

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 House Bill 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	83.60	0.00	(6.00)	77.60	0.00	(6.00)	77.60	77.60
Personal Services	4,091,204	64,876	(213,864)	3,942,216	58,891	(27,527)	4,122,568	8,064,784
Operating Expenses	23,459,177	(377,257)	237,897	23,319,817	(346,474)	10,159	23,122,862	46,442,679
Equipment	6,800	0	0	6,800	0	0	6,800	13,600
Debt Service	322,092	0	(4,560)	317,532	0	(4,560)	317,532	635,064
Total Costs	\$27,879,273	(\$312,381)	\$19,473	\$27,586,365	(\$287,583)	(\$21,928)	\$27,569,762	\$55,156,127
General Fund	9,136,214	(101,850)	(105,103)	8,929,261	(93,201)	(49,457)	8,993,556	17,922,817
State/Other Special	1,133,114	(18,110)	107,737	1,222,741	(15,383)	57,865	1,175,596	2,398,337
Federal Special	17,609,945	(192,421)	16,839	17,434,363	(178,999)	(30,336)	17,400,610	34,834,973
Total Funds	\$27,879,273	(\$312,381)	\$19,473	\$27,586,365	(\$287,583)	(\$21,928)	\$27,569,762	\$55,156,127

Program Description

The Operations and Technology Division (OTD) provides operational support services for the agency. Services provided by the division include telecommunications network management and security, computer support, communications services, video-conference center management, computer training, vital records management, and internal support services such as lease management, fleet management, and mailroom services.

Information technology systems developed and maintained by staff within the division include:

- ISERV - Information Services - time recording (electronic time sheets) and travel reimbursement
- PERQS - Purchasing, Entry, Receiving and Query System - purchasing and accounts payable system
- AWACS - Agency wide Accounting and Client System - payment data base
- MICRS - Montana Integrated Cost Recovery System - institutional reimbursement system

OTD also manages contracts for several major computer systems including:

- 1) TEAMS - The Economic Assistance Management System, performing on-line eligibility determination for food stamps, Temporary Assistance for Needy Families (TANF), and Medicaid programs;
- 2) CCUBS - Child Care Under the Big Sky, performing automated eligibility determination, case maintenance, payment, and reporting of day care benefits;
- 3) SEARCHS - The System for Enforcement and Recovery of Child Support, performing automated financial management of child support activities including collections, absent parent location, paternity establishment, and order modifications;
- 4) MMIS - The Montana Medicaid Information System, a medical provider claims processing, payment, and information retrieval system;
- 5) CAPS - The Child & Adult Protective Services System, an automated social services information system covering all major program areas of child and adult protective services and juvenile corrections including case management and payment processing functions;
- 6) The MONTANA ACCESS Program - an electronic benefit transfer (EBT) system that provides on-line distribution of food stamp benefits, TANF cash assistance, and child support collections;
- 7) EBCS - EDRS-The Electronic Birth Certificate and Death Registration systems automating registration, issuance, and maintenance of vital events (birth and death);
- 8) TESS - The Eligibility Screening System, automating eligibility functions with two components, one for the Children's Health Insurance Plan (CHIP) and one for the Mental Health Service Plan (MHSP); and
- 9) The Virtual Human Services Pavilion, an internet application designed and developed to provide citizens with easy access to a wide range of government services and information.

Statutory authority is in Title 17 and Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

Program Highlights

Operations and Technology Division Major Budget Highlights	
◆	The 2007 biennium budget is \$0.9 million or less than 2 percent greater than the 2005 biennium budget
◆	The 2007 biennium budget is \$0.6 million less than twice the FY 2004 base budget due to: <ul style="list-style-type: none"> • Movement of the budget analysis and management function to the Director's Office • Statewide present law adjustments that decrease operating costs
◆	The 2007 biennium budget includes \$327,642 total funds (including \$126,000 state special) supporting the implementation of bills related to I-149

Program Narrative

OTD provides a number of services and performs a number of functions for the department. The majority of these services and functions are related to information technology management and telecommunications infrastructure and management. However, the division also provides centralized service functions such as purchasing and mail room services. The 2007 biennium budget reflects the movement of budget management and fiscal analysis functions to the Director's Office as implemented by the department in FY 2005. Additionally, the division manages the statewide vital statistics program, which records and manages information such as birth and death records and preparation of birth and death certificates.

**Figure 25
Operations and Technology Division
Summary of Funding by Function**

Function	Fiscal 2004 Actual		Fiscal 2006 Appropriated		Fiscal 2007 Appropriated		2007 Biennium		Percent Increase	Percent of Division
	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds	General Fund	Total Funds		
Centralized Services										
Division Administration	\$132,548	\$388,566	\$171,050	\$488,422	\$256,230	\$720,829	\$427,280	\$1,209,251	55.6%	2.2%
Budget and Analysis	194,473	447,408	34,604	79,898	34,501	79,663	69,105	159,561	-82.2%	0.3%
Network and Communications Svcs.	486,083	1,344,087	457,699	1,265,601	457,369	1,264,689	915,068	2,530,290	-5.9%	4.6%
Information Systems Bureau	764,249	1,693,482	781,684	1,732,116	781,309	1,731,285	1,562,993	3,463,401	2.3%	6.3%
Internal Support	<u>675,182</u>	<u>2,078,775</u>	<u>618,413</u>	<u>1,903,994</u>	<u>611,612</u>	<u>1,883,051</u>	<u>1,230,025</u>	<u>3,787,045</u>	-8.9%	6.9%
Total Centralized Services	\$2,252,535	\$5,952,318	\$2,063,450	\$5,470,031	\$2,141,021	\$5,679,517	\$4,204,471	\$11,149,548	-6.3%	20.2%
Contracted Computer Systems										
TEAMS	2,784,238	8,606,077	2,790,077	8,859,048	2,776,485	8,632,112	5,566,562	17,491,160	1.6%	31.7%
SEARCHS	680,141	2,833,930	668,705	2,786,280	668,766	2,786,536	1,337,471	5,572,816	-1.7%	10.1%
CAPS	1,499,993	2,834,954	1,483,561	2,803,898	1,483,687	2,804,136	2,967,248	5,608,034	-1.1%	10.2%
WIC	270,000	270,000	270,000	270,000	270,000	270,000	540,000	540,000	0.0%	1.0%
Medstat	113,750	455,000	113,750	455,000	113,750	455,000	227,500	910,000	0.0%	1.6%
MMIS	<u>1,325,669</u>	<u>6,327,238</u>	<u>1,327,352</u>	<u>6,335,272</u>	<u>1,327,344</u>	<u>6,335,234</u>	<u>2,654,696</u>	<u>12,670,506</u>	<u>0.1%</u>	<u>23.0%</u>
Total Contracted Computer Systems	\$6,673,791	\$21,327,199	\$6,653,445	\$21,509,498	\$6,640,032	\$21,283,018	\$13,293,477	\$42,792,516	0.3%	77.6%
Other										
Vital Statistics	<u>209,888</u>	<u>599,756</u>	<u>212,366</u>	<u>606,836</u>	<u>212,503</u>	<u>607,227</u>	<u>424,869</u>	<u>1,214,063</u>	<u>1.2%</u>	<u>2.2%</u>
Total Operations & Technology Div.	<u>\$9,136,214</u>	<u>\$27,879,273</u>	<u>\$8,929,261</u>	<u>\$27,586,365</u>	<u>\$8,993,556</u>	<u>\$27,569,762</u>	<u>\$17,922,817</u>	<u>\$55,156,127</u>	<u>-1.1%</u>	<u>100.0%</u>

Figure 25 summarizes division funding by function. As illustrated in the table, about 20 percent of the division funding supports centralized service and internal computer support functions. These functions include telecommunications and personal computer infrastructure support, internal computer programming, and purchasing and mail room services. The majority of the funding for the division (78 percent) supports large automated systems that are developed and maintained by contractors. These systems provide a wide variety of functionality related to program eligibility determination, claims processing, data collection, case management support, and payment processing. It is noteworthy that no inflationary increase in these contracts was provided for the 2007 biennium. A small portion of the division funding (2 percent)

supports the collection, maintenance, and management of vital statistic databases for the state.

Program Reorganization

The 2007 biennium budget as adopted by the legislature includes funding for the Budget and Program Analysis Unit in the Director’s Office and removes this funding from the Operations and Technology Division. This action supports the reorganization implemented by the department in December 2004 but not included in the executive budget.

Funding

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

Program Funding Table							
Operations & Technology							
Program Funding		Base	% of Base	Budget	% of Budget	Budget	% of Budget
		FY 2004	FY 2004	FY 2006	FY 2006	FY 2007	FY 2007
01000	Total General Fund	\$ 9,136,214	32.8%	\$ 8,929,261	32.4%	\$ 8,993,556	32.6%
	01100 General Fund	9,136,214	32.8%	8,929,261	32.4%	8,993,556	32.6%
02000	Total State Special Funds	1,133,114	4.1%	1,222,741	4.4%	1,175,596	4.3%
	02381 02 Indirect Activity Prog 09	743,246	2.7%	716,519	2.6%	727,538	2.6%
	02419 Vital Statistics	389,868	1.4%	405,222	1.5%	423,058	1.5%
	02772 Tobacco Hlth & Mediced Initiative	-	-	101,000	0.4%	25,000	0.1%
03000	Total Federal Special Funds	17,609,945	63.2%	17,434,363	63.2%	17,400,610	63.1%
	03598 03 Indirect Activity Prog 09	17,609,945	63.2%	17,434,363	63.2%	17,400,610	63.1%
Grand Total		<u>\$ 27,879,273</u>	<u>100.0%</u>	<u>\$ 27,586,365</u>	<u>100.0%</u>	<u>\$ 27,569,762</u>	<u>100.0%</u>

The division (other than vital statistics) is funded by general fund (33 percent), state special revenue (4 percent), and federal funds (63 percent) through a complex federally approved cost allocation process. Vital statistics is funded by a combination of general fund and state special revenue from fees charged for items such as birth or death certificates. The 2007 biennium budget for the division includes \$126,000 state special revenue from increased tobacco taxes for implementation of programs supported related to I-149.

Biennial Budget Comparison

The 2007 biennium budget for the division is \$0.9 million, less than 2 percent, greater than the 2005 biennium budget (Figure 26). Increases in personal service costs related to statewide present law adjustments and the pay plan adopted by the legislature are offset by decreases due to movement of the budget management function to the Director’s Office, a statewide reduction in FTE, and statewide present law adjustments decreasing some costs.

The majority of the decrease in general fund support for the division is related to the movement of the budget management and analysis function from this division to the Director’s Office. More than one-third of the increase in state special revenue is due to tobacco tax increases related to I-149 and increases in federal funds represent the share of costs that are expected to be reimbursed by various federal programs.

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

Figure 26					
2005 Biennium Compared to 2007 Biennium					
Operations & Technology Division					
Budget Item/Fund	2005 Biennium	2007 Biennium	Percent of Total	Change	Percent Incr/Decr
FTE	75.50	77.60		2.10	
Personal Services	\$ 7,887,037	\$ 8,064,784	14.62%	\$ 177,747	2.3%
Operating	45,731,383	46,442,679	84.20%	711,296	1.6%
Equipment	66,951	13,600	0.02%	(53,351)	-79.7%
Debt Service	551,193	635,064	1.15%	83,871	15.2%
Total Costs	<u>\$ 54,236,564</u>	<u>\$ 55,156,127</u>	<u>100.00%</u>	<u>\$ 919,563</u>	<u>1.7%</u>
General Fund	\$ 18,156,652	\$ 17,922,817	32.5%	\$ (233,835)	-1.3%
State Special	2,086,767	2,398,337	4.3%	311,570	14.9%
Federal Funds	<u>33,993,145</u>	<u>34,834,973</u>	<u>63.2%</u>	<u>841,828</u>	<u>2.5%</u>
Total Funds	<u>\$ 54,236,564</u>	<u>\$ 55,156,127</u>	<u>100.0%</u>	<u>\$ 919,563</u>	<u>1.7%</u>

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					348,213					345,872
Vacancy Savings					(177,575)					(177,485)
Inflation/Deflation					(291,320)					(290,763)
Fixed Costs					(85,937)					(55,711)
Total Statewide Present Law Adjustments					(\$206,619)					(\$178,087)
DP 9999 - Statewide FTE Reduction	0.00	(36,077)	(9,375)	(60,310)	(105,762)	0.00	(37,351)	(9,706)	(62,439)	(109,496)
Total Other Present Law Adjustments	0.00	(\$36,077)	(\$9,375)	(\$60,310)	(\$105,762)	0.00	(\$37,351)	(\$9,706)	(\$62,439)	(\$109,496)
Grand Total All Present Law Adjustments					(\$312,381)					(\$287,583)

DP 9999 - Statewide FTE Reduction - This decision package reduces funding for personal services by \$73,428 general fund and \$215,258 total funds, but does not reduce FTE authorized by the Office of Budget and Program Planning, equivalent to the across-the-board personal services reduction included by the legislature in the 2005 biennium budget.

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 702 - Move Budget Management to the Director's Office										
09	(6.00)	(163,546)	(9,399)	(203,022)	(375,967)	(6.00)	(163,387)	(9,390)	(202,825)	(375,602)
DP 719 - Implement Bills Related to I-149										
09	0.00	13,821	101,000	162,821	277,642	0.00	0	25,000	25,000	50,000
DP 6010 - 2007 Biennium Pay Plan - HB 447										
09	0.00	44,622	16,136	57,040	117,798	0.00	113,930	42,255	147,489	303,674
Total	(6.00)	(\$105,103)	\$107,737	\$16,839	\$19,473	(6.00)	(\$49,457)	\$57,865	(\$30,336)	(\$21,928)

DP 702 - Move Budget Management to the Director's Office - This decision package reflects a minor reorganization implemented by the department and moves the department's internal budget management function from the Operations and Technology Division to the Director's Office.

DP 719 - Implement Bills Related to I-149 - This decision package includes funding to support the provisions of HB 552 asset test, HB 667 premium assistance/tax credit, and SB 324 prescription drug coverage.

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 program's allocation of costs to fund this pay plan.

Language

The Governor has indicated his intent to line-item veto the language illustrated in *italic*, however his authority to do so is questioned and may be challenged through legal action.

"Funding in Operations and Technology Division supports medicaid program usage of a magnetic card to facilitate presentation of eligibility data to providers, provider claims, and payment processing. *The department shall report annually, at fiscal yearend, to the members of the 2005 legislative joint appropriations subcommittee on health and human services and the legislative finance committee on medicaid program usage of magnetic card technology.*

Funding in HCSD -- Implement Provisions of HB 667, OTD -- Implement Provisions of HB 667, and HRD -- Implement Provisions of HB 667 are contingent upon passage and approval of House Bill No. 667. Funding in HCSD -- Implement Provisions of HB 667 includes funding for 1 FTE for eligibility determination. Funding in HRD -- Implement Provisions of HB 667 includes funding for 1 FTE to administer the medicaid 1115 waiver for a premium incentive or premium assistance program associated with House Bill No. 667.

Funding in HCSD -- Implement Change in Medicaid Asset Test for Children, OTD -- Implement Change in Medicaid Asset Test for Children, and Raise Asset Limit for Medicaid Eligibility for Children is contingent upon passage and approval of House Bill No. 552. Funding in HCSD -- Implement Change in Medicaid Asset Test for Children includes funding for 3 FTE."