - Restore Extended Employment Benefits											
01	0.00	12,845	0	0	12,845		0.00	12,845	0	0	12,845
Total	**0.00**	**($71,272)**	**$0**	**$458,912**	**$387,640**		**0.00**	**($71,272)**	**$775,000**	**$657,881**	**$1,361,609**

DP 1103 - MTAP New Technologies - The legislature approved a contingency request of $775,000 state special revenue authority for FY 2013 for MTAP services. The legislature added contingency language allowing funding to be used in the event the federal government mandates that the states pay for new technologies that use the Internet in telecommunication programs. The programs are Internet Protocol Relay (IP), which uses a computer with an internet connection in place of a text telephone, and VRS, a Video Relay Service that uses a computer and a webcam, or a video phone and a TV, in conjunction with a broadband internet connection, to make calls between a sign language user and a hearing user who knows no sign language. Language is in the following section.

DP 1104 - Disability Determination Federal Funds Adjustment - The legislature approved about $1.0 million in federal fund authority for Disability Determination Services (DDS) for client travel, zero-based personal services, and medical consultants to allow the DDS bureau to process their workload to meet Social Security Administration (SSA) required productivity levels.

DP 55401 - 4% Personal Services General Fund Budget Reduction - The legislature approved the Governor's request to reduce personal services by 4%. No positions were eliminated; a position that was funded only by general fund was moved into a program that allows 78.7% of the cost to come from federal funds. The reduction would carry forward permanently.

DP 95011 - 5% Plan - Operations Efficiency - The legislature approved a general fund reduction for operational efficiencies in the independent living - older blind program. Savings would be generated through shipping costs. This reduction was part of the agency's submitted 5% reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA.

DP 95012 - 5% Plan - Reduce Extended Employment Benefits - The legislature initially approved a general fund reduction of $25,690 over the biennium to reduce services in the extended employment program. It is an amount that would serve approximately three individuals with client benefits. This reduction was part of the agency's submitted 5% reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA. It was completely restored in NP 96012.

DP 96012 - Restore Extended Employment Benefits - The legislature provided $25,690 general fund over the biennium to restore extended employment benefits.

Language and Statutory Authority

The legislature included the following language in HB 2.

"Funding for the MTAP New Technologies includes $775,000 state special revenue in fiscal year 2013 for the Montana telecommunications access program that is contingent upon passage of federal communication commission regulations requiring states to pay for new technologies related to video relay service (VRS) and internet protocol relay (IP)."