

DEPARTMENT OF
PUBLIC HEALTH AND HUMAN SERVICES



BRIAN SCHWEITZER
GOVERNOR

JOAN MILES
DIRECTOR

STATE OF MONTANA

TO: John Chappuis
Deputy Director

FROM: Scott Sim 
Office of Budget & Finance

SUBJECT: January FY2006 Budget Status Report

March 17, 2006

Attached is the department's December budget status report for fiscal year 2006. The report is based on SABHRS transactions recorded through the month of January, and Medicaid Paid Claims data recorded through the month of February. The report indicates that the Department will have a general fund shortfall of \$11.4 million at year-end, an increase from the \$6.6 million indicated in the last report. The most significant changes from the previous report are increases in the Medicaid expenditure projections and the inclusion of a \$3 million reserve for the potential impact of the recently approved federal Deficit Reduction Act (DRA). This reserve is a worst case scenario based upon preliminary review of the act. This \$3 million general fund impact would be the result of the elimination of federal Medicaid funding for Targeted Case Management services effective January 1, 2006 and represents a cost shift from the federal to state government. This is included in the Director's Office budget as we are still awaiting federal interpretation and regulation changes regarding the DRA. If this becomes an actual cost, the charges will be reallocated from the Director's Office to the Child and Family Services and various Medicaid Divisions.

The amount depicted in the budget status report is the amount that we discussed with the Legislative Finance Committee last week. The department is continuing to scrutinize its budget as we approach the last quarter of this state fiscal year.

Public Health & Human Services Agency 6901 FY2006 Budget Status Report January FY06

Expenditure Summary		Ending FY04 Expenses	Ending FY05 Expenses	Current Month Expenditures	Year-to-Date Expenditures Jan	Year-to-Date as a Percent of Projection	FY2006 Department Total Budget	Projected FY06 Expenses	Projected FY06 Surplus (Deficit)
Last Update: 17-Mar-06							03/09/06		
FTE		2,685.75	2,692.89				2,821.04	2,778.66	42.38
61000	Total Personal Services	115,767,959	120,157,678	14,100,264	69,406,161	53.71%	127,201,713	129,214,225	(2,012,512)
62000	General Operating	5,977	0	0	0	0.00%	601,335	0	601,335
62100	Contracted & Other Services	65,731,998	66,423,256	3,439,642	34,122,411	40.06%	91,779,303	85,187,002	6,592,301
62200	Supplies & Materials	9,352,673	9,046,523	758,641	4,945,307	39.82%	12,047,729	12,418,707	(370,978)
62300	Communications	4,012,244	4,040,646	385,048	2,317,846	49.96%	4,585,489	4,639,806	(54,317)
62400	Travel	2,035,071	2,306,220	132,509	1,220,002	48.39%	2,653,136	2,521,136	132,000
62500	Rent	6,014,839	6,316,921	764,018	4,215,526	57.50%	6,853,669	7,331,343	(477,674)
62600	Utilities	1,575,034	1,670,366	179,138	828,426	47.17%	1,509,522	1,756,171	(246,649)
62700	R&M	1,091,529	975,431	71,416	518,517	40.02%	1,150,655	1,295,663	(145,008)
62800	Other	2,839,491	2,790,606	308,286	1,787,939	52.03%	3,131,786	3,436,482	(304,696)
62900	Goods for Resale/Other	99,078	53,416	(71,123)	(455,780)	-80.06%	89,877	569,291	(479,414)
62000	Total Operational Expenses	92,757,934	93,623,385	5,967,575	49,500,194	41.54%	124,402,501	119,155,601	5,246,900
63000	Equipment	500,262	559,164	6,559	245,710	36.23%	537,211	678,105	(140,894)
64000	Capital Outlay	0	39,059	53,007	61,707	62.17%	82,000	99,262	(17,262)
65000	Local Assistance	1,426,636	1,467,176	58,511	765,919	14.36%	1,475,236	5,333,111	(3,857,875)
66000	Grants	44,628,292	46,969,802	3,863,228	21,193,168	41.81%	51,751,042	50,685,001	1,066,041
67000	Benefits	859,796,579	911,036,138	71,404,567	453,577,844	44.54%	1,061,879,451	1,018,428,648	43,450,803
68000	Transfers	2,621,149	2,790,905	0	2,726,040	21.59%	2,839,449	12,627,015	(9,787,566)
69000	Debt Services	936,455	515,042	8,935	389,887	69.03%	599,806	564,810	34,996
60000	Total Expenditures	1,118,435,266	1,177,158,349	95,462,646	597,866,630	44.72%	1,370,768,409	1,336,785,778	33,982,631
Fund Summary		Ending FY04 Expenses	Ending FY05 Expenses	Current Month Expenditures	Year-to-Date Expenditures Jan	Year-to-Date as a Percent of Projection	FY2006 Department Total Budget	Projected FY06 Expenses	Projected FY06 Surplus
01000	General Fund	251,077,309	276,894,707	27,109,738	157,435,605	48.60%	312,546,913	323,965,640	(11,418,727)
02000	State Special	55,497,725	61,839,451	4,153,552	28,234,697	30.00%	97,367,016	94,110,410	3,256,606
03000	Federal Fund	811,860,230	838,424,191	64,199,358	412,196,330	44.87%	960,854,480	918,709,727	42,144,753
Total Funding		1,118,435,263	1,177,158,349	95,462,648	597,866,632	44.72%	1,370,768,409	1,336,785,777	33,982,632

Public Health & Human Services Funding Summary by Division January FY06	Ending FY04 Expenses	Ending FY05 Expenses	Current Month Expenditures	Year-to-Date Expenditures Jan	Year-to-Date as a Percent of Projection	FY2006 Department Total Budget	Projected FY06 Expenses	Projected FY06 Surplus
<u>Human and Community Services</u>								
General Fund	22,929,185	22,768,010	4,066,439	15,625,781	53.73%	28,929,763	29,080,964	(151,201)
State Special	776,152	1,673,683	26,481	838,328	72.54%	1,071,749	1,155,650	(83,901)
Federal Fund	158,861,029	173,018,983	15,168,385	92,962,930	51.66%	198,006,137	179,965,781	18,040,356
Total Division	182,566,366	197,460,676	19,261,305	109,427,039	52.06%	228,007,649	210,202,395	17,805,254
<u>Child & Family Services Division</u>								
General Fund	20,903,613	22,479,149	1,972,056	13,368,824	52.43%	25,568,884	25,497,393	71,491
State Special	1,494,713	1,926,203	167,699	889,223	45.69%	1,930,778	1,946,003	(15,225)
Federal Fund	24,655,658	26,336,159	2,805,214	13,254,841	48.67%	27,340,446	27,232,791	107,655
Total Division	47,053,985	50,741,511	4,944,969	27,512,888	50.32%	54,840,108	54,676,187	163,921
<u>Director's Office</u>								
General Fund	1,438,895	1,264,722	243,026	993,153	15.57%	2,971,807	6,380,450	(3,408,643)
State Special	290,482	209,954	39,660	191,003	47.92%	314,076	398,622	(84,546)
Federal Fund	1,750,653	1,843,812	246,341	1,149,614	16.90%	7,797,939	6,802,228	995,711
Total Division	3,480,029	3,318,488	529,027	2,333,770	17.18%	11,083,822	13,581,300	(2,497,478)
<u>Child Support Enforcement Division</u>								
General Fund	271,276	1,302,461	666,138	666,138	34.52%	1,929,816	1,929,816	0
State Special	2,806,505	1,909,389	(298,043)	1,182,070	69.63%	1,971,188	1,697,540	273,648
Federal Fund	6,178,108	6,308,132	724,632	3,601,860	54.33%	6,651,491	6,629,877	21,614
Total Division	9,255,888	9,519,982	1,092,727	5,450,068	53.13%	10,552,495	10,257,233	295,262
<u>Fiscal Services Division</u>								
General Fund	1,913,528	2,114,772	165,403	1,548,033	62.79%	2,274,406	2,465,409	(191,003)
State Special	281,423	308,150	15,097	200,570	72.64%	365,494	276,114	89,380
Federal Fund	2,791,893	2,943,498	172,663	2,410,768	71.79%	3,466,841	3,357,875	108,966
Total Division	4,986,845	5,366,420	353,163	4,159,371	68.19%	6,106,741	6,099,398	7,343
<u>Public Health & Safety Division</u>								
General Fund	1,901,856	1,891,316	310,071	1,004,226	37.02%	2,725,856	2,712,856	13,000
State Special	5,942,915	6,493,717	1,230,826	3,978,671	34.68%	11,664,323	11,471,924	192,399
Federal Fund	37,081,343	40,062,799	2,849,882	21,569,470	50.95%	45,310,986	42,333,283	2,977,703
Total Division	44,926,115	48,447,832	4,390,779	26,552,367	46.98%	59,701,165	56,518,063	3,183,102

Public Health & Human Services Fund Type Summary by Division January FY06	Ending FY04 Expenses	Ending FY05 Expenses	Current Month Expenditures	Year-to-Date Expenditures Jan	Year-to-Date as a Percent of Projection	FY2006 Department Total Budget	Projected FY06 Expenses	Projected FY06 Surplus
<u>Quality Assurance Division</u>								
General Fund	1,960,084	1,960,970	205,785	1,027,476	45.81%	2,250,388	2,242,934	7,454
State Special	255,056	88,261	9,209	48,028	52.08%	218,319	92,216	126,103
Federal Fund	5,367,127	5,176,113	505,788	2,718,861	49.96%	5,776,095	5,441,670	334,425
Total Division	<u>7,582,267</u>	<u>7,225,344</u>	<u>720,782</u>	<u>3,794,365</u>	<u>48.79%</u>	<u>8,244,802</u>	<u>7,776,820</u>	<u>467,982</u>
<u>Operations & Technology Division</u>								
General Fund	9,136,221	9,300,617	205,261	4,003,574	51.90%	7,536,121	7,713,288	(177,167)
State Special	1,133,097	1,209,087	(150,587)	552,088	39.80%	1,222,577	1,387,227	(164,650)
Federal Fund	17,787,745	15,266,962	(165,636)	5,912,387	50.49%	13,082,891	11,710,426	1,372,465
Total Division	<u>28,057,064</u>	<u>25,776,666</u>	<u>(110,962)</u>	<u>10,468,049</u>	<u>50.30%</u>	<u>21,841,589</u>	<u>20,810,941</u>	<u>1,030,648</u>
<u>Disabilities Services Division</u>								
General Fund	44,783,539	43,053,454	3,932,920	25,066,165	52.59%	46,851,473	47,667,798	(816,325)
State Special	2,834,001	2,487,909	33,010	1,323,922	47.04%	2,814,416	2,814,413	3
Federal Fund	80,878,793	78,352,931	6,425,649	41,150,548	52.88%	82,846,979	77,821,113	5,025,866
Total Division	<u>128,496,333</u>	<u>123,894,294</u>	<u>10,391,579</u>	<u>67,540,635</u>	<u>52.64%</u>	<u>132,512,868</u>	<u>128,303,324</u>	<u>4,209,544</u>
<u>Health Resources Division</u>								
General Fund	71,665,413	88,988,046	6,454,288	45,627,076	44.68%	97,972,799	102,111,966	(4,139,167)
State Special	14,302,095	16,033,218	667,346	3,683,699	11.80%	34,079,606	31,211,470	2,868,136
Federal Fund	297,927,620	307,880,693	19,886,399	136,079,970	38.71%	360,211,002	351,516,850	8,694,152
Total Division	<u>383,895,128</u>	<u>412,901,957</u>	<u>27,008,033</u>	<u>185,390,745</u>	<u>38.24%</u>	<u>492,263,407</u>	<u>484,840,286</u>	<u>7,423,121</u>
<u>Senior & Long-Term Care Division</u>								
General Fund	37,463,981	43,030,354	3,697,865	23,120,618	46.77%	50,133,513	49,438,162	695,351
State Special	14,720,683	17,482,806	1,900,441	10,542,292	40.07%	26,355,563	26,307,825	47,738
Federal Fund	146,006,764	144,010,738	12,054,112	73,964,986	45.09%	170,303,386	164,024,508	6,278,878
Total Division	<u>198,191,429</u>	<u>204,523,898</u>	<u>17,652,418</u>	<u>107,627,896</u>	<u>44.89%</u>	<u>246,792,462</u>	<u>239,770,495</u>	<u>7,021,967</u>
<u>Addictive & Mental Disorders Division</u>								
General Fund	36,709,716	38,740,836	5,190,486	25,384,541	54.33%	43,402,087	46,724,604	(3,322,517)
State Special	10,660,603	12,017,074	512,413	4,804,803	31.30%	15,358,927	15,351,406	7,521
Federal Fund	32,573,496	37,223,371	3,525,929	17,420,095	41.60%	40,060,287	41,873,325	(1,813,038)
Total Division	<u>79,943,815</u>	<u>87,981,281</u>	<u>9,228,828</u>	<u>47,609,439</u>	<u>45.80%</u>	<u>98,821,301</u>	<u>103,949,335</u>	<u>(5,128,034)</u>
<u>Public Health & Human Services</u>								
General Fund	251,077,309	276,894,707	27,109,738	157,435,605	48.60%	312,546,913	323,965,640	(11,418,727)
State Special	55,497,725	61,839,451	4,153,552	28,234,697	30.00%	97,367,016	94,110,410	3,256,606
Federal Fund	811,860,230	838,424,191	64,199,358	412,196,330	44.87%	960,854,480	918,709,727	42,144,753
Department Total	<u>1,118,435,263</u>	<u>1,177,158,349</u>	<u>95,462,648</u>	<u>597,866,632</u>	<u>44.72%</u>	<u>1,370,768,409</u>	<u>1,336,785,777</u>	<u>33,982,632</u>