

### 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	14.00	14.00	14.00	14.00	14.00	14.00	0.00	0.00%
Personal Services	935,508	943,540	1,048,699	1,047,730	1,879,048	2,096,429	217,381	11.57%
Operating Expenses	138,057	102,996	127,715	127,828	241,053	255,543	14,490	6.01%
Debt Service	0	2,855	0	0	2,855	0	(2,855)	(100.00%)
<b>Total Costs</b>	<b>\$1,073,565</b>	<b>\$1,049,391</b>	<b>\$1,176,414</b>	<b>\$1,175,558</b>	<b>\$2,122,956</b>	<b>\$2,351,972</b>	<b>\$229,016</b>	<b>10.79%</b>
General Fund	426,233	412,328	467,338	466,952	838,561	934,290	95,729	11.42%
State Special	30,990	23,768	35,393	35,333	54,758	70,726	15,968	29.16%
Federal Special	616,342	613,295	673,683	673,273	1,229,637	1,346,956	117,319	9.54%
<b>Total Funds</b>	<b>\$1,073,565</b>	<b>\$1,049,391</b>	<b>\$1,176,414</b>	<b>\$1,175,558</b>	<b>\$2,122,956</b>	<b>\$2,351,972</b>	<b>\$229,016</b>	<b>10.79%</b>

### Program Description

The Management and Fair Hearings Office (MFH) is responsible for all the oversight and management of the Operations Branch through its Office of Budget and Finance and the Office of Fair Hearings.

The Office of Budget and Finance manages the department's budgeting processes and provides guidance and support to the eleven DPHHS divisions concerning the reporting and operation of its financial structure. It also oversees the day-to-day management of appropriations and operating budget changes for DPHHS and ensures that uniform budgeting processes are used throughout the department.

The Office of Fair Hearings provides impartial administrative hearings for individuals or entities that have been negatively impacted by a program administered by the department. Hearings Officers adjudicate a wide range of department-related issues, including:

- Eligibility and service issues for public assistance programs
- Licensing and certification issues
- Ability to pay for care in state institutions
- Denial of admission to or discharge from state institutions and long-term care facilities
- Substantiation of child abuse and neglect
- Eligibility for vocational rehabilitation services
- Enforcement of laws prohibiting sales of tobacco to minors
- Enforcement of the Montana Food, Drug and Cosmetic Act

The Office of Fair Hearings does not have jurisdiction over issues determined by the Child Support Enforcement Division.

Hearing officers research statutes, rules, regulations, policies, and court cases to reach conclusions of law. After weighing evidence and evaluating testimony, they issue written decisions that are binding unless appealed to the state Board of Public Assistance, the department director, or a district court.

Statutory authority is in Title 17, Chapter 1, part 1, and Chapter 2, MCA

## Program Highlights

<b>Management and Fair Hearings Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>◆ The legislature increased total funding for the division by 10.8% from the 2011 biennium primarily due to statewide present law adjustments for increases personal services.</li> </ul>

## Summary of Legislative Action

The legislature approved a budget that is about 10.8% higher than the 2011 biennium. Concurrent with the duties of the programs, 89% of the legislative appropriation for the 2013 biennium is for personnel costs supporting a staff of 14.00 FTE, 8.00 of which work in the Office of Budget and Finance, and 6.00 of which work in the Office of Fair Hearings. The Branch Manager and Financial Manager are attached to the Office of Budget and Finance.

The primary increase for the biennium is from statewide present law adjustments that support increases personal services of just over \$312,000 that are partially offset by reductions in vacancy savings of about \$87,000 and about \$9,000 in reductions of operation costs, temporary services, and travel. There is a small increase in operations.

## 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 Fair Hearings							
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget	
	FY 2010	FY 2010	FY 2012	FY 2012	FY 2013	FY 2013	
01000 Total General Fund	\$ 426,233	39.7%	\$ 467,338	39.7%	\$ 466,952	39.7%	
01100 General Fund	426,233	39.7%	467,338	39.7%	466,952	39.7%	
02000 Total State Special Funds	30,990	2.9%	35,393	3.0%	35,333	3.0%	
02221 02 Indirect Activity Prog 16	30,990	2.9%	35,393	3.0%	35,333	3.0%	
03000 Total Federal Special Funds	616,342	57.4%	673,683	57.3%	673,273	57.3%	
03304 03 Indirect Activity Prog 16	<u>616,342</u>	<u>57.4%</u>	<u>673,683</u>	<u>57.3%</u>	<u>673,273</u>	<u>57.3%</u>	
Grand Total	<u>\$ 1,073,565</u>	<u>100.0%</u>	<u>\$ 1,176,414</u>	<u>100.0%</u>	<u>\$ 1,175,558</u>	<u>100.0%</u>	

The program receives general fund, state special revenue, and federal funds through a complicated, federally approved cost allocation formula applied to all funds in the department that benefit common purposes provided by MFH, generally referred to as indirect activity. Federal funding comprises over half of the budget, with general fund comprising the bulk of the remainder.

### 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 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	426,233	426,233	852,466	91.24%	1,073,565	1,073,565	2,147,130	91.29%
Statewide PL Adjustments	45,591	45,205	90,796	9.72%	112,220	111,366	223,586	9.51%
Other PL Adjustments	(1,266)	(1,266)	(2,532)	(0.27%)	(1,266)	(1,266)	(2,532)	(0.11%)
New Proposals	(3,220)	(3,220)	(6,440)	(0.69%)	(8,105)	(8,107)	(16,212)	(0.69%)
<b>Total Budget</b>	<b>\$467,338</b>	<b>\$466,952</b>	<b>\$934,290</b>		<b>\$1,176,414</b>	<b>\$1,175,558</b>	<b>\$2,351,972</b>	

### 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					156,887					155,877
Vacancy Savings					(43,696)					(43,655)
Inflation/Deflation					(346)					(341)
Fixed Costs					(625)					(515)
<b>Total Statewide Present Law Adjustments</b>		<b>\$45,591</b>	<b>\$4,647</b>	<b>\$61,982</b>	<b>\$112,220</b>		<b>\$45,205</b>	<b>\$4,587</b>	<b>\$61,574</b>	<b>\$111,366</b>
DP 55140 - 17-7-140 Operations Reduction	0.00	(1,266)	0	0	(1,266)	0.00	(1,266)	0	0	(1,266)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>(\$1,266)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,266)</b>	<b>0.00</b>	<b>(\$1,266)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,266)</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$44,325</b>	<b>\$4,647</b>	<b>\$61,982</b>	<b>\$110,954</b>	<b>0.00</b>	<b>\$43,939</b>	<b>\$4,587</b>	<b>\$61,574</b>	<b>\$110,100</b>

DP 55140 - 17-7-140 Operations Reduction - The legislature approved the Governor's request for a general fund base budget reduction of \$2,532 over the biennium. The reduction continues the operations reduction implemented in FY 2011 per MCA 17-7-140 in the categories of travel, conferences, supplies, newspaper ads, cell phone use, postage and contracting.

### New Proposals

New Proposals	Program	FTE	-----Fiscal 2012-----				-----Fiscal 2013-----				
			General Fund	State Special	Federal Special	Total Funds	General Fund	State Special	Federal Special	Total Funds	
DP 95161 - 5% Plan Reduction in Temporary Services and Travel	16	0.00	(3,220)	(244)	(4,641)	(8,105)	0.00	(3,220)	(244)	(4,643)	(8,107)
<b>Total</b>		<b>0.00</b>	<b>(\$3,220)</b>	<b>(\$244)</b>	<b>(\$4,641)</b>	<b>(\$8,105)</b>	<b>0.00</b>	<b>(\$3,220)</b>	<b>(\$244)</b>	<b>(\$4,643)</b>	<b>(\$8,107)</b>

DP 95161 - 5% Plan Reduction in Temporary Services and Travel - The legislature approved a \$16,212 total fund reduction for the biennium in temporary services and travel primarily associated with the Fair Hearings Unit. The reduction was included in the MFH 5% budget reduction plan required to be developed pursuant to 17-7-111(3)(f), MCA.