

**Program Legislative Budget**

The following table summarizes the total legislative budget for the agency by year, type of expenditure, and source of funding. Also included in the table is HB 447 pay plan allocation.

Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	157.03	0.00	14.00	171.03	0.00	14.00	171.03	171.03
Personal Services	6,747,304	713,572	829,222	8,290,098	707,437	1,208,841	8,663,582	16,953,680
Operating Expenses	20,269,621	5,118,084	6,002,715	31,390,420	5,118,351	5,755,661	31,143,633	62,534,053
Equipment	132,349	0	0	132,349	0	0	132,349	264,698
Capital Outlay	0	0	0	0	0	0	0	0
Grants	6,664,753	632,000	1,160,000	8,456,753	632,000	0	7,296,753	15,753,506
Benefits & Claims	9,112,972	0	0	9,112,972	0	0	9,112,972	18,225,944
Transfers	0	0	0	0	0	0	0	0
Debt Service	37,587	0	0	37,587	0	0	37,587	75,174
<b>Total Costs</b>	<b>\$42,964,586</b>	<b>\$6,463,656</b>	<b>\$7,991,937</b>	<b>\$57,420,179</b>	<b>\$6,457,788</b>	<b>\$6,964,502</b>	<b>\$56,386,876</b>	<b>\$113,807,055</b>
General Fund	1,852,039	74,855	798,962	2,725,856	71,407	(486,782)	1,436,664	4,162,520
State/Other Special	5,320,797	516,372	5,427,154	11,264,323	518,572	5,431,111	11,270,480	22,534,803
Federal Special	35,791,750	5,872,429	1,765,821	43,430,000	5,867,809	2,020,173	43,679,732	87,109,732
<b>Total Funds</b>	<b>\$42,964,586</b>	<b>\$6,463,656</b>	<b>\$7,991,937</b>	<b>\$57,420,179</b>	<b>\$6,457,788</b>	<b>\$6,964,502</b>	<b>\$56,386,876</b>	<b>\$113,807,055</b>

**Program Description**

The purpose of the Public Health and Safety Division (PHSD) is to improve and protect the health and safety of Montanans. The division provides a wide range of preventive, emergency preparedness, and other public health services to individuals and communities. Services are delivered through a broad range of private and public providers, including public health departments, clinics, and hospitals. PHSD administers public health programs including, but not limited to:

- Clinical and environmental laboratory services
- Women's, Infants and Children's Special Nutrition Program (WIC)
- Maternal and child public health services
- Immunization programs
- Sexually transmitted diseases/HIV prevention
- Food and consumer safety
- Emergency medical services
- Family planning
- Chronic and communicable disease prevention
- Public health emergency preparedness

Public health services are administered at both the state and local levels and services are delivered through contract arrangements with local public health and other health service agencies. PHSD contracts with over 700 providers for the delivery of health care services.

Statutory authority for public health functions is in Title 50, MCA, including local public health activities. Rules governing public health programs are in Title 37 of the Administrative Rules of Montana. Specific citations include: Maternal and Child Health Title 50, Chapter 1 and Chapter 19, MCA, and Title V of the Social Security Act; Family Planning Title X of the federal Public Health Service Act and 42 CFR, Subpart A, Part 59; WIC P. L. 95-627, Child Nutrition Act of 1966, and 7 CFR part 246.

## Program Highlights

<b>Public Health and Safety Division (PHSD)</b>	
<b>Major Budget Highlights</b>	
<ul style="list-style-type: none"> <li>◆ Increases in federal funding add \$16 million of the \$28 million growth in the 2007 biennium budget compared to FY 2004 base budget expenditures               <ul style="list-style-type: none"> <li>• Most of the growth is in categorical grants that have expenditure guidelines and restrictions on the use of grant funds</li> <li>• The legislature approved federal funding for 9.00 new FTE for a number of different functions, with language in HB 2 that funding for 3.00 of the FTE may not be included in the 2009 biennium base budget calculations if federal grant funds decline</li> </ul> </li> <li>◆ State special revenue increases total about \$12 million of the total funding increase over the FY 2004 base budget               <ul style="list-style-type: none"> <li>• The legislature appropriated the full amount of tobacco settlement proceeds (32 percent) to fund tobacco prevention and control as approved through passage of I-146 by voters in 2002, adding nearly \$9 million over the biennium                   <ul style="list-style-type: none"> <li>○ The legislature restricted \$720,000 of tobacco prevention and control funds for tribal programs that meet the same requirements as other contractors</li> <li>○ The legislature funded 4.00 new FTE for tobacco prevention and control</li> </ul> </li> <li>• Passage of SB 275 increased fees charged for each person insured for disability and health insurance, decreasing general fund by \$1 million and increasing state special revenue by \$2 million for genetics counseling and testing</li> <li>• Other small changes for increased health laboratory testing fees, license fees for retail and wholesale food establishments, and license fees for body piercing and tattoo specialists (SB 137) added the balance of state special revenue and funding for 1.00 new FTE</li> </ul> </li> <li>◆ The legislature approved the executive request to appropriate general fund and continue funding for:               <ul style="list-style-type: none"> <li>• The Montana Initiative for the Abatement of Mortality in Infants (MIAMI) program - \$1.1 million over the biennium</li> <li>• Poison control and AIDS treatment and prevention- \$0.2 million over the biennium</li> </ul> </li> <li>◆ The legislature expressed concern that certain costs were recorded as operating costs and directed that DPHHS work with the Department of Administration to clarify and standardize within DPHHS and across state agencies recording costs that               <ul style="list-style-type: none"> <li>• Directly benefit individuals and indirectly benefit the public</li> <li>• Are contracted, granted, or provided to non state entities to perform certain services</li> <li>• Are not part of the daily operating costs for DPHHS, such as personnel, utilities, rent, and computer costs necessary to support state employees in the performance of their duties</li> </ul> </li> </ul>	

**Program Narrative**

The Public Health and Safety Division (PHSD) budget grows about \$28 million total funds over the biennium compared to the base budget expenditures. Most of the growth is in federal funds (\$14 million) and state special revenue (\$12 million). General fund rises a net of about \$0.5 million because of increases for MIAMI, AIDS, poison control, tribal tobacco prevention and control peer counseling, and pay plan totaling about \$1.5 million over the biennium, with an offsetting \$1 million fund switch. The genetics counseling and testing function was moved from general fund to state special revenue due to the passage of SB 375 to increase the per person fee charged to insurance companies and group insurance for each person covered by a disability or health policy.

The legislature accepted the executive budget request in most instances, including appropriation of state special revenue and federal funds to support 14.00 new FTE. Three of the new positions were approved contingent on funding being available and with the caveat that continuation of the funding for these FTE could not be requested in the 2009 biennium base budget if federal funds declined.

The major appropriation changes compared to base budget expenditures that were adopted by the legislature include:

- Tobacco prevention and control activities - \$8.4 million tobacco settlement state special revenue and \$0.6 million federal grant funds
- Bioterrorism and emergency preparedness activities - \$5 million federal grant funds
- WIC program - \$1.4 million federal grant funds
- Cardiovascular health activities - \$1.2 million federal grant funds
- MIAMI - \$1.1 million general fund
- Public health laboratory activities - \$0.6 million state special revenue fee income and \$0.7 million federal grant funds
- Food and lodging license activities, primarily pass through funding to local governments - \$0.6 million state special revenue license fee income
- Genetics program – net state funding increase of \$0.5 million

The most significant legislative initiatives are:

- Addition of \$1.7 million in state special revenue and an offsetting reduction of \$1.1 million general fund over the biennium for a creation of a state special revenue account to receive an increase from 70 cents to \$1 in the fee charged for each person insured under an employer, group health, or single payer health or disability insurance policy, contingent on passage and approval of SB 275
- Addition of \$60,000 general fund for a tribal peer counseling program
- Restriction for inclusion of FTE slots in personal services base funding calculations for several federal grants if the funds decline or are not received
- Addition of language in HB 2 directing the department to work with the Department of Administration, legislative staff, and the Office of Budget and Program Planning to update and clarify accounting guidance on use of specific categories of expenditure with the goal of recording expenditures that support non state, local entities that provide direct, discreet benefits to individuals or indirect public benefits in either the grant or benefit category of expenditure, rather than operating costs
- Inclusion of language in the narrative accompanying HB 2 requesting the department to coordinate a state government wide approach to tobacco control and prevention

**Function Budget**

Figure 22 shows the PHSD budget by major function, grants, and benefits. There are five functions or sub programs supported by the PHSD appropriation. The amounts listed for grants in Figure 22 won't tie to the amounts shown in the main table because:

- One-time appropriations for the MIAMI program were removed from the base budget, but are included for comparative purposes
- The FY 2006 biennial appropriation for MIAMI is allocated equally between FY 2006 and FY 2007

**Figure 22**  
Fiscal 2004 Base Budget Compared to 2007 Biennium Legislative Appropriation  
Public Health and Safety

Major Function Grants and Benefits	FY 2004 Base Budget				FY 2006 Legislative Appropriation				FY 2007 Legislative Appropriation				% of Total
	General Fd	SSR	Federal	Total	General Fd	SSR	Federal	Total	General Fd	SSR	Federal	Total	
<b>Major Function</b>													
Division Administration	\$142,692	\$102,766	\$912,318	\$1,157,776	\$187,223	\$199,362	\$1,162,398	\$1,548,983	\$223,517	\$289,239	\$1,417,461	\$1,930,217	3%
Chronic Disease Prev/Hlth Prom	507,781	2,514,645	4,453,532	7,475,958	658,643	6,889,920	7,213,483	14,762,046	520,034	6,804,480	7,212,473	14,536,987	26%
Family & Community Health	576,695	4,095	17,691,787	18,272,577	1,139,368	836,889	18,536,088	20,512,345	39,574	836,889	18,536,235	19,412,698	34%
Communicable Disease Prev.	419,332	699,212	4,211,082	5,329,626	547,758	1,010,979	4,972,432	6,531,169	463,271	1,012,986	4,970,623	6,446,880	11%
Laboratories	185,370	2,000,079	68,371	2,253,820	172,695	2,373,053	270,156	2,815,904	170,099	2,372,638	270,275	2,813,012	5%
Pub Health Sys Improvement/ Emergency Preparedness	20,169	0	8,454,660	8,474,829	20,169	0	11,229,563	11,249,732	20,169	0	11,226,913	11,247,082	20%
<b>Total Division Budget</b>	<b>\$1,852,039</b>	<b>\$5,320,797</b>	<b>\$35,791,750</b>	<b>\$42,964,586</b>	<b>\$2,725,856</b>	<b>\$11,310,203</b>	<b>\$43,384,120</b>	<b>\$57,420,179</b>	<b>\$1,436,664</b>	<b>\$11,316,232</b>	<b>\$43,633,980</b>	<b>\$56,386,876</b>	<b>100%</b>
Percent of Total	4%	12%	83%	100%	5%	20%	76%	100%	3%	20%	77%	100%	
<b>Grants</b>													
Women, Infants and Children	\$0	\$0	\$3,338,555	\$3,338,555	\$0	\$0	\$3,970,555	\$3,970,555	\$0	\$0	\$3,970,555	\$3,970,555	50%
Family Planning	0	0	1,431,803	1,431,803	0	0	1,431,803	1,431,803	0	0	1,431,803	1,431,803	18%
Maternal/Child Health Grnt	0	0	1,108,480	1,108,480	0	0	1,108,482	1,108,482	0	0	1,108,482	1,108,482	14%
MIAMI* and **	550,000	0	0	550,000	550,000	0	0	550,000	550,000	0	0	550,000	7%
Food/Consumer Safety	0	588,785	0	588,785	0	588,785	0	588,785	0	588,785	0	588,785	7%
Emergency Preparedness	0	0	148,049	148,049	0	0	148,047	148,047	0	0	148,047	148,047	2%
AIDS Prevention/Treatment**	0	0	48,811	48,811	0	0	48,811	48,811	0	0	48,811	48,811	1%
Tribal Peer Counseling*	0	0	0	0	30,000	0	0	30,000	30,000	0	0	30,000	0%
Breast/Cervical Cancer Screen	0	0	61	61	0	0	61	61	0	0	61	61	0%
Health Systems Admin.	0	0	209	209	0	0	209	209	0	0	209	209	0%
Subtotal Grants	\$550,000	\$588,785	\$6,075,968	\$7,214,753	\$580,000	\$588,785	\$6,707,968	\$7,876,753	\$580,000	\$588,785	\$6,707,968	\$7,876,753	100%
Percent of Total Grants	8%	8%	84%	100%	7%	7%	85%	100%	7%	7%	85%	100%	
% of Total Division Budget	30%	11%	17%	17%	21%	5%	15%	14%	40%	5%	15%	14%	
<b>Benefits</b>													
Women, Infants and Children	\$0	\$0	\$9,423,803	\$9,423,803	\$0	\$0	\$9,112,972	\$9,112,972	\$0	\$0	\$9,112,972	\$9,112,972	100%
% of Total Division Budget	0%	0%	26%	22%	0%	0%	21%	16%	0%	0%	21%	16%	
*These appropriations are biennial and roll into the totals for FY 2006 in main program tables, but shown as two annual expenditures in this table. The total grants appropriation in this table is different than the main program table due to these changes.													
**Base year expenditures for these functions were removed because the appropriations were one time only. The table includes the appropriations for comparative purposes.													

Division administration manages the division and includes the budget function as well as the Libby Asbestos Screening program. The pay plan for the division is allocated to this function, but it will be spread to other functions. Division administration comprises 3 percent of the total.

Chronic disease prevention and health promotion receives slightly more than one-quarter of the FY 2007 appropriation and includes functions to prevent such diseases as cardiovascular disease, diabetes, breast and cervical cancer, and cancer in general. It also administers the emergency medical services (EMS), obesity prevention, tobacco prevention and control, and tumor registry functions. Most of the funding for this function comes from state special revenue and federal categorical grants that specify the uses and purposes of grant funds. General fund supports the EMS functions and a portion of tumor registry costs. The appropriation nearly doubles from base level expenditures due to increases in:

- o Allocation of the full 32 percent of tobacco settlement funds to tobacco prevention and control
- o Several federal grants

Family and community health receives over one third of the division appropriation. This function includes contracts with counties for maternal and child health, the Women, Infants, and Children (WIC) feeding program, MIAMI, family planning, fetal alcohol syndrome monitoring and prevention, the statewide voluntary genetics program, children’s oral health, and development of an early childhood comprehensive system of care. The annual 2007 biennium appropriations increase \$1 to \$2 million over base budget expenditures, but general fund support for the function declines due to funding the genetics program from state special revenue instead of general fund (SB 375). Increases in WIC and the genetics program are the main drivers for 2007 biennium appropriation increases.

Communicable disease prevention receives 11 percent of the division appropriation. It administers programs to prevent the spread of AIDS, tuberculosis, West Nile, and sexually transmitted diseases, and provides funds and vaccines to local governments to provide immunizations. General fund supports administrative costs and state match for the federal AIDS grant. Federal categorical grants support all other functions. The annual 2007 biennium appropriation grows about \$1 million over base expenditures, largely due to federal grant increases for West Nile, AIDS, and immunizations.

The laboratory function supports the two public health and environmental laboratories and receives 5 percent of the division appropriation. The labs are supported primarily by state special revenue fee income. The general fund pays a portion of costs for public health tests for which there is no payor. Increases are due to increased testing and receipt of a federal grant to upgrade the environmental laboratory to fund 1.00 new FTE and operating costs.

The last function listed in Figure 22 is public health system improvement and emergency preparedness. The function receives 20 percent of division funding and is supported almost entirely by federal categorical grants for emergency preparedness and bioterrorism. The 2007 biennium annual appropriation is about \$3 million greater than the base budget due to carry over of unspent grant funds.

**Biennial Comparison**

Figure 23 shows the 2007 biennium appropriation for PHSD compared to the 2005 biennium. The 2007 biennium appropriation is 23 percent higher than the 2005 biennium. General fund increases about \$0.4 million or about 11 percent. While federal appropriations also rise 13 percent, the increase is \$10 million between biennia.

**Figure 23**  
2005 Biennium Compared to 2007 Biennium  
Public Health and Safety Division

Budget Item/Fund	2005 Biennium	2007 Biennium	Percent of Total	Change	Percent Change
FTE	157.03	171.03		14.00	9%
Personal Services	\$14,540,557	\$16,953,680	15%	\$2,413,123	17%
Operating	40,432,725	62,534,053	55%	22,101,328	55%
Equipment	1,659,221	264,698	0%	(1,394,523)	-84%
Grants	17,656,793	15,753,506	14%	(1,903,287)	-11%
Benefits/Claims	18,530,561	18,225,944	16%	(304,617)	-2%
Debt Service	55,468	75,174	0%	19,706	36%
<b>Total Costs</b>	<b>\$92,875,325</b>	<b>\$113,807,055</b>	<b>100%</b>	<b>\$20,931,730</b>	<b>23%</b>
General Fund	\$3,759,373	\$4,162,520	4%	\$403,147	11%
State Special	11,844,426	22,534,803	20%	10,690,377	90%
Federal Funds	77,271,526	87,109,732	77%	9,838,206	13%
<b>Total Funds</b>	<b>\$92,875,325</b>	<b>\$113,807,055</b>	<b>100%</b>	<b>\$20,931,730</b>	<b>23%</b>

State special revenue increases a net of \$11 million, despite expansion of funds for tobacco prevention and control (about \$4.2 million per year) and addition of state special revenue to support the statewide genetics contract (about \$0.9 million a year). Figure 23 includes one-time appropriations in the 2005 biennium that were made from tobacco settlement and control to support MIAMI and other functions, while the one-time appropriations have been removed from FY 2004 base budget expenditures.

Operating costs show the largest growth, rising \$22 million. Most of the growth is due to increases in federal categorical grants.

Grant appropriations show a reduction between biennia, largely because the division reallocated appropriations made by the legislature from the grant category of expenditure to operating costs. The purpose of the appropriation did not change, but the way the expenditure was recorded in the state accounting system did. The legislature did not redirect the appropriations for base expenditures from operating to grants, but did consider a legislative staff issue related to this accounting classification.

### Funding

The following table shows program funding, by source, for the base year and the 2007 biennium as adopted by the legislature.

Program Funding		Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01000	Total General Fund	\$ 1,852,039	4.3%	\$ 2,725,856	4.7%	\$ 1,436,664	2.5%
	01100 General Fund	1,852,039	4.3%	2,725,856	4.7%	1,436,664	2.5%
02000	Total State Special Funds	5,320,797	12.4%	11,264,323	19.6%	11,270,480	20.0%
	02199 Dhes Food & Consumer	10,931	0.0%	28,306	0.0%	28,306	0.1%
	02366 Public Health Laboratory	2,000,079	4.7%	2,368,257	4.1%	2,433,871	4.3%
	02379 02 Indirect Activity Prog 07	102,766	0.2%	146,198	0.3%	150,740	0.3%
	02462 Food/Lodging License	688,281	1.6%	986,749	1.7%	995,289	1.8%
	02544 6901-Welch'S Cost Relief Gran	4,095	0.0%	4,095	0.0%	4,095	0.0%
	02765 Fees On Insurance Policies - Sb 275	-	-	832,794	1.5%	832,794	1.5%
	02790 6901-Statewide Tobacco Sttlmnt	2,514,645	5.9%	6,897,924	12.0%	6,825,385	12.1%
03000	Total Federal Special Funds	35,791,750	83.3%	43,430,000	75.6%	43,679,732	77.5%
	03004 Ems Data Injury	145,249	0.3%	92,113	0.2%	93,305	0.2%
	03020 Ph Workforce Development	48,541	0.1%	48,541	0.1%	48,541	0.1%
	03023 Pregnancy Risk Assessment	38,122	0.1%	38,489	0.1%	39,081	0.1%
	03026 Family Planning Title X	1,872,039	4.4%	1,873,175	3.3%	1,887,251	3.3%
	03027 Wic (Women,Infants & Children)	13,371,912	31.1%	14,016,253	24.4%	14,040,943	24.9%
	03030 Health Prevention & Services	678,513	1.6%	919,626	1.6%	930,635	1.7%
	03031 Maternal & Child Health	1,577,445	3.7%	1,710,200	3.0%	1,731,394	3.1%
	03057 Newborn Hearing Screening	76,268	0.2%	77,004	0.1%	78,182	0.1%
	03074 Obesity Prevention	201,351	0.5%	514,388	0.9%	518,477	0.9%
	03159 Tuberculosis Grant	210,456	0.5%	307,286	0.5%	309,519	0.5%
	03239 Chronic Disease Fed Cat#13-283	10,749	0.0%	10,749	0.0%	10,749	0.0%
	03258 Diabetes Control	604,272	1.4%	738,754	1.3%	750,166	1.3%
	03273 Primary Care Services	98,019	0.2%	97,533	0.2%	101,260	0.2%
	03274 Ryan White Act, Title Ii	768,911	1.8%	943,321	1.6%	948,830	1.7%
	03336 Food Inspection Program	27,829	0.1%	27,829	0.0%	27,829	0.0%
	03357 Healthy Child	44,517	0.1%	44,517	0.1%	44,517	0.1%
	03362 Data Integration	36,709	0.1%	36,709	0.1%	36,709	0.1%
	03368 Trauma System Development	49,197	0.1%	49,197	0.1%	49,197	0.1%
	03370 Epi & Lab Surveillance E. Coli	319,534	0.7%	655,751	1.1%	656,858	1.2%
	03383 Search Grant	169,136	0.4%	171,004	0.3%	173,782	0.3%
	03429 Birth Defects Surveillance	160,674	0.4%	165,488	0.3%	167,801	0.3%
	03448 6901-Early Childhood Comp Sys	-	-	100,000	0.2%	100,000	0.2%
	03451 69010-Cdp For Brfs	197,281	0.5%	242,718	0.4%	245,552	0.4%
	03461 6901- Childrens Oral Hlth Care	25,669	0.1%	25,669	0.0%	25,669	0.0%

Program Funding Table (continued)						
Public Health & Safety Div.						
Program Funding	Base	% of Base	Budget	% of Budget	Budget	% of Budget
	FY 2004	FY 2004	FY 2006	FY 2006	FY 2007	FY 2007
03596 03 Indirect Activity Prog 07	393,319	0.9%	447,124	0.8%	463,057	0.8%
03607 Cardiovascular Grant	-	-	37,188	0.1%	37,090	0.1%
03681 6901-Mt Fd Safe Adv Cncl93.103	945	0.0%	945	0.0%	945	0.0%
03683 6901-Biomonitoring	68,371	0.2%	272,032	0.5%	275,146	0.5%
03686 6901-Adult Lead	1,716	0.0%	26,716	0.0%	26,716	0.0%
03689 6901-Bioter Hosp Preparedness	1,104,043	2.6%	2,370,271	4.1%	2,370,015	4.2%
03690 6901-Rape Prev & Educ 93.126	116,547	0.3%	177,119	0.3%	177,235	0.3%
03697 6901-Cardiovascular Hlth Prgm	365,037	0.8%	1,025,071	1.8%	1,032,528	1.8%
03698 6901-Ems Prev Fire Related Inj	49,630	0.1%	194,630	0.3%	194,630	0.3%
03706 6901-Environmentl Hlth Trackng	467,841	1.1%	474,189	0.8%	482,941	0.9%
03708 6901-Libby Asbestos Screening	518,999	1.2%	571,049	1.0%	578,820	1.0%
03709 6901-Rural Access Emerg Device	-	-	275,000	0.5%	275,000	0.5%
03711 6901-Breast & Cervical Cancer	1,805,533	4.2%	2,154,656	3.8%	2,165,364	3.8%
03712 6901-Cancer Registries 93.283	184,663	0.4%	222,786	0.4%	230,198	0.4%
03713 6901-Wic Farmer Market 10.572	33,462	0.1%	33,462	0.1%	33,462	0.1%
03788 Montana Disability And Health Progr	-	-	450,000	0.8%	450,000	0.8%
03789 Hrsa Ems Rural Health Grant	-	-	4,209	0.0%	4,283	0.0%
03794 Samsa Grant	-	-	2,642	0.0%	6,901	0.0%
03822 Tobacco Control	831,780	1.9%	1,148,348	2.0%	1,147,796	2.0%
03929 Seroprevalence/Surveillance	59,380	0.1%	59,380	0.1%	59,380	0.1%
03936 Vaccination Program	929,724	2.2%	990,920	1.7%	1,006,007	1.8%
03937 Std Program	278,347	0.6%	328,326	0.6%	333,095	0.6%
03938 Aids Fed. Cat. #13.118	1,349,014	3.1%	1,370,103	2.4%	1,379,662	2.4%
03959 Bioterrorism	6,221,919	14.5%	7,458,433	13.0%	7,504,127	13.3%
03979 Comprehensive Cancer Control	-	-	150,000	0.3%	150,000	0.3%
03998 Fetal Alcohol Syndrome	279,087	0.6%	279,087	0.5%	279,087	0.5%
Grand Total	<u>\$ 42,964,586</u>	<u>100.0%</u>	<u>\$ 57,420,179</u>	<u>100.0%</u>	<u>\$ 56,386,876</u>	<u>100.0%</u>

The Public Health and Safety Division (PHSD) is funded by a combination of general fund, state special revenue and federal funds. General fund supports about 4 percent of the base budget and about 4 percent each year of the 2007 biennium if biennial appropriations are split evenly between FY 2006 and FY 2007. Federal funds decline from 83 to 77 percent of division funding from the FY 2004 base compared to the 2007 biennium appropriation. State special revenue shows the greatest change rising from 12 percent of the base budget to 20 percent of the 2007 biennium appropriation, largely due to the addition of tobacco settlement revenue to fund tobacco prevention and control.

General fund supports a share of the state match requirement for the Maternal and Child Health (MCH) block grant, some public health laboratory, tumor registry, communicable disease, tobacco control and prevention, and division administration functions. The legislature approved the executive request to add \$1.3 million to support the MIAMI (Montana Initiative for the Abatement of Mortality in Infants) program, poison control hot line, and AIDS treatment and prevention activities. These three activities had been funded through a one-time diversion of tobacco settlement funds for the 2005 biennium (SB 485 passed by the 2003 Legislature). The legislature also added \$60,000 general fund and restricted the appropriation use to tribal peer counseling for tobacco cessation.

Major state special revenue sources include:

- Tobacco settlement funds that support tobacco prevention and control activities
- Payments for public and environmental laboratory services
- Fees paid to license restaurants and lodging facilities
- Fees paid by insurance companies and group insurers for each resident covered by health insurance or disability insurance (SB 275)

There are 50 federal funding sources that support PHSD functions, including 2 block grants and more than 30 federal categorical grants that have explicit programmatic and expenditure requirements. Usually, the purpose of the grant can be deduced from its name.

The single largest federal grant funds the WIC (Women, Infant and Children) feeding program, which accounts for 31 percent (\$13 million) of FY 2004 base budget funding, rises to \$14 million in FY 2007. Federal funds supporting activities designed to help respond to or prevent bioterrorism events are the next most significant federal source, accounting for 14 percent of budgeted funds and rising from \$6 to \$7 million in FY 2007. Other federal funding sources that provide in excess of 3 percent of PHSD funding, listed in descending order, are:

1. Family planning, Title X funds (2.5 percent or \$2.4 million) support reproductive health services for low-income persons;
2. Breast and cervical cancer funding (1.8 percent or \$2.1 million) supports cancer screenings for persons with incomes below 200 percent of the federal poverty level and no health insurance (see DPHHS overview for poverty level table); and
3. AIDS funding (1.3 percent or \$1.4 million) supports services to prevent AIDS, as well as assist persons in obtaining treatment

Two federal block grants account for about 4 percent of the PHSD 2007 biennium appropriation - the Maternal Child Health (MCH) Block Grant (\$1.7 million annually) and Preventive Health Block Grant \$0.9 million annually). These block grants support a variety of PHSD functions and both are allocated in consultation with division advisory councils. Usually the allocation is different than anticipated in the budget request and, absent specific legislative restrictions, different than the legislative appropriation.

A significant share of the MCH supports contracts with counties (\$1 million annually during the 2007 biennium) to provide the preventive and primary services for children required in federal guidelines. The match for the grant comes from local expenditures reported to PHSD. A portion (30 percent - \$0.9 million annually in the 2007 biennium) of the MCH is budgeted in the Health Resources Division (HRD) to provide services for children with special needs.

## **Other Issues**

### *Recording Certain Costs in the Operating Category of Expenditure*

Legislative staff raised an issue for legislative consideration regarding how certain types of expenditures were recorded in the accounting system. Expenditures for certain activities are recorded in operating costs in this division, while other divisions in DPHHS and other state agencies almost always record similar expenditures in the grants or benefits cost categories.

The legislature expressed concern over the practice for the following reasons:

- Inconsistency in recording similar expenditures within DPHHS and potentially across state government
- Hindering the transparency of the purpose of legislative appropriations and government expenditures
  - Overstating the costs of state government administrative and management costs
  - Understating the amount of state funds expended by non state entities for the direct or indirect benefits of Montanans
- Including unexpended appropriation authority for types of expenditures originally excluded by the legislature as eligible for carry forward in following years (17-7-304(4), MCA)

The legislature accepted the executive recommendation to address this issue. Department of Administration (DofA) accounting policy staff convened a work group with representatives from DPHHS, Department of Transportation, Department of Labor, the Office of Budget and Program Planning, and the Legislative Fiscal and Audit Divisions. While the work group was convened prior to the end of the 2005 session, DofA has not issued guidance on what types of expenditures should be recorded as operating costs versus grant costs.

*Legislative Direction to Staff*

Tobacco control and prevention was one of the significant policy issues considered during legislative consideration of the PHSD budget. The 2005 Senate Finance and Claims Committee directed that the following language be placed in the narrative accompanying HB 2.

“Public Health and Safety includes tobacco settlement state special revenue funds and federal funds for tobacco prevention and control. The division shall encourage, either through mandates or by cooperation, opportunities to help reduce tobacco use and assist those who wish to curtail or stop their use of tobacco products through the following approaches.

The department is encouraged to identify opportunities to incorporate brief tobacco cessation counseling using the United States public health services 5 a’s approach (ask, advise, assess, assist, and arrange) into work done by other department programs, such as the Women, Infants, and Children (WIC) feeding program, Temporary Assistance for Needy Families (TANF) program, Medicaid services programs, Children’s Health Insurance Program (CHIP), the Montana Initiative for the Abatement of Mortality in Infants (MIAMI) program, the Mental Health Services Plan (MHSP), and aging services. The Montana tobacco use prevention program is encouraged to provide training and educational materials to promote the 5 a’s approach.

When appropriate, information mailed to recipients of state-supported programs should routinely include the quit line information. State owned and operated inpatient facilities should allow and encourage patients to access the quit line and nicotine replacement therapy.

When it will not create a perceived burden on providers, Montana medicaid providers should be encouraged to incorporate brief tobacco cessation counseling into office visits and tracking systems. The Montana tobacco use prevention program should provide:

1. Training to providers and ancillary staff regarding the 5a’s approach;
2. Chart stamps to document tobacco use and the 5a’s approach; and
3. Chart audits to health care providers, beginning with larger providers.

When appropriate the department should request that medicaid provider mailings include the quit line information every 6 months.

If Medicaid-eligible persons participate in the quit line or in another evidence-based cessation counseling program, the department should consider:

1. Eliminating the medicaid copayment for nicotine replacement therapy;
2. Extending the limit for medicaid-funded nicotine replacement therapy coverage;
3. Allowing persons to obtain nicotine replacement therapy directly from the quit line; and
4. Exploring whether quit line services provided to medicaid-eligible persons are an allowable medicaid cost for federal financial participation.

The department should encourage all state departments to incorporate smoking cessation policies, including potentially:

1. Statewide contract language requiring statements that the offeror, or subcontractors, will not accept any work involved in the production, processing, distribution, promotion, sale, or use of tobacco products or tobacco companies during the term of this contract and that the contractor shall provide evidence of a tobacco-free workplace policy;
2. State cigarette and tobacco tax insignia showing the quit line phone number;
3. Correction facilities allowing inmates to access the quit line, including nicotine replacement therapies;
4. State employees’ insurance coverage, including coverage for cessation and nicotine replacement therapies;
5. State motor vehicles being smoke free;
6. Travel promotion promoting smoke-free facilities;
7. State employee wellness programs providing peer-support groups for those employees participating in quit line

counseling; and

8. Public schools, colleges, and universities receiving state money adopting comprehensive tobacco free policy and foregoing the use of tobacco industry-produced materials.

The department shall report in writing to members of the 2005 Legislative Joint Appropriations Subcommittee on Health and Human Services by July 1, 2005, and then by July 1, 2006, on progress in implementing these recommendations. The report must include measurements of progress on the recommendations and also the rationale as to why certain recommendations were either not implemented or were not successful.”

### **Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Each of the present law adjustments and new budget proposals is discussed within the budget presentation for each of the major functions in PHSD: division administration, chronic disease prevention and health promotion, family and community health, communicable disease prevention, laboratories, and public health systems improvement and emergency preparedness.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				1,037,641					1,033,958	
Vacancy Savings				(311,394)					(311,250)	
Inflation/Deflation				(4,671)					(4,485)	
Fixed Costs				23,672					27,751	
<b>Total Statewide Present Law Adjustments</b>				<b>\$745,248</b>					<b>\$745,974</b>	
DP 96 - Increase Funding for Local Board Inspection Funds	0.00	0	159,000	0	159,000	0.00	0	159,000	0	159,000
DP 102 - Additional Authority for Lab Supplies	0.00	0	72,000	0	72,000	0.00	0	72,000	0	72,000
DP 124 - Fully Implement Emergency Preparedness	0.00	0	0	1,026,038	1,026,038	0.00	0	0	1,022,238	1,022,238
DP 128 - Fully Implement Hospital Emergency Preparedness	0.00	0	0	1,166,050	1,166,050	0.00	0	0	1,165,852	1,165,852
DP 129 - Expanded West Nile Activities	0.00	0	0	445,000	445,000	0.00	0	0	445,000	445,000
DP 130 - Increase Funding for Breast & Cervical Cancer	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
DP 131 - Increase Funding for Obesity Prevention Grant	0.00	0	0	274,971	274,971	0.00	0	0	274,971	274,971
DP 133 - Increase Funding for Biomonitoring	0.00	0	0	175,000	175,000	0.00	0	0	175,000	175,000
DP 134 - Increase Funding for Ryan White AIDS Grant	0.00	0	0	168,000	168,000	0.00	0	0	168,000	168,000
DP 136 - Increase Funding for Tuberculosis Grant	0.00	0	0	100,000	100,000	0.00	0	0	100,000	100,000
DP 137 - Increase Funding for Immunization Grant	0.00	0	0	78,000	78,000	0.00	0	0	78,000	78,000
DP 138 - Increase Funding for Rape Prev & Sexual Assault	0.00	0	0	61,000	61,000	0.00	0	0	61,000	61,000
DP 139 - Increase Funding for STD Prevention	0.00	0	0	44,000	44,000	0.00	0	0	44,000	44,000
DP 140 - Increase Funding for Health Trend Monitoring	0.00	0	0	35,000	35,000	0.00	0	0	35,000	35,000
DP 141 - Increase Funding for Diabetes Control Program	0.00	0	0	18,000	18,000	0.00	0	0	18,000	18,000
DP 169 - Montana Cardiovascular Health Program	0.00	0	0	591,000	591,000	0.00	0	0	591,000	591,000
DP 170 - MT Tobacco Use Prevention Quit Line	0.00	0	0	356,024	356,024	0.00	0	0	356,024	356,024
DP 171 - MT Tobacco Use Prevention Base Funding	0.00	0	0	(137,000)	(137,000)	0.00	0	0	(137,000)	(137,000)
DP 176 - Increase Funding - Preventative Health Block Grant	0.00	0	0	167,000	167,000	0.00	0	0	167,000	167,000
DP 185 - Increase Funding for Women, Infants & Children	0.00	0	0	632,000	632,000	0.00	0	0	632,000	632,000
DP 9999 - Statewide FTE Reduction	0.00	(12,675)	0	0	(12,675)	0.00	(15,271)	0	0	(15,271)
<b>Total Other Present Law Adjustments</b>				<b>\$5,718,408</b>	<b>\$5,718,408</b>	<b>0.00</b>	<b>(\$15,271)</b>	<b>\$231,000</b>	<b>\$5,496,085</b>	<b>\$5,711,814</b>
<b>Grand Total All Present Law Adjustments</b>				<b>\$6,463,656</b>	<b>\$6,463,656</b>					<b>\$6,457,788</b>

## New Proposals

New Proposals	-----Fiscal 2006-----					-----Fiscal 2007-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Prior Year Authority-Local Inspection Funds - OTO											
07	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000	
DP 117 - Clinical Laboratory Specialist											
07	1.00	0	45,880	0	45,880	1.00	0	45,752	0	45,752	
DP 155 - Rural Access to Emergency Devices Grant											
07	0.00	0	0	275,000	275,000	0.00	0	0	275,000	275,000	
DP 156 - Comprehensive Cancer Control Program											
07	0.00	0	0	150,000	150,000	0.00	0	0	150,000	150,000	
DP 158 - Smoke Detector & Fall Prevention Grant											
07	0.00	0	0	145,000	145,000	0.00	0	0	145,000	145,000	
DP 159 - Statewide Emergency Preparedness Staff											
07	3.00	0	0	135,818	135,818	3.00	0	0	135,440	135,440	
DP 160 - Early Childhood Comprehensive System Grant											
07	0.00	0	0	100,000	100,000	0.00	0	0	100,000	100,000	
DP 161 - Libby Asbestos Program Staffing											
07	2.00	0	0	74,997	74,997	2.00	0	0	74,794	74,794	
DP 163 - Public Health Planner											
07	1.00	0	0	43,580	43,580	1.00	0	0	43,461	43,461	
DP 164 - Communicable Disease Monitoring Staffing											
07	1.00	0	0	40,207	40,207	1.00	0	0	40,098	40,098	
DP 165 - Environmental Public Health Tracking Staff											
07	1.00	0	0	37,188	37,188	1.00	0	0	37,090	37,090	
DP 166 - Adult Lead Reporting											
07	0.00	0	0	25,000	25,000	0.00	0	0	25,000	25,000	
DP 172 - Increase Funding for MT Disability & Health Program											
07	0.00	0	0	450,000	450,000	0.00	0	0	450,000	450,000	
DP 187 - Environmental Laboratory Chemist											
07	1.00	0	0	45,880	45,880	1.00	0	0	45,752	45,752	
DP 275 - Genetics Program - State Special Revenue - SB 275											
07	0.00	(545,991)	832,794	0	286,803	0.00	(545,928)	832,794	0	286,866	
DP 3007 - MIAMI - Biennial											
07	0.00	1,100,000	0	0	1,100,000	0.00	0	0	0	0	
DP 3011 - AIDS Prevention - Biennial											
07	0.00	84,000	0	0	84,000	0.00	0	0	0	0	
DP 3012 - Poison Control - Biennial											
07	0.00	77,908	0	0	77,908	0.00	0	0	0	0	
DP 3111 - Montana Tobacco Use Prevention Program											
07	4.00	0	4,375,275	83,646	4,458,921	4.00	0	4,289,835	83,412	4,373,247	
DP 3137 - SB 137 - License/Regulate Body Piercing/Tattooing											
07	0.00	0	17,375	0	17,375	0.00	0	17,375	0	17,375	
DP 3601 - Tribal Peer Counseling Program											
07	0.00	60,000	0	0	60,000	0.00	0	0	0	0	
DP 6010 - 2007 Biennium Pay Plan - HB 447											
07	0.00	23,045	55,830	159,505	238,380	0.00	59,146	145,355	415,126	619,627	
Total	14.00	\$798,962	\$5,427,154	\$1,765,821	\$7,991,937	14.00	(\$486,782)	\$5,431,111	\$2,020,173	\$6,964,502	

## Language

The legislature approved the following language for inclusion in HB2:

"Federally Funded FTE includes \$244,624 in federal special revenue over the biennium to support 3.00 FTE and operating costs for public health planning and tracking. Inclusion of expenditures, including personal services costs, for item federally funded FTE in the fiscal year 2006 base budget is contingent on renewal and continuation of federal grant funds to support those functions."

### Public Health and Safety Division Administration Budget

The following table summarizes the legislative budget proposal for this function by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	11.00	0.00	2.00	13.00	0.00	2.00	13.00	13.00
Personal Services	576,831	82,211	313,377	972,419	82,397	694,421	1,353,649	2,326,068
Operating Expenses	573,814	(4,381)	0	569,433	(4,377)	0	569,437	1,138,870
Equipment	7,131	0	0	7,131	0	0	7,131	14,262
<b>Total Costs</b>	<b>\$1,157,776</b>	<b>\$77,830</b>	<b>\$313,377</b>	<b>\$1,548,983</b>	<b>\$78,020</b>	<b>\$694,421</b>	<b>\$1,930,217</b>	<b>\$3,479,200</b>
General Fund	142,692	21,486	23,045	187,223	21,679	59,146	223,517	410,740
State/Other Special	102,766	40,766	55,830	199,362	41,118	145,355	289,239	488,601
Federal Special	912,318	15,578	234,502	1,162,398	15,223	489,920	1,417,461	2,579,859
<b>Total Funds</b>	<b>\$1,157,776</b>	<b>\$77,830</b>	<b>\$313,377</b>	<b>\$1,548,983</b>	<b>\$78,020</b>	<b>\$694,421</b>	<b>\$1,930,217</b>	<b>\$3,479,200</b>

### Narrative

The biennial legislative appropriation for the division administration function is about \$1.3 million over FY 2004 base budget. The majority of the increase is due to the division pay plan allocation, which adds about \$1 million total funds, and will be distributed among other division functions. The legislature also approved federal funding for 2.00 new FTE for the Libby asbestos-screening project.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative 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 2006-----				-----Fiscal 2007-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					109,671					109,865
Vacancy Savings					(27,460)					(27,468)
Inflation/Deflation					(352)					(348)
Fixed Costs					(4,029)					(4,029)
<b>Total Statewide Present Law Adjustments</b>					<b>\$77,830</b>					<b>\$78,020</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$77,830</b>					<b>\$78,020</b>

Statewide present law adjustments add about \$78,000 a year to the division administration function. The adjustments are cost allocated among functions managed by PHSD. The statewide present law adjustment for personal services shows a significant increase due to moving 2.00 FTE to the division administration function during the 2005 biennium and due to vacancy savings in the base year budget.

**New Proposals**

New Proposals	-----Fiscal 2006-----					-----Fiscal 2007-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 161 - Libby Asbestos Program Staffing											
01	2.00	0	0	74,997	74,997	2.00	0	0	74,794	74,794	
DP 6010 - 2007 Biennium Pay Plan - HB 447											
01	0.00	23,045	55,830	159,505	238,380	0.00	59,146	145,355	415,126	619,627	
<b>Total</b>	<b>2.00</b>	<b>\$23,045</b>	<b>\$55,830</b>	<b>\$234,502</b>	<b>\$313,377</b>	<b>2.00</b>	<b>\$59,146</b>	<b>\$145,355</b>	<b>\$489,920</b>	<b>\$694,421</b>	

DP 161 - Libby Asbestos Program Staffing - The legislature added \$74,830 federal revenue each year of the biennium, including funding for 2.00 FTE, one program manager and one administrative assistant, for the asbestos program in Libby, Montana. Both positions are currently filled and this request makes funding for the positions permanent.

The program manager is a registered nurse who supervises the day-to-day activities of the field office and three employees. This individual interacts with patients being screened for asbestos related disease, assists in the pulmonary screening of patients, explains screening results to patients, and assure that they are referred as appropriate for their medical condition.

The administrative assistant helps in the determination of an individual's eligibility to participate in medical screening for asbestos related diseases, and conducts a confidential, in-depth, computer assisted, epidemiologic interview. This individual also assists in educating participants and scheduling other medical screening activities for them.

DP 6010 - 2007 Biennium Pay Plan - HB 447 - The legislature passed a pay plan in HB 447 that provides an additional 3.5 percent (or \$1,005, whichever is greater) in FY 2006 and an additional 4.0 percent (or \$1,188, whichever is greater) in FY 2007, as well as \$46 per month in insurance contributions in calendar 2006 and an additional \$51 per month in calendar 2007. These amounts represent the allocation of costs to this program to fund the pay plan.

**Chronic Disease Prevention and Health Promotion Legislative Budget**

The following table summarizes the legislative budget proposal for this function by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	33.27	0.00	4.00	37.27	0.00	4.00	37.27	37.27
Personal Services	1,231,418	254,713	167,292	1,653,423	253,098	166,827	1,651,343	3,304,766
Operating Expenses	6,244,479	1,414,546	5,389,537	13,048,562	1,414,684	5,226,420	12,885,583	25,934,145
Grants	61	0	60,000	60,061	0	0	61	60,122
<b>Total Costs</b>	<b>\$7,475,958</b>	<b>\$1,669,259</b>	<b>\$5,616,829</b>	<b>\$14,762,046</b>	<b>\$1,667,782</b>	<b>\$5,393,247</b>	<b>\$14,536,987</b>	<b>\$29,299,033</b>
General Fund	507,781	12,954	137,908	658,643	12,253	0	520,034	1,178,677
State/Other Special	2,514,645	0	4,375,275	6,889,920	0	4,289,835	6,804,480	13,694,400
Federal Special	4,453,532	1,656,305	1,103,646	7,213,483	1,655,529	1,103,412	7,212,473	14,425,956
<b>Total Funds</b>	<b>\$7,475,958</b>	<b>\$1,669,259</b>	<b>\$5,616,829</b>	<b>\$14,762,046</b>	<b>\$1,667,782</b>	<b>\$5,393,247</b>	<b>\$14,536,987</b>	<b>\$29,299,033</b>

**Narrative**

The legislative appropriation for the chronic disease prevention and health promotion function increases about \$7 million per year over base budget expenditures, with the increase split between state special revenue and federal grant funding. General fund increases about \$0.7 million over the biennium to fund a poison control hotline, pay plan, and a tribal tobacco prevention and control peer-counseling program added by legislative initiative.

State special revenue increases are largely attributable to appropriation of the full 32 percent of tobacco settlement funds allocated to tobacco prevention and control as established by voter initiative in 2002 (I-146).

Federal funds increase nearly \$3 million per year with the vast majority of increases in categorical grants for diabetes control, obesity prevention, cardiovascular health, breast and cervical cancer screening, smoke detector installation, fall prevention, and smoking cessation activities. Pay plan funding also contributes to federal funding growth.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative 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 2006-----				-----Fiscal 2007-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					316,633					314,951
Vacancy Savings					(61,920)					(61,853)
Inflation/Deflation					(1,658)					(1,594)
Fixed Costs					13,209					13,283
<b>Total Statewide Present Law Adjustments</b>					<b>\$266,264</b>					<b>\$264,787</b>
DP 130 - Increase Funding for Breast & Cervical Cancer	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
DP 131 - Increase Funding for Obesity Prevention Grant	0.00	0	0	274,971	274,971	0.00	0	0	274,971	274,971
DP 141 - Increase Funding for Diabetes Control Program	0.00	0	0	18,000	18,000	0.00	0	0	18,000	18,000
DP 169 - Montana Cardiovascular Health Program	0.00	0	0	591,000	591,000	0.00	0	0	591,000	591,000
DP 170 - MT Tobacco Use Prevention Quit Line	0.00	0	0	356,024	356,024	0.00	0	0	356,024	356,024
DP 171 - MT Tobacco Use Prevention Base Funding	0.00	0	0	(137,000)	(137,000)	0.00	0	0	(137,000)	(137,000)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,402,995</b>	<b>\$1,402,995</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,402,995</b>	<b>\$1,402,995</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$1,669,259</b>					<b>\$1,667,782</b>

DP 130 - Increase Funding for Breast & Cervical Cancer - The legislature approved \$0.3 million in federal funds each year of the biennium for the Montana Breast and Cervical Health Program. Base expenditures for this program were \$1.8 million.

The 2007 biennium budget supports performance based contracts and provider reimbursement for breast and cervical cancer screening for 3,000 women. The additional \$300,000 will fund local screening of at least 600 additional women each year, and will reimburse medical service providers for additional clinical screening services, including provider recruitment activities.

Breast and cervical cancer screenings are provided to persons under the age of 65, with incomes under 200 percent of the federal poverty level, and with no health insurance. Persons diagnosed with breast or cervical cancer through this screen can receive treatment through the state Medicaid program.

DP 131 - Increase Funding for Obesity Prevention Grant - The legislature added an additional \$274,971 in federal grant funds each year of the biennium for obesity prevention activities, more than doubling adjusted base budget expenditures of about \$237,000. The additional funds would be used to fund interventions within Montana communities, work sites, and schools to promote healthy nutrition and regular physical activity. Currently, PHSD funds three community pilot projects to implement community and school-based interventions. The additional funds will be used to expand services to more Montana communities and schools during the biennium. The legislature requested that DPHHS provide specific progress reports prior to the next session on outcomes related to this grant.

DP 141 - Increase Funding for Diabetes Control Program - The legislature added \$18,000 in federal funds each year of the biennium for the Diabetes Control Program. Adjusted base budget expenditures were \$712,000. The Diabetes Control Program collaborates with primary care providers and diabetes educators across the state to improve diabetes care, and to increase access to quality diabetes education. The additional funds will be used to support the existing primary care practices in the quality improvement network and to work with new primary care practices over the biennium.

DP 169 - Montana Cardiovascular Health Program - The legislature approved \$591,000 each year of the biennium for federal spending authority for the Montana Cardiovascular Health Program. Adjusted present law base year expenditures were \$429,000. Increased funding would enhance program efforts statewide targeting improved care for

Montanans with heart disease, stroke, hypertension, and high cholesterol.

DP 170 - MT Tobacco Use Prevention Quit Line - The legislature added \$356,024 federal authority each year of the biennium to fund increased access to the tobacco use cessation toll free quit line, doubling FY 2004 base budget expenditures. In the first six months of operation, the quit line provided services to over 1,700 Montanans. The increased funding would allow an additional 2,000 Montanans per year to access the quit line.

DP 171 - MT Tobacco Use Prevention Base Funding - The legislature accepted the executive request to reduce federal authority by \$137,000 each year of the biennium for the Montana Tobacco Use Prevention Program. DPHHS received notice that the federal funds were being reduced. Base budget federal funding was \$831,780. Reductions will be more than offset due to approval of DP 1011 Montana Tobacco Use Prevention Program, which increases funding by about \$4.5 million per year.

### New Proposals

Sub Program	Fiscal 2006					Fiscal 2007				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 155 - Rural Access to Emergency Devices Grant										
03	0.00	0	0	275,000	275,000	0.00	0	0	275,000	275,000
DP 156 - Comprehensive Cancer Control Program										
03	0.00	0	0	150,000	150,000	0.00	0	0	150,000	150,000
DP 158 - Smoke Detector & Fall Prevention Grant										
03	0.00	0	0	145,000	145,000	0.00	0	0	145,000	145,000
DP 172 - Increase Funding for MT Disability & Health Prog										
03	0.00	0	0	450,000	450,000	0.00	0	0	450,000	450,000
DP 3012 - Poison Control - Biennial										
03	0.00	77,908	0	0	77,908	0.00	0	0	0	0
DP 3111 - Montana Tobacco Use Prevention Program										
03	4.00	0	4,375,275	83,646	4,458,921	4.00	0	4,289,835	83,412	4,373,247
DP 3601 - Tribal Peer Counseling Program										
03	0.00	60,000	0	0	60,000	0.00	0	0	0	0
<b>Total</b>	<b>4.00</b>	<b>\$137,908</b>	<b>\$4,375,275</b>	<b>\$1,103,646</b>	<b>\$5,616,829</b>	<b>4.00</b>	<b>\$0</b>	<b>\$4,289,835</b>	<b>\$1,103,412</b>	<b>\$5,393,247</b>

DP 155 - Rural Access to Emergency Devices Grant - The legislature approved an additional \$275,000 federal revenue each year of the biennium for the Health Resources and Services Administration Automatic External Defibrillator grant. This funding continues a three-year grant for rural access to emergency devices, designed to achieve improved outcomes from cardiac arrests by providing education and automated external defibrillators to emergency medical services personnel in rural areas of Montana. This grant will continue through July of 2006.

DP 156 - Comprehensive Cancer Control Program - The legislature appropriated an additional \$150,000 federal authority each year of the biennium for the Comprehensive Cancer Control (CCC) Program. The funds would support activities and the process to complete a written Montana CCC Plan. This effort will be coordinated through DPHHS and will be used to support a statewide stakeholder group and small workgroups. The ultimate goal of this effort is to increase cancer awareness and preventive screening among Montanans.

DP 158 - Smoke Detector & Fall Prevention Grant - The legislature added \$145,000 federal funding each year of the biennium for a federal smoke detector and fall prevention grant. This funding would continue the second year of a three-year funding cycle. Funds would be spent in collaboration with several fire departments around the state to target residential occupancies for long-life smoke alarm installation and home fire and injury prevention education.

DP 172 - Increase Funding for MT Disability & Health Prog - The legislature added \$450,000 federal funds each year of the biennium, to coordinate and provide services to prevent secondary conditions and improve the health of Montanans with disabilities. Secondary conditions are health conditions that are acquired after the onset of a primary disability. Examples of common secondary conditions in adults with developmental disabilities include weight problems, dental problems, and bladder dysfunction. This grant is expected to continue for five years.

DP 3012 - Poison Control - Biennial - The legislature approved the executive request to add \$77,908 in general fund over the biennium to continue poison control services at the level of the 2005 biennium. During the 2005 biennium, these services were funded through a one time diversion of tobacco settlement funds authorized in 17-6-606, MCA (SB 485).

DP 3111 - Montana Tobacco Use Prevention Program - The legislature added \$9 million in tobacco settlement state special revenue and \$167,000 in federal funds over the biennium for the Montana Tobacco Use Prevention Program. This funding will fund the program at the percentage designated 17-6-606, MCA (enacted by citizen Initiative 146). This decision package also makes permanent 2.00 modified FTE funded with federal tobacco prevention funds and funds 2.00 new FTE.

DP 3601 - Tribal Peer Counseling Program - The legislature added \$60,000 general fund over the biennium for a pilot program for tribal peer counseling as part of the state effort in tobacco prevention and control. The legislature requested that the department provide interim reports so that the legislature could monitor implementation and outcomes due to this legislative initiative.

### Family & Community Health Legislative Budget

The following table summarizes the legislative budget proposal for this function by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	29.25	0.00	0.00	29.25	0.00	0.00	29.25	29.25
Personal Services	1,279,659	128,239	0	1,407,898	128,507	0	1,408,166	2,816,064
Operating Expenses	2,001,106	(7,274)	386,803	2,380,635	(7,252)	386,866	2,380,720	4,761,355
Grants	5,878,840	632,000	1,100,000	7,610,840	632,000	0	6,510,840	14,121,680
Benefits & Claims	9,112,972	0	0	9,112,972	0	0	9,112,972	18,225,944
<b>Total Costs</b>	<b>\$18,272,577</b>	<b>\$752,965</b>	<b>\$1,486,803</b>	<b>\$20,512,345</b>	<b>\$753,255</b>	<b>\$386,866</b>	<b>\$19,412,698</b>	<b>\$39,925,043</b>
General Fund	576,695	8,664	554,009	1,139,368	8,807	(545,928)	39,574	1,178,942
State/Other Special	4,095	0	832,794	836,889	0	832,794	836,889	1,673,778
Federal Special	17,691,787	744,301	100,000	18,536,088	744,448	100,000	18,536,235	37,072,323
<b>Total Funds</b>	<b>\$18,272,577</b>	<b>\$752,965</b>	<b>\$1,486,803</b>	<b>\$20,512,345</b>	<b>\$753,255</b>	<b>\$386,866</b>	<b>\$19,412,698</b>	<b>\$39,925,043</b>

### Narrative

The legislative appropriation for the family and community health function increases about \$3 million over the 2007 biennium compared to base budget expenditures. Federal and state special revenue funds each support about \$1.6 million of the increase.

General fund increases are negligible due to offsetting changes in the appropriation. The legislature funded MIAMI (Montana Initiative for the Abatement of Mortality in Infants) from the general fund authorizing \$1.1 million over the biennium. During the 2005 biennium, MIAMI was funded from a one-time diversion of tobacco settlement proceeds. The legislature offset the only other significant general fund base expenditure (about \$0.6 million annually for a voluntary genetics program) with increased fee income generated by the per person tax on insurance companies and group health insurance plans for every Montanan covered by disability and health insurance (SB 275). The legislature also appropriated an additional \$0.3 million of fee income to expand the program. SB 275 is effective for the 2007 biennium only. In the 2009 biennium, without statutory changes the program will revert to an expenditure level of about \$0.6 million per year.

The most significant changes in federal funds support increases in the WIC program (\$0.6 million per year), and a federal grant to continue work on the early childhood systems of care project (\$0.6 million per year).

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

	-----Fiscal 2006-----					-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
Personal Services					186,899					187,181
Vacancy Savings					(58,660)					(58,674)
Inflation/Deflation					(604)					(582)
Fixed Costs					(6,670)					(6,670)
<b>Total Statewide Present Law Adjustments</b>					<b>\$120,965</b>					<b>\$121,255</b>
DP 185 - Increase Funding for Women, Infants & Children										
	0.00	0	0	632,000	632,000	0.00	0	0	632,000	632,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$632,000</b>	<b>\$632,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$632,000</b>	<b>\$632,000</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$752,965</b>					<b>\$753,255</b>

DP 185 - Increase Funding for Women, Infants & Children - The legislature added \$0.6 million each year of the biennium for federal funding for the WIC grant. The WIC grant is projected to be \$14 million for each year of the biennium. Base year funding was \$13 million.

The legislature expressed concerns that the amount of WIC grant funds passed through to local programs was declining. DPHHS staff testified that it will make changes in how the local programs are audited, shifting the work to program staff rather than department cost allocated staff. That change will reduce administrative costs by about \$40,000, which will be passed through to local county health departments.

### New Proposals

Sub Program	-----Fiscal 2006-----					-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 160 - Early Childhood Comprehensive System Grant										
04	0.00	0	0	100,000	100,000	0.00	0	0	100,000	100,000
DP 275 - Genetics Program - State Special Revenue - SB 275										
04	0.00	(545,991)	832,794	0	286,803	0.00	(545,928)	832,794	0	286,866
DP 3007 - MIAMI - Biennial										
04	0.00	1,100,000	0	0	1,100,000	0.00	0	0	0	0
<b>Total</b>	<b>0.00</b>	<b>\$554,009</b>	<b>\$832,794</b>	<b>\$100,000</b>	<b>\$1,486,803</b>	<b>0.00</b>	<b>(\$545,928)</b>	<b>\$832,794</b>	<b>\$100,000</b>	<b>\$386,866</b>

DP 160 - Early Childhood Comprehensive System Grant - The legislature appropriated \$100,000 federal funds each year of the biennium for the Early Childhood Comprehensive System Grant. This grant supports states in collaborative early childhood system development, with the ultimate goal of supporting families and children who are healthy and ready to learn at school entry. This grant will allow the department to design a plan for an Early Childhood Comprehensive System in Montana.

Federal agencies determined that multiple funding mechanisms aimed at specific populations (Head Start), services (mental health services and physical health screenings), and programs were not being linked at state or local levels, creating lack of cohesiveness, and potentially ineffective strategies for supporting young children and families. There are five specific areas of focus that states are to target in their plan development:

- Medical homes
- Mental health and social emotional development
- Early care and education
- Parent education
- Family support

DP 275 - Genetics Program - State Special Revenue - SB 275 - The legislature added \$1.7 million in state special

revenue and decreased general fund by \$1 million over the biennium contingent on passage and approval of SB 275, which increases the fee charged for each Montana resident insured by an individual or group disability or health policy from 70 cents to \$1 through the end of the 2007 biennium. The statewide genetics program (50-19-211, MCA) provides testing, counseling, and education to parents and prospective parents

DP 3007 - MIAMI - Biennial - The legislature approved a general fund biennial appropriation of \$1.1 million to continue the Montana Initiative for the Abatement of Mortality in Infants (MIAMI) program at the level of the 2005 biennium. During the 2005 biennium, these services were funded through a one-time diversion of tobacco settlement funds authorized in 17-6-606, MCA (SB 485).

**Communicable Disease Control & Prevention Legislative Budget**

The following table summarizes the legislative budget proposal for this function by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	29.82	0.00	0.00	29.82	0.00	0.00	29.82	29.82
Personal Services	1,425,453	(89,205)	0	1,336,248	(89,539)	0	1,335,914	2,672,162
Operating Expenses	3,266,577	1,064,373	226,375	4,557,325	1,064,418	142,375	4,473,370	9,030,695
Grants	637,596	0	0	637,596	0	0	637,596	1,275,192
<b>Total Costs</b>	<b>\$5,329,626</b>	<b>\$975,168</b>	<b>\$226,375</b>	<b>\$6,531,169</b>	<b>\$974,879</b>	<b>\$142,375</b>	<b>\$6,446,880</b>	<b>\$12,978,049</b>
General Fund	419,332	44,426	84,000	547,758	43,939	0	463,271	1,011,029
State/Other Special	699,212	194,392	117,375	1,010,979	196,399	117,375	1,012,986	2,023,965
Federal Special	4,211,082	736,350	25,000	4,972,432	734,541	25,000	4,970,623	9,943,055
<b>Total Funds</b>	<b>\$5,329,626</b>	<b>\$975,168</b>	<b>\$226,375</b>	<b>\$6,531,169</b>	<b>\$974,879</b>	<b>\$142,375</b>	<b>\$6,446,880</b>	<b>\$12,978,049</b>

**Narrative**

The communicable disease function is primarily funded with federal categorical grants. The 2007 biennium budget increases about \$1 million annually over base budget expenditures. Federal grant increases for West Nile, immunization, AIDS, and sexually transmitted diseases constitute about 75 percent of the increase. General fund rises to fund statewide present law adjustments and a biennial appropriation of \$84,000 for AIDS treatment and drugs.

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative 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 2006-----					-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					(33,528)					(33,879)
Vacancy Savings					(55,677)					(55,660)
Inflation/Deflation					(1,127)					(1,082)
Fixed Costs					10,500					10,500
<b>Total Statewide Present Law Adjustments</b>					<b>(\$79,832)</b>					<b>(\$80,121)</b>
DP 96 - Increase Funding for Local Board Inspection Funds	0.00	0	159,000	0	159,000	0.00	0	159,000	0	159,000
DP 129 - Expanded West Nile Activities	0.00	0	0	445,000	445,000	0.00	0	0	445,000	445,000
DP 134 - Increase Funding for Ryan White AIDS Grant	0.00	0	0	168,000	168,000	0.00	0	0	168,000	168,000
DP 136 - Increase Funding for Tuberculosis Grant	0.00	0	0	100,000	100,000	0.00	0	0	100,000	100,000
DP 137 - Increase Funding for Immunization Grant	0.00	0	0	78,000	78,000	0.00	0	0	78,000	78,000
DP 138 - Increase Funding for Rape Prev & Sexual Assault	0.00	0	0	61,000	61,000	0.00	0	0	61,000	61,000
DP 139 - Increase Funding for STD Prevention	0.00	0	0	44,000	44,000	0.00	0	0	44,000	44,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$159,000</b>	<b>\$896,000</b>	<b>\$1,055,000</b>	<b>0.00</b>	<b>\$0</b>	<b>\$159,000</b>	<b>\$896,000</b>	<b>\$1,055,000</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$975,168</b>					<b>\$974,879</b>

DP 96 - Increase Funding for Local Board Inspection Funds - The legislature added \$159,000 state special revenue each year for increased funding for Food and Consumer Safety Section (FCSS) Local Board Inspection Funds License fee due to the increases in license fees for retail and wholesale food establishments that were raised by the 2003 Legislature. A portion of that increase is implemented in 2005.

Base expenditures for local county board grant funds in FY 2004 were about \$0.6 million. These fees are passed through to local county programs to perform licensing and inspection activities.

DP 129 - Expanded West Nile Activities - The legislature approved \$445,000 federal authority each year of the biennium for increased funding for the Epidemiology and Lab Capacity Cooperative agreement. This grant has increased to fund expanded West Nile activities in Montana. Base budget expenditures were \$319,534.

DP 134 - Increase Funding for Ryan White AIDS Grant - The legislature added \$168,000 of federal Ryan White Title II grant funds each year of the biennium. Base budget expenditures for treatment funding were \$1.5 million of the \$2.2 million in federal grant funds. The increased funding would allow the state to take advantage of expanded treatment funding by matching with state special revenue requested in DP 3011 – AIDS Biennial.

DP 136 - Increase Funding for Tuberculosis Grant - The legislature approved \$100,000 federal authority each year of the biennium for the Tuberculosis Elimination Cooperative Agreement. Base year expenses were \$205,663.

DP 137 - Increase Funding for Immunization Grant - The legislature added \$78,000 federal funds each year of the biennium for increased immunization activities. Cooperative agreements for calendar year 2004 have increased the available funding. Base budget expenditures for direct immunization activities were about \$336,000.

This funding supports DPHHS staff who conduct on-site assessments of public and private vaccine practices, and who provide feedback and technical assistance to assist clinicians in increasing coverage rates.

The funds support continued development of an immunization registry to track vaccine coverage rates across provider and county lines, and the majority of funds would be used to contract with local public health departments to carry out immunization activities including:

- Immunization registry maintenance and recording of immunizations for children served in the public and private sectors
- Assessment of vaccine history for children accessing WIC clinics, children being cared for in out-of-home child care settings, and children entering kindergarten in one school per county per year
- Updating pandemic influenza plans for each county health department, in cooperation with county emergency planners

DP 138 - Increase Funding for Rape Prev & Sexual Assault - The legislature approved an increase of \$61,000 federal funds for an increase in the Rape Prevention and Sexual Assault grant each year of the biennium. Base budget expenditures for direct services were \$131,000. As with base program expenditures about 90 percent of the additional funds would be used to contract with local service providers to enhance prevention, counseling, testing and treatment services.

DP 139 - Increase Funding for STD Prevention - The legislature added \$44,000 federal funding each year of the biennium for the Sexually Transmitted Diseases program. Base budget expenditures for laboratory testing were \$124,000.

**New Proposals**

New Proposals	-----Fiscal 2006-----					-----Fiscal 2007-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 101 - Prior Year Authority-Local Inspection Funds - OTO											
05	0.00	0	100,000	0	100,000	0.00	0	100,000	0	100,000	
DP 166 - Adult Lead Reporting											
05	0.00	0	0	25,000	25,000	0.00	0	0	25,000	25,000	
DP 3011 - AIDS Prevention - Biennial											
05	0.00	84,000	0	0	84,000	0.00	0	0	0	0	
DP 3137 - SB 137 - License/Regulate Body Piercing/Tatooing											
05	0.00	0	17,375	0	17,375	0.00	0	17,375	0	17,375	
<b>Total</b>	<b>0.00</b>	<b>\$84,000</b>	<b>\$117,375</b>	<b>\$25,000</b>	<b>\$226,375</b>	<b>0.00</b>	<b>\$0</b>	<b>\$117,375</b>	<b>\$25,000</b>	<b>\$142,375</b>	

DP 101 - Prior Year Authority-Local Inspection Funds - OTO - The legislature approved \$100,000 state special revenue each year of the biennium to pass funds through to local contractors. These funds, a portion of the food and consumer safety license fee, were collected in prior years and were withheld when performance standards were not met. The appropriation would allow PHSD to distribute these funds for activities related to improving performance in this area.

The funds represent the fees collected and not distributed, and once used this reserve will be eliminated. PHSD has requested that this appropriation be designated as one-time-only to keep it from being in the base budget.

DP 166 - Adult Lead Reporting - The legislature added \$25,000 federal funds each year of the biennium for the adult lead reporting program. Currently, PHSD contracts with the National Institute of Occupational Health and Safety to report adult lead levels and is reimbursed \$25,000 annually for this activity. While funding is still dependant on federal budgeting, the amount requested appears to be available through the next biennium.

DP 3011 - AIDS Prevention - Biennial - The legislature added \$84,000 general fund over the biennium for AIDS prevention and control. This general fund provides part of the state match for federal grant funds. Base level expenditures for the AIDS program were \$2.2 million in federal funds and about \$48,000 in state special revenue from the Prevention and Stabilization Account (PSA) approved by the 2003 Legislature for the 2005 biennium only. Previous to the 2005 biennium, the legislature approved \$48,000 general fund each year for AIDS funding from the general fund.

DP 3137 - SB 137 - License/Regulate Body Piercing/Tatooing - The legislature added \$34,750 state special revenue over the biennium to implement SB 137 to license and inspect body piercing and tatooing. The state special revenue comes from two sources: 1) licensure fees of \$125 for a single service establishment and \$175 for a multi-purpose establishment; and 2) registration fees for \$50 per persons for educational seminars. The fee income will support licensure and inspection of facilities.

### Laboratories Legislative Budget

The following table summarizes the legislative appropriation for the laboratory function by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	29.00	0.00	2.00	31.00	0.00	2.00	31.00	31.00
Personal Services	1,123,286	212,701	91,760	1,427,747	210,063	91,504	1,424,853	2,852,600
Operating Expenses	1,070,667	257,623	0	1,328,290	257,625	0	1,328,292	2,656,582
Equipment	22,280	0	0	22,280	0	0	22,280	44,560
Debt Service	37,587	0	0	37,587	0	0	37,587	75,174
<b>Total Costs</b>	<b>\$2,253,820</b>	<b>\$470,324</b>	<b>\$91,760</b>	<b>\$2,815,904</b>	<b>\$467,688</b>	<b>\$91,504</b>	<b>\$2,813,012</b>	<b>\$5,628,916</b>
General Fund	185,370	(12,675)	0	172,695	(15,271)	0	170,099	342,794
State/Other Special	2,000,079	281,214	45,880	2,327,173	281,055	45,752	2,326,886	4,654,059
Federal Special	68,371	201,785	45,880	316,036	201,904	45,752	316,027	632,063
<b>Total Funds</b>	<b>\$2,253,820</b>	<b>\$470,324</b>	<b>\$91,760</b>	<b>\$2,815,904</b>	<b>\$467,688</b>	<b>\$91,504</b>	<b>\$2,813,012</b>	<b>\$5,628,916</b>

### Narrative

The laboratory function includes two public laboratories – the public health laboratory and the environmental laboratory. Both laboratories have received significant upgrades funded by federal bioterrorism grants. These laboratories are the only ones in Montana that will perform some tests, including tests to detect the presence of some highly infectious diseases.

The legislature accepted the executive budget request for the laboratory function without change, increasing funding by about \$1 million over the 2007 biennium. The legislature funded 2.00 new FTE – one from federal grant funds and one from laboratory fees. Other appropriation increases approved the legislature include state special revenue fee income for laboratory supplies and a federal biomonitoring grant increase.

### Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative 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 2006-----					-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					281,570					281,528
Vacancy Savings					(56,194)					(56,194)
Inflation/Deflation										(37)
Fixed Costs					10,662					10,662
<b>Total Statewide Present Law Adjustments</b>					<b>\$235,999</b>					<b>\$235,959</b>
DP 102 - Additional Authority for Lab Supplies	0.00	0	72,000	0	72,000	0.00	0	72,000	0	72,000
DP 133 - Increase Funding for Biomonitoring	0.00	0	0	175,000	175,000	0.00	0	0	175,000	175,000
DP 9999 - Statewide FTE Reduction	0.00	(12,675)	0	0	(12,675)	0.00	(15,271)	0	0	(15,271)
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>(\$12,675)</b>	<b>\$72,000</b>	<b>\$175,000</b>	<b>\$234,325</b>	<b>0.00</b>	<b>(\$15,271)</b>	<b>\$72,000</b>	<b>\$175,000</b>	<b>\$231,729</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$470,324</b>					<b>\$467,688</b>

DP 102 - Additional Authority for Lab Supplies - The legislature added \$72,000 each year of the biennium for state special spending authority due to anticipated testing workload increases in the public health and environmental laboratories. Testing fees are the source of state special revenue and will be used to purchase additional supplies. The increase is about 10 percent. The base budget expenditures for supplies were \$0.7 million.

DP 133 - Increase Funding for Biomonitoring - The legislature approved an increase of \$175,000 federal authority each year of the biennium for biomonitoring. The grant funds are used to investigate human exposure to chemical contaminants in the environment. Montana is a member of a consortium comprised of six mountain states including Arizona, New Mexico, Utah, Colorado and Wyoming, who have common interests in investigating for environmental contaminants that affect the human population.

The biomonitoring grant funds will be used to test and measure specific chemical constituents in human serum/urine with the intent of identifying environmental chemical contaminants deemed harmful to humans. No human testing related to this grant is currently being performed in Montana. Previous grant funds have been used for start-up purposes (primarily personnel and plan development with a consortium). The additional grant funds would be used to offset the cost of testing and may involve the purchase of laboratory equipment.

DP 9999 - Statewide FTE Reduction - The legislature accepted the executive proposal for an FTE funding reduction equivalent to those taken in the 2003 legislative session. The reduction adds additional vacancy savings equivalent to 0.29 FTE and removes \$28,000 general fund for the biennium.

**New Proposals**

New Proposals Sub Program	-----Fiscal 2006-----					-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 117 - Clinical Laboratory Specialist 07	1.00	0	45,880	0	45,880	1.00	0	45,752	0	45,752
DP 187 - Environmental Laboratory Chemist 07	1.00	0	0	45,880	45,880	1.00	0	0	45,752	45,752
<b>Total</b>	<b>2.00</b>	<b>\$0</b>	<b>\$45,880</b>	<b>\$45,880</b>	<b>\$91,760</b>	<b>2.00</b>	<b>\$0</b>	<b>\$45,752</b>	<b>\$45,752</b>	<b>\$91,504</b>

DP 117 - Clinical Laboratory Specialist - The legislature approved the executive request for \$91,632 state special revenue over the biennium for a clinical laboratory specialist to work in the Public Health Laboratory. Workloads have increased 21.6 percent over the last five years while staffing has remained constant. The position would be supported by fee income.

DP 187 - Environmental Laboratory Chemist - The legislature added \$91,632 federal funds over the biennium for a chemist to work in the Environmental Laboratory. This chemist would validate, implement, and perform the new laboratory tests for chemical terrorism. These tests have been developed by Centers for Disease Control and Prevention but have not yet been available in Montana.

**Public Health System Improvement & Emergency Preparedness Legislative Budget**

The following table summarizes the legislative budget proposal for this function by year, type of expenditure, and source of funding.

Sub-Program Legislative Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Leg. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Leg. Budget Fiscal 2007	Total Leg. Budget Fiscal 06-07
FTE	24.69	0.00	6.00	30.69	0.00	6.00	30.69	30.69
Personal Services	1,110,657	124,913	256,793	1,492,363	122,911	256,089	1,489,657	2,982,020
Operating Expenses	7,112,978	2,393,197	0	9,506,175	2,393,253	0	9,506,231	19,012,406
Equipment	102,938	0	0	102,938	0	0	102,938	205,876
Grants	148,256	0	0	148,256	0	0	148,256	296,512
<b>Total Costs</b>	<b>\$8,474,829</b>	<b>\$2,518,110</b>	<b>\$256,793</b>	<b>\$11,249,732</b>	<b>\$2,516,164</b>	<b>\$256,089</b>	<b>\$11,247,082</b>	<b>\$22,496,814</b>
General Fund	20,169	0	0	20,169	0	0	20,169	40,338
Federal Special	8,454,660	2,518,110	256,793	11,229,563	2,516,164	256,089	11,226,913	22,456,476
<b>Total Funds</b>	<b>\$8,474,829</b>	<b>\$2,518,110</b>	<b>\$256,793</b>	<b>\$11,249,732</b>	<b>\$2,516,164</b>	<b>\$256,089</b>	<b>\$11,247,082</b>	<b>\$22,496,814</b>

**Narrative**

The public health system improvement and emergency preparedness function administers federal grants for emergency preparedness, bioterrorism, and health trend monitoring. The legislature accepted the executive budget request without change, adding about \$6 million in federal authority over the biennium, including funding for 6.00 new FTE. The legislature added language to HB 2 specifying that the 2009 biennium base budget could not include funding for 3.00 of the FTE if federal grant funds declined or were withdrawn.

Appropriation increases support ongoing implementation of emergency preparedness for hospitals and local governments (3.00 of the new FTE), enhanced health trend monitoring (1.00 new FTE), public health planning (1.00 new FTE), and communicable disease monitoring (1.00 new FTE).

**Present Law Adjustments**

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget made by the legislature. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Legislative 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 2006-----				-----Fiscal 2007-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					176,396					174,312
Vacancy Savings					(51,483)					(51,401)
Inflation/Deflation					(891)					(842)
Fixed Costs					0					4,005
<b>Total Statewide Present Law Adjustments</b>					<b>\$124,022</b>					<b>\$126,074</b>
DP 124 - Fully Implement Emergency Preparedness	0.00	0	0	1,026,038	1,026,038	0.00	0	0	1,022,238	1,022,238
DP 128 - Fully Implement Hospital Emergency Preparedness	0.00	0	0	1,166,050	1,166,050	0.00	0	0	1,165,852	1,165,852
DP 140 - Increase Funding for Health Trend Monitoring	0.00	0	0	35,000	35,000	0.00	0	0	35,000	35,000
DP 176 - Increase Funding - Preventative Health Block Grant	0.00	0	0	167,000	167,000	0.00	0	0	167,000	167,000
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,394,088</b>	<b>\$2,394,088</b>	<b>0.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,390,090</b>	<b>\$2,390,090</b>
<b>Grand Total All Present Law Adjustments</b>					<b>\$2,518,110</b>					<b>\$2,516,164</b>

DP 124 - Fully Implement Emergency Preparedness - The legislature approved \$1,026,000 each year of the biennium for federal spending authority for increased funding for public health emergency preparedness. The base budget was about \$6 million.

Funds will be used to continue to address grant-required standards and critical capacities, which are currently under revision by the Centers for Disease Control (CDC) and may include some new requirements. The funding would be used for:

- Continuous testing, improvement and upgrading of local, regional, and state plans, protocols, equipment and response systems. An emphasis continues on integration of public health and hospital emergency response with existing local, regional, state, and federal response systems and assets
- Strengthening state and local-level food and water borne illness investigation, and response capabilities
- Enhancing active and passive surveillance in cooperation with local public health agencies and health care providers to provide early identification of public health threats
- Continuing development of laboratory capacity for adequate response to a chemical terrorism event, including physical plant renovation as well as the purchase of additional equipment necessary to meet CDC expectations. DP 187 also requests a laboratory chemist to assist with implementation of new equipment and testing procedures related to preparedness
- Expanding technological capacity of the state, county, and tribal public health system to better support both routine and emergency operations at the local level (i.e., installing cost-effective connectivity and merging immunization and emergency preparedness software functionality)
- Continuing public health and emergency preparedness training to hone the skills of state and local public health personnel in the areas of advanced incident command systems, use of communication and information technology, conducting and using the results of preparedness drills and exercises, and understanding legal issues in emergency preparedness

DP 128 - Fully Implement Hospital Emergency Preparedness - The legislature approved an additional \$1,166,000 each year of the biennium for federal spending authority for increased funding for public health emergency preparedness, specifically for hospitals. Including this appropriation, the annual amount in the 2007 biennium will be nearly double what was spent for this function in FY 2004.

The hospital emergency preparedness funding is directed toward hospitals, outpatient facilities, and emergency medical services systems to improve facility surge capacity in the following priority areas: beds, personnel, isolation, quarantine, personal protective equipment, decontamination, pharmaceuticals, trauma, mental health, transportation, and communications.

DP 140 - Increase Funding for Health Trend Monitoring - The legislature approved an additional \$35,000 in federal funds each year of the biennium for the Behavioral Risk Factor Surveillance System (BRFSS). The BRFSS is conducted nationwide and has been collecting and reporting health survey data since 1984. It is a key source of information on health trends, risks for disease, access to health care, and health-related practices of Montanans. The information is used to identify important health issues, formulate helpful strategies and policies to improve the health status of Montanans and to evaluate health services and programs. The increased funding will allow the information from the survey to be more widely disseminated and better utilized for health improvements. Base year expenditures were about \$197,000.

DP 176 - Increase Funding - Preventative Health Block Grant - The legislature approved \$167,000 federal funds each year of the biennium for increased appropriations from the Public Health Block grant. The funds are available due to carry over of unexpended grant funds. The state has three years to spend the block grant. Base budget expenditures were about \$678,000.

**New Proposals**

New Proposals	-----Fiscal 2006-----					-----Fiscal 2007-----					
	Sub Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 159 - Statewide Emergency Preparedness Staff	10	3.00	0	0	135,818	135,818	3.00	0	0	135,440	135,440
DP 163 - Public Health Planner	10	1.00	0	0	43,580	43,580	1.00	0	0	43,461	43,461
DP 164 - Communicable Disease Monitoring Staffing	10	1.00	0	0	40,207	40,207	1.00	0	0	40,098	40,098
DP 165 - Environmental Public Health Tracking Staff	10	1.00	0	0	37,188	37,188	1.00	0	0	37,090	37,090
<b>Total</b>	<b>6.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$256,793</b>	<b>\$256,793</b>	<b>6.00</b>	<b>\$0</b>	<b>\$0</b>	<b>\$256,089</b>	<b>\$256,089</b>	

DP 159 - Statewide Emergency Preparedness Staff - The legislature added about \$270,000 in federal authority over the biennium, including funds for 3.00 new FTE. The funding supports a food safety laboratory scientist, chemical terrorism laboratory coordinator, and administrative support for public health emergency communications and training. These FTE are already on board in modified level positions.

The chemical terrorism laboratory coordinator is responsible for developing a plan that ensures preparedness for the possibility of a chemical terrorism event. The food safety laboratory scientist is responsible for development and implementation of laboratory methods capable of identifying both biological and chemical contamination of food supply items. The administrative support position supports state and local public health and emergency response personnel, making print and electronic resources available to communicate health information to the media, the public, and special populations, and coordinating training opportunities using traditional and distance learning modalities.

DP 163 - Public Health Planner - The legislature added funding for 1.00 FTE and \$87,041 federal funds over the biennium to make permanent the current modified position of public health planner. This position is responsible for public health planning activities including providing data and support for state and local health assessment and health improvement planning. Work products include county health profiles, reports on the state of the state's health, and a PHSD strategic plan.

The legislature added language to the appropriations act to remove funding for the FTE if federal funds supporting this FTE are discontinued or if the funds are not received. The language also prohibits the Office of Budget and Program Planning from requesting funds to continue the FTE in the 2009 biennium, if the federal funding is not ongoing.

DP 164 - Communicable Disease Monitoring Staffing - The legislature added about \$40,000 federal funds, including funds for 1.00 FTE, each year of the biennium to make permanent the current modified position of health program specialist for communicable disease monitoring. The position is responsible for development and implementation of standards-based electronic lab reporting and messaging, web browser-based data entry and data management, centrally integrated data storage and exchange, and analysis and reporting capability (i.e., Geographic Information System (GIS) capacity). This position is responsible for coordinating and integrating preparedness activities into existing public health infrastructure, assuring coordination with public health system improvement efforts, and coordination with other stakeholders in disaster and emergency related activities (e.g. fire, emergency medical services, law enforcement, medical practitioners, local and tribal governments, other state and federal agencies and local public health).

The legislature added language to the appropriations act to remove funding for the FTE if federal funds supporting this FTE are discontinued or if the funds are not received. The language also prohibits the Office of Budget and Program Planning from requesting funds to continue the FTE in the 2009 biennium, if the federal funding is not ongoing.

DP 165 - Environmental Public Health Tracking Staff - The legislature added about \$37,000 federal funding, including funds for 1.00 FTE, each year of the biennium to make permanent the current modified position of environmental public health tracking program specialist. The duties of this position include addressing environmental health concerns and developing a public health tracking network.

The legislature added language to the appropriations act to remove funding for the FTE if federal funds supporting this FTE are discontinued or if the funds are not received. The language also prohibits the Office of Budget and Program Planning from requesting funds to continue the FTE in the 2009 biennium, if the federal funding is not ongoing.