

Agency Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	387,586,236	383,126,258	(4,459,978)	(1.15)%
Operating Expenses	240,734,149	244,799,043	4,064,894	1.69%
Equipment & Intangible Assets	1,426,792	1,303,442	(123,350)	(8.65)%
Capital Outlay	19,250	0	(19,250)	(100.00)%
Grants	156,924,594	159,039,155	2,114,561	1.35%
Benefits & Claims	3,471,506,368	3,455,369,613	(16,136,755)	(0.46)%
Transfers	6,150,742	5,771,802	(378,940)	(6.16)%
Debt Service	629,146	584,014	(45,132)	(7.17)%
Total Expenditures	\$4,264,977,277	\$4,249,993,327	(\$14,983,950)	(0.35)%
General Fund	1,028,069,069	1,066,175,697	38,106,628	3.71%
State/Other Special Rev. Funds	325,212,712	311,637,861	(13,574,851)	(4.17)%
Federal Spec. Rev. Funds	2,911,695,496	2,872,179,769	(39,515,727)	(1.36)%
Total Funds	\$4,264,977,277	\$4,249,993,327	(\$14,983,950)	(0.35)%
Total Ongoing	\$4,261,398,496	\$4,225,750,714	(\$35,647,782)	(0.84)%
Total OTO	\$3,578,781	\$24,242,613	\$20,663,832	577.40%

Agency Description

The mission of the Department of Public Health and Human Services (DPHHS) is to improve and protect the health, well-being, and self-reliance of all Montanans. DPHHS is divided into three main branches: Operation Services, Medicaid and Health Services, and Economic Security Services. Within these 3 branches, DPHHS administers a wide spectrum of programs, including public assistance, Medicaid, foster care and adoption, nursing home licensing, long-term care, aging services, alcohol and drug abuse programs, mental health services, vocational rehabilitation, disability services, child support enforcement activities, and public health functions (such as communicable disease control and preservation of public health through chronic disease prevention).

Agency Highlights

**Department of Public Health and Human Services
Major Budget Highlights**

The 2019 biennium legislative budget for DPHHS is .4% lower than the 2017 biennium budget and includes the following legislative actions:

- The adoption of Medicaid services appropriations based on anticipated caseload and provided additional contingent funding (\$8.6 million general fund) in the event actual DPHHS general fund expenditures exceed budgeted amounts. The release of these funds is restricted according to the conditions in HB 639
- Making an adjustment to the Medicaid physician provider rate increase based on the 2019 biennium inflation figures adopted in Section E
- The adoption of a 6% vacancy savings rate for DPHHS
- An increase of \$16.6 million in total funds over the biennium, including general fund of \$5.1 million in FY 2018 and \$5.1 million in FY 2019 to fund projected increases in the number of children entering foster care. This present law adjustment addresses the needs of the combined programs of Foster Care, Subsidized Adoption, and Subsidized Guardianship caseload growth for the Child and Family Services Division. This appropriation is one-time-only and restricted
- The appropriation of \$.4 million from federal Temporary Assistance for Needy Families (TANF) funds in each year of the 2019 biennium to Child and Family Services to provide a one-time stipend of \$200 to each foster child upon placement with a foster family
- The creation of a restricted line item for the Montana Developmental Center (MDC) budget for the 2019 biennium. The MDC budget is restricted according to the conditions in HB 639
- The legislature passed SB 261, which creates a budget stabilization reserve fund or 'rainy day fund.' SB 261 ensures stable general fund levels by establishing triggered budget reductions if revenues are lower than certain thresholds. The Developmental Services Division, the Addictive and Mental Disorder Division, and the Health Resources Division are all impacted by this bill in that their appropriations could be reduced if future revenues are lower than projected
- The establishment of an ongoing appropriation for the Best Beginning STARS to Quality program of \$2.4 million general fund and a one-time-only appropriation of \$6.0 million general fund
- The establishment of a statutory appropriation for Indian Health Service Medicaid benefits which reduced HB 2 by \$176.9 million in federal special revenue authority over the 2019 biennium

Agency Actuals and Budget Comparison

The following table compares the 2017 biennium appropriated budget to the 2019 biennium appropriated budget by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	2,935.24	2,935.24	2,935.24	2,935.24	2,935.24
Personal Services	189,251,665	190,619,818	196,966,418	191,365,517	191,760,741
Operating Expenses	119,885,332	121,410,028	119,324,121	122,781,029	122,018,014
Equipment & Intangible Assets	717,043	695,071	731,721	651,721	651,721
Capital Outlay	19,250	19,250	0	0	0
Grants	66,817,824	78,593,875	78,330,719	79,519,576	79,519,579
Benefits & Claims	1,619,212,542	1,691,538,538	1,779,967,830	1,700,098,558	1,755,271,055
Transfers	4,242,651	3,100,007	3,050,735	2,885,901	2,885,901
Debt Service	231,379	337,139	292,007	292,007	292,007
Total Expenditures	\$2,000,377,686	\$2,086,313,726	\$2,178,663,551	\$2,097,594,309	\$2,152,399,018
General Fund	488,060,008	505,884,832	522,184,237	527,343,354	538,832,343
State/Other Special Rev. Funds	156,565,035	160,993,638	164,219,074	155,978,457	155,659,404
Federal Spec. Rev. Funds	1,355,752,643	1,419,435,256	1,492,260,240	1,414,272,498	1,457,907,271
Total Funds	\$2,000,377,686	\$2,086,313,726	\$2,178,663,551	\$2,097,594,309	\$2,152,399,018
Total Ongoing	\$1,998,679,315	\$2,084,490,353	\$2,176,908,143	\$2,086,057,127	\$2,139,693,587
Total OTO	\$1,698,371	\$1,823,373	\$1,755,408	\$1,537,182	\$12,705,431

Summary of Legislative Action

Actions taken by the 65th Legislature that impact DPHHS include:

HB 2 - General Appropriations Act

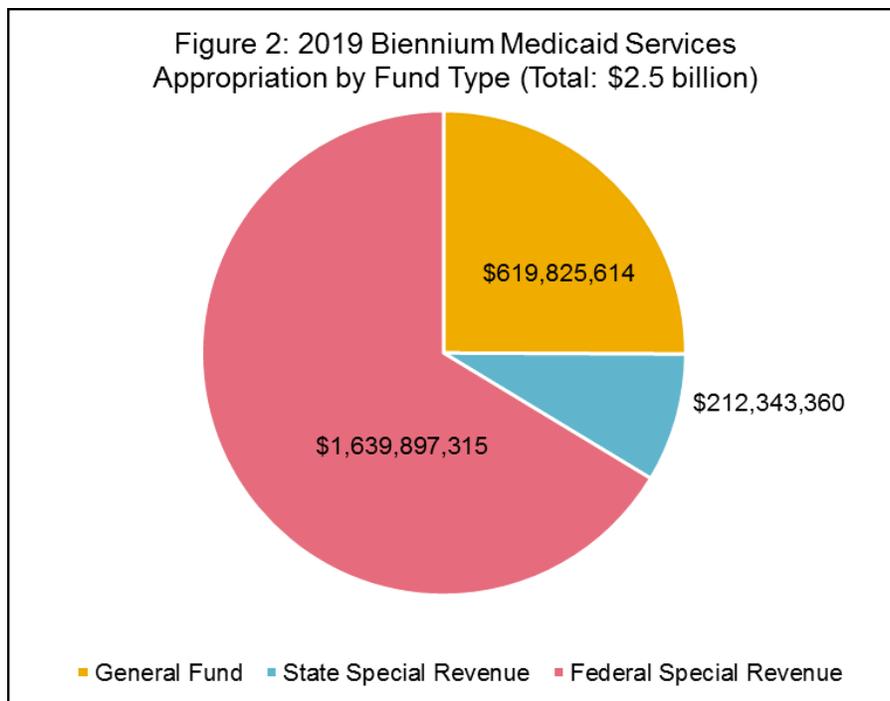
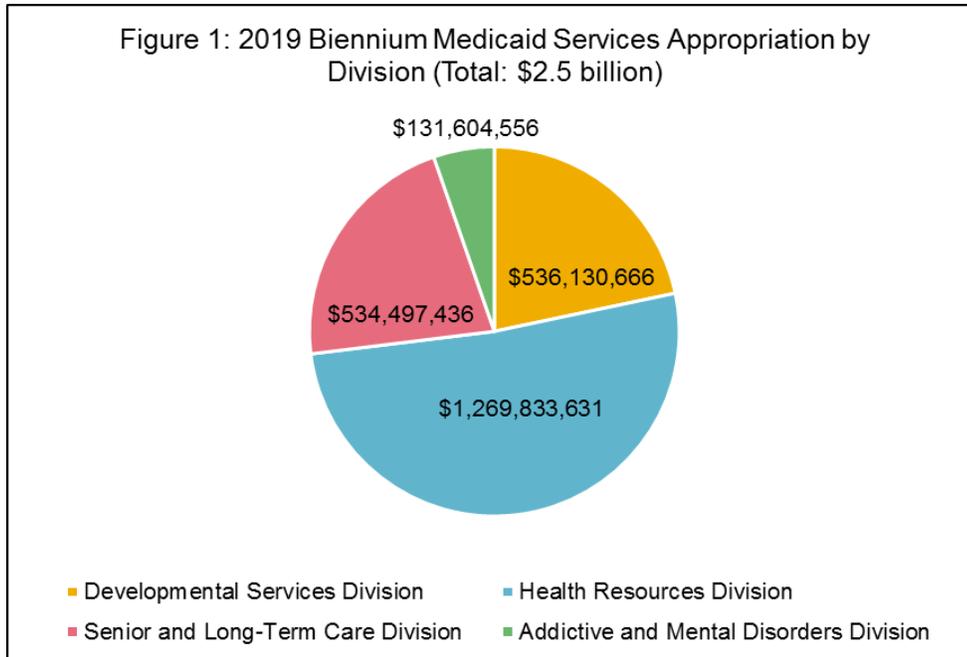
- Medicaid caseload funding, including contingency funding
- One-time-only and restricted appropriation for caseload in the Child and Family Services Division (\$10.2 million general fund and \$16.6 million total funds over the 2019 biennium)
- Restricted appropriation for the Montana Developmental Center (\$25.3 million general fund over the 2019 biennium)
- Funding for the childcare Best Beginning STARS to Quality program (\$8.4 million general fund over the 2019 biennium, \$2.4 million of which is ongoing)
- Foster care stipend program with TANF funds (\$.9 million federal funds over the 2019 biennium)
- Additional \$5.3 million in federal authority for the Technology Services Division
- Transfer of \$1.0 million state special revenue from the Tobacco Settlement Interest Trust Fund for suicide prevention programs
- The establishment of a \$176.9 million statutory appropriation in federal revenue authority in Indian Health Services Medicaid Benefits, which reduced HB 2 by the same amount

Agency Discussion

The following legislative actions significantly impacted DPHHS:

Medicaid Services Funding

The legislature adopted Medicaid services caseload funding adjustments by accepting LFD estimates for general fund Medicaid services spending, then adding back one-third of the difference between the LFD estimates and the higher DPHHS estimates. The legislature also adopted DPHHS estimates for state special revenue and federal special revenue Medicaid services expenditures. Finally, the legislature established a contingent general fund appropriation for Medicaid services (\$5.3 million in FY 2018, \$3.3 million in FY 2019) in the event that the department expends the general fund portion budgeted by the legislature. The release of these funds is restricted according to the conditions in HB 639. Refer to Figures 1 and 2 below for detail. Both figures include the contingency funding mentioned above.



Child and Family Services Division Caseload Funding

The legislature adopted an increase of \$16.6 million in total funds over the biennium, including general fund of \$5.1 million in each year of the biennium to fund projected increases in the number of children entering foster care. This present law adjustment addresses the needs of the combined programs of Foster Care, Subsidized Adoption, and Subsidized Guardianship caseload growth for the Child and Family Services Division. This appropriation is one-time-only and restricted with the intent that the legislature be better equipped to monitor actions and expenditures in this area, and that DPHHS develop a comprehensive plan to address this policy area.

Montana Developmental Center Funding

The legislature approved a \$25.3 million general fund restricted line item for the MDC budget for the 2019 biennium. The MDC budget is restricted according to the conditions in HB 639.

Vacancy Savings

The legislature adopted a 6% vacancy savings rate for DPHHS.

Funding

The following table shows adopted agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives.

Total Department of Public Health & Human Services Funding by Source of Authority 2019 Biennium Budget Request - Department of Public Health & Human Services							
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	1,048,585,146	17,590,551	0	14,896,098	1,081,071,795	21.61 %	
State Special Total	311,637,861	0	0	10,495,884	322,133,745	6.44 %	
Federal Special Total	2,865,527,707	6,652,062	0	726,712,080	3,598,891,849	71.95 %	
Proprietary Total	0	0	0	0	0	0.00 %	
Other Total	0	0	0	0	0	0.00 %	
Total All Funds	\$4,225,750,714	\$24,242,613	\$0	\$752,104,062	\$5,002,097,389		
Percent - Total All Sources	84.48 %	0.48 %	0.00 %	15.04 %			

DPHHS is funded with general fund, state special revenue funds, and federal special revenue funds. Most federal funds are matching funds related to Medicaid or the Children's Health Insurance Program (CHIP). For Medicaid federal funds match state spending according to FMAP (Federal Medical Assistance Percentage). Montana's FMAP (federal share) for federal fiscal year 2017 is 65.56%.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	520,700,289	520,700,289	1,041,400,578	97.68 %	2,176,908,143	2,176,908,143	4,353,816,286	102.44 %
SWPL Adjustments	1,672,593	1,800,361	3,472,954	0.33 %	1,880,888	1,971,654	3,852,542	0.09 %
PL Adjustments	8,288,188	22,128,541	30,416,729	2.85 %	13,632,346	84,548,355	98,180,701	2.31 %
New Proposals	(3,317,716)	(5,796,848)	(9,114,564)	(0.85)%	(94,827,068)	(111,029,134)	(205,856,202)	(4.84)%
Total Budget	\$527,343,354	\$538,832,343	\$1,066,175,697		\$2,097,594,309	\$2,152,399,018	\$4,249,993,327	

Other Legislation

HB 639 - Section B Companion Bill

- Details changes in Medicaid physician provider rate increases
- Specifies the conditions for the use of the \$8.6 million (general fund) Medicaid contingency fund
- Describes the restrictions on the Montana Developmental Center line item in HB2
- Specifies the amounts the legislature appropriated for Medicaid services and administration in the 2019 biennium
- Describes the hospital community benefit assessment fee
- Increases appropriation to the Human and Community Services Division in HB2 for the childcare Best Beginning STARS to Quality program

- Establishes a statutory appropriation for Indian Health Service Medicaid benefits (100% federal funds)

HB 118 - Suicide Prevention Program

- Describes the role of the suicide prevention officer
- Details several actions, including the development of a biennial suicide reduction plan
- Specifies the nature of the appropriation - a total of \$1.0 million over the biennium, half of which is one-time-only

HB 387 - Montana Developmental Center

- Revises laws related to the closure of MDC
- Extends the closure date to the end of fiscal year 2019
- Establishes a 12-bed Intensive Behavior Center (IBC) as a new service for individuals with a developmental disability who are in need of intensive treatment
- Caps the census at MDC to 24 residents and at the IBC to 12 residents, and directs the department to actively pursue the timely discharge of MDC residents

HB 17 - Big Sky Waiver Provider Rates & Assisted Living Slots

- Appropriates funds to increase Big Sky Waiver slots by 200 over the biennium- \$2.0 million general fund, \$3.6 million federal funds
- Appropriates funds to increase Big Sky Waiver daily provider rates over the biennium- \$3.3million general fund, \$6.2 million federal funds

HB 618 - Nursing Home Utilization and Direct Care Workers

- Increases the Nursing Home Utilization Fee paid by nursing homes to DPHHS
- The funds collected by this fee are matched with federal Medicaid dollars and used to increase Medicaid nursing home provider rates
- Provides for a \$1.00/hour wage increase for nursing home direct care workers

SB 261 - Budget Stabilization Reserve Fund

- Establishes the Budget Stabilization Reserve Fund (BSRF), a "rainy day fund"
- Describes when deposits must be made into the BSRF and when transfers may be made from the BSRF to the general fund
- Establishes triggered budget reductions if revenue shortfall meets certain thresholds
- Triggered budget reductions will impact the following:
 - Targeted Case Management for children's mental health within the Developmental Services Division will be reduced by \$.9 million general fund appropriation each year of the 2019 biennium
 - Targeted Case Management for adult mental health within the Developmental Services Division will be reduced by \$.9 million general fund appropriation each year of the 2019 biennium
 - Medicaid provider rates within the Health Resources Division will be reduced by 1% over the 2019 biennium, for a general fund reduction of \$3.5 million each year of the biennium

SB 333 - Medical Marijuana Revision

- Revises the Montana Medical Marijuana Act
- Requires seed-to-sale tracking, licensing of dispensaries and endorsements for chemical manufacturing and establishes requirements for testing laboratories
- Establishes a 4% sales tax on providers in FY 2018 and a 2% sales tax in subsequent years to be deposited into the medical marijuana state special revenue account
- Directs the department to fund the seed-to-sale tracking system with the marijuana state special revenue account
- Appropriates all existing fund balance reserves for OTO related costs to implement the provisions of SB 333

Executive Budget Comparison

The following table compares the legislative budget for the biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Approp. Fiscal 2017	Executive Budget Fiscal 2018	Legislative Budget Fiscal 2018	Leg — Exec. Difference Fiscal 2018	Executive Budget Fiscal 2019	Legislative Budget Fiscal 2019	Leg — Exec. Difference Fiscal 2019	Biennium Difference Fiscal 18-19
FTE	2,935.24	2,935.24	2,935.24	0.00	2,935.24	2,935.24	0.00	0.00
Personal Services	196,966,418	194,759,450	191,365,517	(3,393,933)	195,164,570	191,760,741	(3,403,829)	(6,797,762)
Operating Expenses	119,324,121	119,789,463	122,781,029	2,991,566	120,216,586	122,018,014	1,801,428	4,792,994
Equipment & Intangible Assets	731,721	651,721	651,721	0	651,721	651,721	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Local Assistance	0	6,000,000	0	(6,000,000)	6,000,000	0	(6,000,000)	(12,000,000)
Grants	78,330,719	77,889,576	79,519,576	1,630,000	77,389,579	79,519,579	2,130,000	3,760,000
Benefits & Claims	1,779,967,830	1,588,608,990	1,700,098,558	111,489,568	1,653,799,465	1,755,271,055	101,471,590	212,961,158
Transfers	3,050,735	2,885,901	2,885,901	0	2,885,901	2,885,901	0	0
Debt Service	292,007	292,007	292,007	0	292,007	292,007	0	0
Total Costs	\$2,178,663,551	\$1,990,877,108	\$2,097,594,309	\$106,717,201	\$2,056,399,829	\$2,152,399,018	\$95,999,189	\$202,716,390
General Fund	522,184,237	518,715,248	527,343,354	8,628,106	530,538,334	538,832,343	8,294,009	16,922,115
State/other Special Rev. Funds	164,219,074	170,762,591	155,978,457	(14,784,134)	170,945,088	155,659,404	(15,285,684)	(30,069,818)
Federal Spec. Rev. Funds	1,492,260,240	1,301,399,269	1,414,272,498	112,873,229	1,354,916,407	1,457,907,271	102,990,864	215,864,093
Total Funds	\$2,178,663,551	\$1,990,877,108	\$2,097,594,309	\$106,717,201	\$2,056,399,829	\$2,152,399,018	\$95,999,189	\$202,716,390
Total Ongoing	\$2,176,908,143	\$1,989,777,108	\$2,086,057,127	\$96,280,019	\$2,055,799,829	\$2,139,693,587	\$83,893,758	\$180,173,777
Total OTO	\$1,755,408	\$1,100,000	\$11,537,182	\$10,437,182	\$600,000	\$12,705,431	\$12,105,431	\$22,542,613

The legislative budget is \$202.7 million total funds greater than the executive request over the biennium. The majority of this difference is explained by the fact that the legislature did not shift \$359.0 million in federal fund authority for the Supplemental Nutrition Assistance Program (SNAP) from HB 2 to a statutory appropriation leading to a greater federal funds figure in the legislative budget. The increase over the executive request was offset in part by the passage of HB 639 which contained a statutory appropriation for Indian Health Services (IHS) and tribal health services Medicaid benefits funding, which decreased HB 2 federal funds authority by \$176.9 million in the Health Resources Division.

- The legislative budget is \$16.9 million general fund higher than the executive budget request. This difference is primarily due to the legislature not adopting fund switches (based on higher consumption taxes) proposed by the executive. This difference includes \$8.6 million of contingent restricted Medicaid caseload general fund authority that may be released only if the conditions in HB 639 are met
- The legislative budget is \$30.1 million lower in state special revenue than the executive budget request. This difference is largely due to the legislature not including consumption tax increases proposed by the executive
- The legislative budget is \$215.9 million higher in federal fund authority than the executive request primarily due to SNAP funding remaining in HB 2 and the adoption of higher DPHHS federal fund Medicaid caseload estimates
- The legislative budget is \$22.5 million higher in one-time-only (OTO) authority than the executive budget request largely due to the legislative decision to make additional funding for foster care, subsidized guardianship, and subsidized adoption in the Child and Family Services Division OTO and restricted
- The legislative budget is \$12.0 million lower in local assistance for pre-k than the executive budget request

Language and Statutory Authority

"The Disability Employment and Transitions Division is appropriated \$775,000 of state special revenue from the Montana Telecommunications Access Program (MTAP) during each year of the 2019 biennium to cover a contingent FCC mandate, which would require states to provide both video and internet protocol relay services for people with severe hearing, mobility or speech impairments."

"The Montana Developmental Center restricted line item appropriation is restricted to expenditures for the Montana Developmental Center or according to the requirements in HB 639."

"Medicaid Caseload Contingency is contingent upon the passage of HB 639 containing restrictions related to Medicaid expenditures and caseloads."

"Senior and Long Term Care - County Nursing Home Intergovernmental Transfer (IGT) may be used only to make one-time payments to nursing homes based on the number of medicaid services provided. State special revenue in County Nursing Home IGT may be expended only after the office of budget and program planning has certified that the department has collected the amount that is necessary to make one-time payments to nursing homes based on the number of medicaid services provided and to fund the base budget in the nursing facility program and the community services program at the level of \$564,785 from the counties participating in the intergovernmental transfer program for the nursing facilities."

"The department is appropriated an additional \$450,000 of state special revenue authority each year of the biennium contingent upon the recovery of an amount greater than \$450,000 each year as a result of audits identifying fraud, waste, and abuse and documented recovery of those funds."

HB 639 adds the following language to HB 2:

"The increased appropriations provided in [section 11 of House Bill No. 639] to the Stars to Quality Program are one time only and are not to be included in the base in the 2021 budget planning process. The increased appropriations are to expand the program and increase access to preschool for 4- and 5-year-old children. The department shall use the money to create and support pilot programs to test multiple delivery models, including public programs, private programs, and mixed delivery programs through public-private partnerships. The department may use funds to support preschool programs, including startup and training costs. In establishing the pilot programs, the department shall ensure that pilot programs are included in programs in rural and urban areas. The department shall file a report with the 2019 legislature and present the report to the education and local government committee, the legislative finance committee, and the children, families, health, and human services committee by September 1, 2018. The report must:

- (1) address the demand for programs and the impact on current providers, with a specific focus on rural communities;
- (2) evaluate the benefits and disadvantages of various delivery models;
- (3) analyze advancements in kindergarten readiness for children participating in the programs; and
- (4) make recommendations for the program."

"Tracking Operational and Performance Program Measures must be utilized for the analysis and creation of a metrics-based blueprint for select department of public health and human service programs, with a primary focus on the child and family services division and a specified initiative identified as having a high impact on the health of Montanans, and for the department to track operational and program performance measures related to the following:

- (1) improved health of women and children, including:
 - (a) proportion of women smoking during pregnancy;
 - (b) proportion of pregnant women who report entering prenatal care in the first trimester;
 - (c) proportion of pregnant women receiving medicaid services who report entering prenatal care in the first trimester;
 - (d) proportion of high school students using tobacco products or nicotine products in the past 30 days;
- (2) improved health of medicaid members, including the proportion of medicaid members receiving preventative services;
- (3) operational efficiencies, including:
 - (a) proportion of payments issued electronically; and

(b) proportion of help desk tickets to technologically support the workforce; and

(4) the efficacy of the protect Montana kids commission proposals that were enacted by the 65th legislature."

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	18,697,421	18,346,678	(350,743)	(1.88)%
Operating Expenses	10,739,636	9,863,630	(876,006)	(8.16)%
Benefits & Claims	30,839,872	30,951,678	111,806	0.36%
Transfers	50,000	50,000	0	0.00%
Total Expenditures	\$60,326,929	\$59,211,986	(\$1,114,943)	(1.85)%
General Fund	12,450,660	12,000,112	(450,548)	(3.62)%
State/Other Special Rev. Funds	1,910,683	1,898,612	(12,071)	(0.63)%
Federal Spec. Rev. Funds	45,965,586	45,313,262	(652,324)	(1.42)%
Total Funds	\$60,326,929	\$59,211,986	(\$1,114,943)	(1.85)%
Total Ongoing	\$60,326,929	\$59,211,986	(\$1,114,943)	(1.85)%
Total OTO	\$0	\$0	\$0	0.00%

Program Description

The Disability Employment and Transitions Division (DETD) is composed of two bureaus: Vocational Rehabilitation & Blind Services, and Disability Determination Services. The Montana Telecommunications Access Program (MTAP) is administratively attached to DETD. In addition, DETD includes several small programs serving Montanans with disabilities and their families.

The goals of DETD are to advance the following opportunities for Montanans with disabilities:

- Employment in competitive, integrated settings
- Independence beginning with self-determination, informed choice, and consumer control
- Successful transitions from high school to post-secondary education and/or work

In order to meet these goals, DETD provides or contracts for a variety of services. These include counseling and guidance, career training, transportation, adaptive equipment, orientation and mobility services to the blind, vocational rehabilitation training, independent living services, medical services, job placement, and supported employment.

Program Highlights

Disability Employment and Transitions Division Major Budget Highlights
<p>The 2019 biennial appropriations decreased by 1.9% or \$1.1 million in total funds when compared with the 2017 appropriation. The differences were as follows:</p> <ul style="list-style-type: none"> • Operating costs were \$0.9 million lower over the biennium • Personal services were \$0.4 million lower over the biennium • Benefits and claims were \$0.1 million higher over the biennium

69010 - Department of Public Health & Human Services 01-Disability Employment & Transitions

Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	140.97	140.97	140.97	140.97	140.97
Personal Services	9,362,273	9,164,492	9,532,929	9,156,904	9,189,774
Operating Expenses	5,578,374	5,595,635	5,144,001	4,931,525	4,932,105
Benefits & Claims	15,616,941	15,888,772	14,951,100	15,475,839	15,475,839
Transfers	15,000	25,000	25,000	25,000	25,000
Total Expenditures	\$30,572,588	\$30,673,899	\$29,653,030	\$29,589,268	\$29,622,718
General Fund	6,277,274	6,290,163	6,160,497	5,997,464	6,002,648
State/Other Special Rev. Funds	940,413	948,820	961,863	949,009	949,603
Federal Spec. Rev. Funds	23,354,901	23,434,916	22,530,670	22,642,795	22,670,467
Total Funds	\$30,572,588	\$30,673,899	\$29,653,030	\$29,589,268	\$29,622,718
Total Ongoing	\$30,572,588	\$30,673,899	\$29,653,030	\$29,589,268	\$29,622,718
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The legislature adopted vacancy savings of 6% for a \$0.3 million reduction in personal services. The other major changes were a \$1.6 million reduction in total funds in the appropriation rebase and an increase of \$1.8 million from the Medicaid HRD reallocation.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 01-Disability Employment & Transitions Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	12,000,112	0	0	12,000,112	20.27 %
02159 Handicapped Telecommunications	1,825,901	0	0	1,825,901	96.17 %
02434 02 Indirect Activity Prog 01	72,711	0	0	72,711	3.83 %
State Special Total	\$1,898,612	\$0	\$0	\$1,898,612	3.21 %
03234 Promise Grant	0	0	0	0	0.00 %
03580 6901-93.778 - Med Adm 50%	0	0	0	0	0.00 %
03588 93.802 - Disabil Deter Adm 100	11,734,892	0	0	11,734,892	25.90 %
03604 84.126 - Rehab-Sec110 A 78.7%	27,262,646	0	0	27,262,646	60.16 %
03365 03 Indirect Activity Prog 01	1,967,523	0	0	1,967,523	4.34 %
03554 84.169 - Independent Living 90	446,541	0	0	446,541	0.99 %
03555 84.177 - Indep Living Old BLIN	401,290	0	0	401,290	0.89 %
03557 84.187 - Vic Sup Employment	728,988	0	0	728,988	1.61 %
03558 84.224 - Mon Tech 100%	852,056	0	0	852,056	1.88 %
03559 84.265 - In Service Training 9	28,602	0	0	28,602	0.06 %
03024 Soc Sec - Trust Funds	1,890,724	0	0	1,890,724	4.17 %
Federal Special Total	\$45,313,262	\$0	\$0	\$45,313,262	76.53 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$59,211,986	\$0	\$0	\$59,211,986	

69010 - Department of Public Health & Human Services01-Disability Employment & Transitions

DETD is funded with a variety of state and federal funds. The federal funds have varied matching rates depending on the function. General fund comprises roughly 20% of the budget, primarily to match federal funds. Some activities are supported entirely by the general fund, including the extended employment program, visual services medical support, and the Montana Youth Leadership Forum. General fund also supports benefits, grants, and functions serving individuals wishing to live independently, obtain and maintain a job, and acquire necessary assistive technology.

State special revenue makes up about 3.2% of the budget and fully supports the Montana Telecommunications Access Program (MTAP) program. MTAP revenue is raised by a fee of 10 cents per month assessed on subscriber connections and prepaid wireless telecommunication services per 53-19-311, MCA.

Federal funds comprise a majority of the budget. The disability determination function, the Montech assistive technology program, and supported employment are entirely federally funded. The remaining federally funded programs require state matching funds.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	6,160,497	6,160,497	12,320,994	102.67 %	29,653,030	29,653,030	59,306,060	100.16 %
SWPL Adjustments	(43,315)	(38,021)	(81,336)	(0.68)%	(182,240)	(148,073)	(330,313)	(0.56)%
PL Adjustments	(78)	(80)	(158)	(0.00)%	(356)	(373)	(729)	(0.00)%
New Proposals	(119,640)	(119,748)	(239,388)	(1.99)%	118,834	118,134	236,968	0.40 %
Total Budget	\$5,997,464	\$6,002,648	\$12,000,112		\$29,589,268	\$29,622,718	\$59,211,986	

The following summarizes the total budget utilizing the FY 2017 legislative base, present law adjustments, and new proposals.

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

69010 - Department of Public Health & Human Services01-Disability Employment & Transitions

Present Law Adjustments	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(43,171)	(6,549)	(131,477)	(181,197)	0.00	(37,961)	(6,155)	(103,511)	(147,627)
DP 2 - Fixed Costs	0.00	7	2	24	33	0.00	27	6	95	128
DP 3 - Inflation Deflation	0.00	(151)	(345)	(580)	(1,076)	0.00	(87)	(144)	(343)	(574)
DP 53 - SWPL Fixed Costs Reductions	0.00	(78)	(22)	(256)	(356)	0.00	(80)	(19)	(274)	(373)
Grand Total All Present Law Adjustments	0.00	(\$43,393)	(\$6,914)	(\$132,289)	(\$182,596)	0.00	(\$38,101)	(\$6,312)	(\$104,033)	(\$148,446)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

New Proposals

The "New Proposals" table shows new changes to expenditures.

69010 - Department of Public Health & Human Services01-Disability Employment & Transitions

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(29,947)	(5,940)	(158,941)	(194,828)	0.00	(30,055)	(5,948)	(159,525)	(195,528)
DP 555 - Appropriation Rebase	0.00	(602,665)	0	(195,000)	(797,665)	0.00	(602,665)	0	(195,000)	(797,665)
DP 5551 - Reinstate Orientation/Mobility Instruction Reduced in DP 555	0.00	87,705	0	0	87,705	0.00	87,705	0	0	87,705
DP 55512 - Reinstate Independent Living Contract Reduced in DP 555	0.00	110,103	0	0	110,103	0.00	110,103	0	0	110,103
DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22	0.00	315,164	0	598,355	913,519	0.00	315,164	0	598,355	913,519
Total	0.00	(\$119,640)	(\$5,940)	\$244,414	\$118,834	0.00	(\$119,748)	(\$5,948)	\$243,830	\$118,134

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 5551 - Reinstate Orientation/Mobility Instruction Reduced in DP 555 -

The legislature adopted action to reinstate the Orientation and Mobility Instruction contract that was eliminated in DP 555.

DP 55512 - Reinstate Independent Living Contract Reduced in DP 555 -

The legislature adopted action to reinstate the Independent Living Contract general fund authority reduced in DP 555.

DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22 -

The legislature reallocated funds from the Health Resources Division to the Disability Employment and Transitions Division, Child and Family Services Division, the Director's Office, and the Senior and Long-Term Care Division.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	58,486,898	57,404,098	(1,082,800)	(1.85)%
Operating Expenses	17,459,432	17,272,465	(186,967)	(1.07)%
Equipment & Intangible Assets	125,000	50,000	(75,000)	(60.00)%
Grants	43,406,468	49,722,399	6,315,931	14.55 %
Benefits & Claims	515,515,573	531,185,170	15,669,597	3.04 %
Transfers	4,572,088	4,242,420	(329,668)	(7.21)%
Total Expenditures	\$639,565,459	\$659,876,552	\$20,311,093	3.18 %
General Fund	66,291,486	72,137,696	5,846,210	8.82 %
State/Other Special Rev. Funds	5,151,935	5,154,474	2,539	0.05 %
Federal Spec. Rev. Funds	568,122,038	582,584,382	14,462,344	2.55 %
Total Funds	\$639,565,459	\$659,876,552	\$20,311,093	3.18 %
Total Ongoing	\$636,303,678	\$653,876,552	\$17,572,874	2.76 %
Total OTO	\$3,261,781	\$6,000,000	\$2,738,219	83.95 %

Program Description

The purpose of the Human and Community Services Division (HCSD) is to support and strengthen families and communities by promoting employment and providing those in need with assistance to meet their basic needs and move out of poverty. The division administers or contracts for a variety of services including, but not limited to, the following: cash assistance, employment training, supplemental nutrition assistance (formerly food stamps), Medicaid, child care, meal reimbursement, nutrition training, energy assistance, and weatherization. Further detail on these programs can be found on the division’s website: <https://dphhs.mt.gov/hcsc>

Program Highlights

Human and Community Services Major Budget Highlights
<p>The legislature increased the HCSD budget by \$20.3 million for the 2019 biennium with changes including:</p> <ul style="list-style-type: none"> • An additional \$3.0 million of general fund per year for the STARS to Quality was added through HB 639 to HB 2 for increased access to pre-kindergarten education for 4 and 5 year olds. This was in addition to the \$1.2 million in general fund per year the legislature approved for the Stars to Quality childcare ratings improvement program already in place • A present law adjustment that provides approximately \$5.9 million in federal funds each year of the biennium to maintain existing services for the Child Care Development Fund (CCDF)

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	488.31	488.31	488.31	488.31	488.31
Personal Services	28,938,950	28,455,540	30,031,358	28,741,599	28,662,499
Operating Expenses	10,935,528	8,700,170	8,759,262	8,596,323	8,676,142
Equipment & Intangible Assets	99,899	100,000	25,000	25,000	25,000
Grants	19,307,979	21,480,085	21,926,383	24,861,198	24,861,201
Benefits & Claims	242,961,074	256,119,816	259,395,757	265,592,585	265,592,585
Transfers	3,525,607	2,286,044	2,286,044	2,121,210	2,121,210
Total Expenditures	\$305,769,037	\$317,141,655	\$322,423,804	\$329,937,915	\$329,938,637
General Fund	31,149,708	31,976,764	34,314,722	36,087,934	36,049,762
State/Other Special Rev. Funds	2,373,510	2,507,327	2,644,608	2,579,034	2,575,440
Federal Spec. Rev. Funds	272,245,819	282,657,564	285,464,474	291,270,947	291,313,435
Total Funds	\$305,769,037	\$317,141,655	\$322,423,804	\$329,937,915	\$329,938,637
Total Ongoing	\$304,137,665	\$315,510,282	\$320,793,396	\$326,937,915	\$326,938,637
Total OTO	\$1,631,372	\$1,631,373	\$1,630,408	\$3,000,000	\$3,000,000

Program Narrative

The total budget for HCSD is approximately \$330.0 million per year in the 2019 biennium, an increase of 3.2% over the 2017 biennium. The majority of the budget is benefits and claims which also accounts for a large portion of the increase. The only significant funding decrease in the HCSD budget is the 6% vacancy savings adopted by the legislature. Of note is the additional \$3.0 million per year in general fund to fund early childhood education under the STARS to Quality program. This additional allocation is one-time-only.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 02-Human & Community Services						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	72,137,696	0	740,732	72,878,428	11.00 %	
02375 02 Indirect Activity Prog 02	2,679,642	0	0	2,679,642	51.99 %	
02515 School Lunch OPI/Warehouse	0	0	0	0	0.00 %	
02597 Healthy Montana Kids Plan	0	0	0	0	0.00 %	
02688 6901-TANF Overpayments	130,000	0	0	130,000	2.52 %	
02698 69010-Prevention&Stabilization	1,665,164	0	0	1,665,164	32.31 %	
02772 Tobacco Hlth and Medicaid Init	70,190	0	0	70,190	1.36 %	
02931 Food Stamp Recoupment Account	0	0	0	0	0.00 %	
02974 Univ Low-Income Energy Assist	609,478	0	0	609,478	11.82 %	
State Special Total	\$5,154,474	\$0	\$0	\$5,154,474	0.78 %	
03135 HOPWA TriState HELP CFDA14.241	1,040,000	0	0	1,040,000	0.18 %	
03181 10.561 Food Stamp Perf. Bonus	0	0	0	0	0.00 %	
03236 Child Nutrition	23,153,067	0	0	23,153,067	3.96 %	
03250 Child Care Manditory/MOE	3,597,650	0	0	3,597,650	0.62 %	
03251 Child Care Admin	1,105,857	0	0	1,105,857	0.19 %	
03252 Child Care Matching	11,040,374	0	0	11,040,374	1.89 %	
03573 93.569 - CSBG Adm	6,517,084	0	0	6,517,084	1.12 %	
03576 LAUNCH Grant	0	0	0	0	0.00 %	
03580 6901-93.778 - Med Adm 50%	2,038,733	0	0	2,038,733	0.35 %	
03666 Aging - Caregiver III-E	0	0	0	0	0.00 %	
03677 6901-CACFP 10.558 & 10.560	1,646,118	0	0	1,646,118	0.28 %	
03678 6901-Food Stamp Benefits	359,080,916	0	0	359,080,916	61.43 %	
03679 6901-HOPWA CFDA#14-241	1,004,578	0	0	1,004,578	0.17 %	
03382 03 Indirect Activity Prog 02	32,574,232	0	1,713,272	34,287,504	5.87 %	
03426 CHIP Program Fed	0	0	0	0	0.00 %	
03448 Early Childhood Comp Sys	861,226	0	0	861,226	0.15 %	
03467 6901-Homeless Mgmt Info Systm	154,350	0	0	154,350	0.03 %	
03518 93.044 - Aging Sup S & Train 1	0	0	0	0	0.00 %	
03519 93.045 - Aging Meals 100%	152,704	0	0	152,704	0.03 %	
03523 93.566 - Refugee Soc. Serv	61,112	0	0	61,112	0.01 %	
03530 6901-Foster Care 93.658	1,287,666	0	0	1,287,666	0.22 %	
03539 93.600 Headstart	263,595	0	0	263,595	0.05 %	
03544 10.561 - FS E & T - 50%	(81,048)	0	0	(81,048)	(0.01)%	
03545 10.561 - FS E & T - 100%	592,766	0	0	592,766	0.10 %	
03546 10.561 - FS Adm - Fed Exp 50%	2,082,464	0	0	2,082,464	0.36 %	
03547 10.568 - Emerg Food Assist 100	552,305	0	0	552,305	0.09 %	
03548 10.569 - Food Distr - Fed Exp	5,415,409	0	0	5,415,409	0.93 %	
03550 14.231 - Emerg Shelter - HUD 5	1,400,628	0	0	1,400,628	0.24 %	
03552 81.042 - Weather Ben 100%	5,168,327	0	0	5,168,327	0.88 %	
03553 Housing Preservation Grant	90,200	0	0	90,200	0.02 %	
03571 93.566 - Off Ref Reset Adm 10	111,132	0	0	111,132	0.02 %	
03572 93.568 - LIEAP Blk Grt Adm	39,880,490	0	0	39,880,490	6.82 %	
03004 EMS Data Injury	0	0	0	0	0.00 %	
03063 Preschool Development	0	0	0	0	0.00 %	
03066 81.042 BPA	992,022	0	0	992,022	0.17 %	
03074 Aging - Nutrition Services HDM	0	0	0	0	0.00 %	
03096 Discretionary Child Care	31,908,040	0	0	31,908,040	5.46 %	
03103 TANF Administration	0	0	0	0	0.00 %	
03109 TANF Benefits	47,466,718	0	0	47,466,718	8.12 %	
03826 Healthy Montana Teen Parents 2	0	0	0	0	0.00 %	
03965 CSFP	1,425,667	0	0	1,425,667	0.24 %	
03974 Medicaid Exp HELP Act Admin	0	0	220,258	220,258	0.04 %	
Federal Special Total	\$582,584,382	\$0	\$1,933,530	\$584,517,912	88.22 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$659,876,552	\$0	\$2,674,262	\$662,550,814		

The majority of the HB 2 budget for Human & Community Services (HCS) comes from federal funding. Federal funds are used for the direct provision of benefits and the programs supporting benefit recipients. State funds primarily cover personal services and maintenance of effort (MOE) requirements for receipt of certain federal funds.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	32,955,774	32,955,774	65,911,548	91.37 %	320,793,396	320,793,396	641,586,792	97.23 %
SWPL Adjustments	(204,134)	(246,963)	(451,097)	(0.63)%	(77,715)	(141,533)	(219,248)	(0.03)%
PL Adjustments	(2,918)	(3,067)	(5,985)	(0.01)%	6,515,724	6,581,956	13,097,680	1.98 %
New Proposals	3,339,212	3,344,018	6,683,230	9.26 %	2,706,510	2,704,818	5,411,328	0.82 %
Total Budget	\$36,087,934	\$36,049,762	\$72,137,696		\$329,937,915	\$329,938,637	\$659,876,552	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(148,118)	(15,150)	21,973	(141,295)	0.00	(192,216)	(18,420)	(8,067)	(218,703)
DP 2 - Fixed Costs	0.00	(51,630)	(6,512)	159,805	101,663	0.00	(50,844)	(6,412)	166,110	108,854
DP 3 - Inflation Deflation	0.00	(4,386)	(549)	(33,148)	(38,083)	0.00	(3,903)	(489)	(27,292)	(31,684)
DP 53 - SWPL Fixed Costs Reductions	0.00	(2,918)	(369)	(24,460)	(27,747)	0.00	(3,067)	(387)	(25,737)	(29,191)
DP 2101 - Child Care Federal Authority	0.00	0	0	5,900,273	5,900,273	0.00	0	0	5,967,949	5,967,949
DP 2103 - IHSB Grant Funding	0.00	0	0	643,198	643,198	0.00	0	0	643,198	643,198
Grand Total All Present Law Adjustments	0.00	(\$207,052)	(\$22,580)	\$6,667,641	\$6,438,009	0.00	(\$250,030)	(\$25,708)	\$6,716,161	\$6,440,423

**Total Funds” amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 2101 - Child Care Federal Authority -

The legislature adopted a present law adjustment to maintain existing services for the Child Care Development Fund (CCDF) program in HCSD. The request increases the FY 2017 budget expenses by \$5,900,273 in FY 2018 and \$5,967,949 in FY 2019. The increase is necessary to fund the CCDF Reauthorization Act of 2014 requirements. This request is funded entirely with federal funds.

DP 2103 - IHSB Grant Funding -

The legislature adopted a present law adjustment to maintain existing services for the Department of Energy Weatherization program under the Intergovernmental Human Services Bureau (IHSB) in HCSD. The request increases the FY 2017 base budget expenses by \$643,198 in FY 2018 and \$643,198 in FY 2019. The increase is to provide training and weatherize additional homes. This service is funded entirely with federal funds.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(225,194)	(22,787)	(360,166)	(608,147)	0.00	(220,388)	(23,253)	(366,198)	(609,839)
DP 555 - Appropriation Rebase	0.00	(635,594)	0	(249,749)	(885,343)	0.00	(635,594)	0	(249,749)	(885,343)
DP 2202 - Child Care STARS to Quality	0.00	1,200,000	0	0	1,200,000	0.00	1,200,000	0	0	1,200,000
DP 22022 - STARS to Quality Early Childhood Ed (OTO)	0.00	3,000,000	0	0	3,000,000	0.00	3,000,000	0	0	3,000,000
Total	0.00	\$3,339,212	(\$22,787)	(\$609,915)	\$2,706,510	0.00	\$3,344,018	(\$23,253)	(\$615,947)	\$2,704,818

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 2202 - Child Care STARS to Quality -

The legislature adopted an appropriation of \$1.2 million general fund each year of the biennium for the Best Beginnings STARS to Quality Program, which is a voluntary quality-rating and improvement program that aligns achievement of quality indicators with support and grant incentives for early childhood education programs and early childhood professionals. The

appropriation will continue the one-time-only funding from the 2015 Legislature, and make this part of the 2019 biennium base.

DP 22022 - STARS to Quality Early Childhood Ed (OTO) -

The legislature adopted HB 639 which increased the HB 2 general fund appropriation for Human and Community Services over the 2019 biennium for the STARS to Quality Program for the purpose of pre-kindergarten education for 4 and 5 year olds. This a one time only appropriation and will not be included in the base.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	47,830,714	46,534,918	(1,295,796)	(2.71)%
Operating Expenses	12,812,594	11,809,503	(1,003,091)	(7.83)%
Grants	13,657,120	13,626,560	(30,560)	(0.22)%
Benefits & Claims	80,870,188	95,532,513	14,662,325	18.13 %
Transfers	524,997	476,182	(48,815)	(9.30)%
Debt Service	2,316	2,316	0	0.00 %
Total Expenditures	\$155,697,929	\$167,981,992	\$12,284,063	7.89 %
General Fund	89,205,573	94,866,920	5,661,347	6.35 %
State/Other Special Rev. Funds	3,509,228	3,795,228	286,000	8.15 %
Federal Spec. Rev. Funds	62,983,128	69,319,844	6,336,716	10.06 %
Total Funds	\$155,697,929	\$167,981,992	\$12,284,063	7.89 %
Total Ongoing	\$155,697,929	\$151,339,379	(\$4,358,550)	(2.80)%
Total OTO	\$0	\$16,642,613	\$16,642,613	100.00 %

Program Description

The Child and Family Services Division (CFSD) administers child protective services, child abuse and neglect services, prevention services, domestic violence grants, and other programs designed to keep children safe and families strong with the overarching goal of improving safety, permanency, and well-being for children. CFSD is composed of three bureaus and six regions that administer programs and are advised by Local Family Services Advisory Councils, which serve as the link between local communities and DPHHS.

Program Highlights

<p>Child and Family Services Division Major Budget Highlights</p>
<p>The legislature approved a budget increase of \$12.3 million over the biennium comprised of offsetting increases and decreases including:</p> <ul style="list-style-type: none"> • One-time-only/restricted funding for foster caseload increases of \$16.6 million consisting of about 2/3 general fund and 1/3 federal funds. This increase will offset the need to transfer funds from other programs that has occurred in recent years • A 2.7% decrease in the personal services budget • A one-time stipend of \$200 for each foster child immediately upon placement with a family, with an appropriation of \$0.9 million for the 2019 biennium • Reduction in operating expenses of \$1.0 million for the 2019 biennium

Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	381.65	381.65	381.65	381.65	381.65
Personal Services	23,538,770	23,545,082	24,285,632	23,238,527	23,296,391
Operating Expenses	6,569,028	6,923,776	5,888,818	5,900,872	5,908,631
Grants	6,783,923	6,843,840	6,813,280	6,813,280	6,813,280
Benefits & Claims	41,046,385	41,978,067	38,892,121	47,182,132	48,350,381
Transfers	236,875	286,906	238,091	238,091	238,091
Debt Service	0	1,158	1,158	1,158	1,158
Total Expenditures	\$78,174,981	\$79,578,829	\$76,119,100	\$83,374,060	\$84,607,932
General Fund	45,675,653	46,346,578	42,858,995	47,424,106	47,442,814
State/Other Special Rev. Funds	1,606,974	1,611,614	1,897,614	1,897,614	1,897,614
Federal Spec. Rev. Funds	30,892,354	31,620,637	31,362,491	34,052,340	35,267,504
Total Funds	\$78,174,981	\$79,578,829	\$76,119,100	\$83,374,060	\$84,607,932
Total Ongoing	\$78,174,981	\$79,578,829	\$76,119,100	\$75,636,878	\$75,702,501
Total OTO	\$0	\$0	\$0	\$7,737,182	\$8,905,431

Program Narrative

CFSD received an increase of nearly 8% for the 2019 biennium, almost entirely comprised of the money appropriated by the legislature in DP 3991 to fund the foster care caseload increase. This is a one-time only, restricted increase and should not appear in the base next biennium. The budget was also impacted by the 6% vacancy savings, although it is the intent of the legislature that the additional 2% vacancy savings over the original 4% will be absorbed by other programs and not affect CFSD.

Funding

The following table shows adopted program funding by source of authority.

69010 - Department of Public Health & Human Services 03-Child and Family Services Division

Department of Public Health & Human Services, 03-Child and Family Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	94,866,920	0	0	94,866,920	56.43 %
02209 Third Party Contributions-F.C.	3,612,060	0	0	3,612,060	92.02 %
02473 Assault Intervention & Trtmnt	169,002	0	0	169,002	4.31 %
02483 Adoption Services / SA	0	0	130,000	130,000	3.31 %
02496 Family Preservation Conference	14,166	0	0	14,166	0.36 %
State Special Total	\$3,795,228	\$0	\$130,000	\$3,925,228	2.33 %
03185 CASEWORKER VISITS	0	0	0	0	0.00 %
03224 Access & Visitation Grt 93.597	191,100	0	0	191,100	0.28 %
03579 93.667 - SSBG - Benefits	0	0	0	0	0.00 %
03593 03 Indirect Activity Prog 03	15,576,758	0	0	15,576,758	22.47 %
03458 6901 - Chafee - ETV 93.599	353,952	0	0	353,952	0.51 %
03522 93.556 - Family Preservation	1,779,874	0	0	1,779,874	2.57 %
03526 93.643 - Child Justice	199,296	0	0	199,296	0.29 %
03527 93.645 - IV-B CWS	0	0	0	0	0.00 %
03529 IV-E Guardianship	3,017,858	0	0	3,017,858	4.35 %
03530 6901-Foster Care 93.658	21,387,050	0	0	21,387,050	30.85 %
03531 6901-Subsidized Adopt 93.659	17,881,834	0	0	17,881,834	25.80 %
03532 93.669 - Child Abuse	276,120	0	0	276,120	0.40 %
03533 93.671 - Domestic Violence	1,579,890	0	0	1,579,890	2.28 %
03536 93.674 - IV-E Independent Livi	1,107,208	0	0	1,107,208	1.60 %
03103 TANF Administration	0	0	0	0	0.00 %
03109 TANF Benefits	5,968,904	0	0	5,968,904	8.61 %
Federal Special Total	\$69,319,844	\$0	\$0	\$69,319,844	41.23 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$167,981,992	\$0	\$130,000	\$168,111,992	

The Child and Family Services Division (CFSD) is funded through a variety of funding sources and federal matching rates, which vary by function. Some costs are allocated among funding sources through a federally approved cost allocation plan that includes a random moment in time study of social worker activities, among other factors.

General fund comprises over half of the proposed biennial budget, most of which is used as matching funds to federal funds supporting foster care, subsidized adoption, and family reunification as well as programs promoting safe, non-violent environments for children. Some of the match rates for these programs vary according to the eligibility of the child. Children who are eligible for federal IV-E funding receive a higher match rate, but they have recently been declining as a portion of the caseload. As a result, increases weigh more heavily on the general fund.

Federal funds make up most of the remaining budget and either directly support foster care, adoption, and guardianship or cover expenses associated with the federal cost allocation plan. State special revenue obtained primarily through third party contributions such as parental payments, child support collections, and supplemental security income (SSI) for eligible children is used almost entirely to support foster care.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

69010 - Department of Public Health & Human Services 03-Child and Family Services Division

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	42,858,995	42,858,995	85,717,990	90.36 %	76,119,100	76,119,100	152,238,200	90.63 %
SWPL Adjustments	(247,594)	(203,332)	(450,926)	(0.48)%	(543,614)	(476,758)	(1,020,372)	(0.61)%
PL Adjustments	5,107,630	5,082,921	10,190,551	10.74 %	7,737,182	8,905,431	16,642,613	9.91 %
New Proposals	(294,925)	(295,770)	(590,695)	(0.62)%	61,392	60,159	121,551	0.07 %
Total Budget	\$47,424,106	\$47,442,814	\$94,866,920		\$83,374,060	\$84,607,932	\$167,981,992	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----				-----Fiscal 2019-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(253,355)	0	(302,313)	(555,668)	0.00	(212,802)	0	(283,769)	(496,571)
DP 2 - Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 3 - Inflation Deflation	0.00	5,761	0	6,293	12,054	0.00	9,470	0	10,343	19,813
DP 53 - SWPL Fixed Costs Reductions	0.00	0	0	0	0	0.00	0	0	0	0
DP 3991 - Foster Care/Adoption/Guardianship Caseload (RST/OTO)	0.00	5,107,630	0	2,629,552	7,737,182	0.00	5,082,921	0	3,822,510	8,905,431
Grand Total All Present Law Adjustments	0.00	\$4,860,036	\$0	\$2,333,532	\$7,193,568	0.00	\$4,879,589	\$0	\$3,549,084	\$8,428,673

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

69010 - Department of Public Health & Human Services 03-Child and Family Services Division

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 3991 - Foster Care/Adoption/Guardianship Caseload (RST/OTO) -

The legislature adopted an increase of \$16,642,613 in total funds over the biennium, including general fund of \$5,107,630 in FY 2018 and \$5,082,921 in FY 2019 to fund the projected increases in the number of children entering foster care. This present law adjustment addresses the needs of the combined programs of Foster Care, Subsidized Adoption, and Subsidized Guardianship caseload growth for the CFSD. This appropriation is one-time-only (OTO) and restricted.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(337,163)	0	(154,274)	(491,437)	0.00	(338,008)	0	(154,662)	(492,670)
DP 3501 - Foster Care Stipend (Restricted)	0.00	0	0	430,400	430,400	0.00	0	0	430,400	430,400
DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22	0.00	42,238	0	80,191	122,429	0.00	42,238	0	80,191	122,429
Total	0.00	(\$294,925)	\$0	\$356,317	\$61,392	0.00	(\$295,770)	\$0	\$355,929	\$60,159

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 3501 - Foster Care Stipend (Restricted) -

The legislature approved \$430,400 from federal TANF funds in each year of the 2019 biennium for CFSD to provide a one-time stipend of \$200 to each foster child immediately upon placement with a foster family. The stipend may only be used to purchase supplies for the child such as clothing, diapers and other similar items.

DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22 -

The legislature reallocated funds from the Health Resources Division to the Disability Employment and Transitions Division, Child and Family Services Division, the Director's Office, and the Senior and Long-Term Care Division.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	10,837,950	8,745,999	(2,091,951)	(19.30)%
Operating Expenses	3,769,585	5,065,781	1,296,196	34.39%
Grants	292,822	388,158	95,336	32.56%
Transfers	4,457	0	(4,457)	(100.00)%
Total Expenditures	\$14,904,814	\$14,199,938	(\$704,876)	(4.73)%
General Fund	6,372,467	5,775,425	(597,042)	(9.37)%
State/Other Special Rev. Funds	1,499,791	1,349,044	(150,747)	(10.05)%
Federal Spec. Rev. Funds	7,032,556	7,075,469	42,913	0.61%
Total Funds	\$14,904,814	\$14,199,938	(\$704,876)	(4.73)%
Total Ongoing	\$14,904,814	\$13,799,938	(\$1,104,876)	(7.41)%
Total OTO	\$0	\$400,000	\$400,000	100.00%

Program Description

The Director's Office provides overall policy development and administrative guidance for the department. Included in the Director's Office are legal affairs, personnel services, public information, the prevention resource center, and the AmeriCorps*VISTA Program. The Montana Health Coalition is administratively attached. The director serves on many councils including the Interagency Coordinating Council for State Prevention Programs, which is attached to the Governor's Office.

Program Highlights

Director's Office Major Budget Highlights
<ul style="list-style-type: none"> • The legislature appropriated \$1.0 million in state special revenue in HB 118 to the Director's Office to fund suicide prevention • The legislature appropriated \$0.1 million general fund and \$0.1 million federal fund authority per year of the biennium (\$0.4 million total funds over the biennium) to the Director's Office to track performance measures. This appropriation is one-time-only and biennial

Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	49.50	49.50	49.50	49.50	49.50
Personal Services	6,234,876	6,397,574	4,440,376	4,367,711	4,378,288
Operating Expenses	1,178,589	1,512,098	2,257,487	2,531,786	2,533,995
Grants	238,943	146,411	146,411	194,079	194,079
Transfers	0	4,457	0	0	0
Total Expenditures	\$7,652,408	\$8,060,540	\$6,844,274	\$7,093,576	\$7,106,362
General Fund	3,666,630	3,671,627	2,700,840	2,885,092	2,890,333
State/Other Special Rev. Funds	802,389	866,519	633,272	673,983	675,061
Federal Spec. Rev. Funds	3,183,389	3,522,394	3,510,162	3,534,501	3,540,968
Total Funds	\$7,652,408	\$8,060,540	\$6,844,274	\$7,093,576	\$7,106,362
Total Ongoing	\$7,652,408	\$8,060,540	\$6,844,274	\$6,893,576	\$6,906,362
Total OTO	\$0	\$0	\$0	\$200,000	\$200,000

Program Narrative

The legislature appropriated \$0.5 million state special revenue in each year of the 2019 biennium to the DPHHS Director's Office to fund suicide prevention efforts. This appropriation is voided upon the passage of HB 118 as it is appropriated directly in that bill.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 04-Director's Office Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	5,775,425	0	0	5,775,425	40.67 %
02089 Child Abuse & Neglect Program	297,961	0	0	297,961	22.09 %
02099 69010-VISTA-Community Cost Shr	112,335	0	0	112,335	8.33 %
02362 No Kid Hungry SSR	0	0	0	0	0.00 %
02377 02 Indirect Activity Prog 04	938,748	0	0	938,748	69.59 %
02987 Tobacco Interest	0	0	0	0	0.00 %
State Special Total	\$1,349,044	\$0	\$0	\$1,349,044	9.50 %
03578 NKH Americorp	0	0	0	0	0.00 %
03580 6901-93.778 - Med Adm 50%	0	0	0	0	0.00 %
03594 03 Indirect Activity Prog 04	6,134,593	0	0	6,134,593	86.70 %
03426 CHIP Program Fed	0	0	0	0	0.00 %
03534 93.672 - Child Abuse Challenge	493,953	0	0	493,953	6.98 %
03072 69010-CNS-Grants-VISTA	446,923	0	0	446,923	6.32 %
Federal Special Total	\$7,075,469	\$0	\$0	\$7,075,469	49.83 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$14,199,938	\$0	\$0	\$14,199,938	

This program receives general fund, state special revenue fund, and federal special revenue fund authority. Most functions within the Director's Office are cost allocated through indirect cost recoveries to the other divisions within DPHHS.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	2,700,840	2,700,840	5,401,680	93.53 %	6,844,274	6,844,274	13,688,548	96.40 %
SWPL Adjustments	23,690	29,210	52,900	0.92 %	22,049	35,500	57,549	0.41 %
PL Adjustments	(3,637)	(3,824)	(7,461)	(0.13)%	146,548	146,111	292,659	2.06 %
New Proposals	164,199	164,107	328,306	5.68 %	80,705	80,477	161,182	1.14 %
Total Budget	\$2,885,092	\$2,890,333	\$5,775,425		\$7,093,576	\$7,106,362	\$14,199,938	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	22,943	(6,063)	3,384	20,264	0.00	27,332	(5,130)	8,867	31,069
DP 2 - Fixed Costs	0.00	525	90	605	1,220	0.00	1,564	268	1,803	3,635
DP 3 - Inflation Deflation	0.00	222	53	290	565	0.00	314	74	408	796
DP 53 - SWPL Fixed Costs Reductions	0.00	(3,637)	(622)	(4,193)	(8,452)	0.00	(3,824)	(655)	(4,410)	(8,889)
DP 4003 - Children's Trust Fund Funding	0.00	0	54,863	100,137	155,000	0.00	0	54,863	100,137	155,000
Grand Total All Present Law Adjustments	0.00	\$20,053	\$48,321	\$100,223	\$168,597	0.00	\$25,386	\$49,420	\$106,805	\$181,611

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 4003 - Children's Trust Fund Funding -

The legislature adopted a present law adjustment to maintain existing services for the Children's Trust Fund program within the Director's Office. This appropriation increases FY 2017 base budget expenses by \$155,000 in FY 2018 and \$155,000 in FY 2019. This appropriation is funded with state special and federal funds.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(38,532)	(7,610)	(46,787)	(92,929)	0.00	(38,624)	(7,631)	(46,902)	(93,157)
DP 555 - Appropriation Rebase	0.00	(147,269)	0	(129,097)	(276,366)	0.00	(147,269)	0	(129,097)	(276,366)
DP 40401 - Tracking and Operational Performance (OTO/Bien)	0.00	100,000	0	100,000	200,000	0.00	100,000	0	100,000	200,000
DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
Total	0.00	\$164,199	(\$7,610)	(\$75,884)	\$80,705	0.00	\$164,107	(\$7,631)	(\$75,999)	\$80,477

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 40401 - Tracking and Operational Performance (OTO/Bien) -

The legislature adopted HB 639 which increased HB 2 general fund and federal special revenue appropriations for the Director's Office for tracking and operational performance program meures. This is a biennial, one-time-only appropriation.

DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22 -

The legislature reallocated funds from the Health Resources Division to the Disability Employment and Transitions Division, Child and Family Services Division, the Director's Office, and the Senior and Long-Term Care Division.

69010 - Department of Public Health & Human Services 05-Child Support Enforcement Division

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	21,742,940	21,339,074	(403,866)	(1.86)%
Operating Expenses	4,545,115	3,860,545	(684,570)	(15.06)%
Equipment & Intangible Assets	42,912	42,912	0	0.00 %
Total Expenditures	\$26,330,967	\$25,242,531	(\$1,088,436)	(4.13)%
General Fund	7,611,737	7,197,505	(414,232)	(5.44)%
State/Other Special Rev. Funds	802,951	793,518	(9,433)	(1.17)%
Federal Spec. Rev. Funds	17,916,279	17,251,508	(664,771)	(3.71)%
Total Funds	\$26,330,967	\$25,242,531	(\$1,088,436)	(4.13)%
Total Ongoing	\$26,330,967	\$25,242,531	(\$1,088,436)	(4.13)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The purpose of the Child Support Enforcement Division (CSED) is to pursue and obtain financial and medical support for children by establishing, enforcing, and collecting financial obligations from non-custodial parents. Program staff locates absent parents, identifies assets, establishes paternity, and ensures obligated parents maintain medical health insurance coverage for their dependent children.

Program Highlights

Child Support Enforcement Division Major Budget Highlights
<p>The total budget was reduced by \$1.1 million or 4.1% for the biennium including:</p> <ul style="list-style-type: none"> • \$0.4 million reduction in personal services • \$0.7 million reduction in operating expenses

Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

69010 - Department of Public Health & Human Services 05-Child Support Enforcement Division

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	157.31	157.31	157.31	157.31	157.31
Personal Services	10,731,795	10,698,598	11,044,342	10,651,552	10,687,522
Operating Expenses	2,149,840	2,268,489	2,276,626	1,930,223	1,930,322
Equipment & Intangible Assets	0	21,456	21,456	21,456	21,456
Total Expenditures	\$12,881,635	\$12,988,543	\$13,342,424	\$12,603,231	\$12,639,300
General Fund	3,767,542	3,772,524	3,839,213	3,592,639	3,604,866
State/Other Special Rev. Funds	382,311	401,457	401,494	396,743	396,775
Federal Spec. Rev. Funds	8,731,782	8,814,562	9,101,717	8,613,849	8,637,659
Total Funds	\$12,881,635	\$12,988,543	\$13,342,424	\$12,603,231	\$12,639,300
Total Ongoing	\$12,881,635	\$12,988,543	\$13,342,424	\$12,603,231	\$12,639,300
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The legislature passed vacancy savings of 6% and approved the reduction of operating expenses proposed by CSED in the appropriation rebase.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 05-Child Support Enforcement Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	7,197,505	0	0	7,197,505	28.51 %	
02187 Child Support State Share	793,518	0	0	793,518	100.00 %	
State Special Total	\$793,518	\$0	\$0	\$793,518	3.14 %	
03269 Child Support Incentive	2,749,572	0	0	2,749,572	15.94 %	
03570 93.563 - Child Support IVD 66%	14,501,936	0	0	14,501,936	84.06 %	
Federal Special Total	\$17,251,508	\$0	\$0	\$17,251,508	68.34 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$25,242,531	\$0	\$0	\$25,242,531		

This program is primarily federally funded. Title IV-D eligible expenditures are funded with around 2/3 federal funds and 1/3 state funds. The non-IV-D federal funding is an incentive payment for reaching specified federal benchmarks. State match for the Title IV-D spending comes from the child support state special revenue fund and the general fund.

State special revenue is generated primarily from the retention of collections made on behalf of TANF participants in addition to small amounts from applications, genetic testing, and federal tax offset fees. Any child support recovered on behalf of TANF recipients is retained by the state at the state share according to the Federal Medical Assistance Percentage (FMAP) (estimated at about 34.6% for FY 2018 and FY 2019). No revenue is retained from non-TANF collections, which are simply collected and sent to the custodial parent.

Budget Summary by Category

69010 - Department of Public Health & Human Services 05-Child Support Enforcement Division

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	3,839,213	3,839,213	7,678,426	106.68 %	13,342,424	13,342,424	26,684,848	105.71 %
SWPL Adjustments	(56,495)	(44,005)	(100,500)	(1.40)%	(180,136)	(143,302)	(323,438)	(1.28)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(190,079)	(190,342)	(380,421)	(5.29)%	(559,057)	(559,822)	(1,118,879)	(4.43)%
Total Budget	\$3,592,639	\$3,604,866	\$7,197,505		\$12,603,231	\$12,639,300	\$25,242,531	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(56,495)	0	(109,665)	(166,160)	0.00	(44,005)	0	(85,420)	(129,425)
DP 2 - Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 3 - Inflation Deflation	0.00	0	(4,751)	(9,225)	(13,976)	0.00	0	(4,719)	(9,158)	(13,877)
Grand Total All Present Law Adjustments	0.00	(\$56,495)	(\$4,751)	(\$118,890)	(\$180,136)	0.00	(\$44,005)	(\$4,719)	(\$94,578)	(\$143,302)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

New Proposals

69010 - Department of Public Health & Human Services 05-Child Support Enforcement Division

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(77,054)	0	(149,576)	(226,630)	0.00	(77,317)	0	(150,078)	(227,395)
DP 555 - Appropriation Rebase	0.00	(113,025)	0	(219,402)	(332,427)	0.00	(113,025)	0	(219,402)	(332,427)
Total	0.00	(\$190,079)	\$0	(\$368,978)	(\$559,057)	0.00	(\$190,342)	\$0	(\$369,480)	(\$559,822)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	7,474,349	7,855,103	380,754	5.09 %
Operating Expenses	12,915,464	12,534,671	(380,793)	(2.95)%
Debt Service	11,352	11,352	0	0.00 %
Total Expenditures	\$20,401,165	\$20,401,126	(\$39)	0.00 %
General Fund	7,826,346	7,898,891	72,545	0.93 %
State/Other Special Rev. Funds	1,131,785	1,020,134	(111,651)	(9.87)%
Federal Spec. Rev. Funds	11,443,034	11,482,101	39,067	0.34 %
Total Funds	\$20,401,165	\$20,401,126	(\$39)	0.00 %
Total Ongoing	\$20,401,165	\$20,401,126	(\$39)	0.00 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Business and Financial Services Division (BFSD) provides leadership and guidance in the development and implementation of accounting policies, procedures, and best business practices that support the mission of the Operations Support Services.

Program Highlights

Business and Financial Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The legislature approved a \$20.4 millions budget for the 2019 biennium, maintaining the same appropriation level as the previous biennium. • Operating expenses declined by approximately \$.4 million. This decline was offset entirely by increases in personal services • Although the legislature adopted a personal services increase, this increase was partially offset by the adoption of a 6% vacancy savings rate

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

69010 - Department of Public Health & Human Services06-Business & Financial Services Division

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	60.00	60.00	60.00	60.00	60.00
Personal Services	3,520,841	3,598,436	3,875,913	3,921,448	3,933,655
Operating Expenses	6,145,159	6,382,789	6,532,675	6,499,286	6,035,385
Debt Service	6,938	5,676	5,676	5,676	5,676
Total Expenditures	\$9,672,938	\$9,986,901	\$10,414,264	\$10,426,410	\$9,974,716
General Fund	3,701,318	3,800,888	4,025,458	4,036,714	3,862,177
State/Other Special Rev. Funds	582,249	607,088	524,697	521,448	498,686
Federal Spec. Rev. Funds	5,389,371	5,578,925	5,864,109	5,868,248	5,613,853
Total Funds	\$9,672,938	\$9,986,901	\$10,414,264	\$10,426,410	\$9,974,716
Total Ongoing	\$9,672,938	\$9,986,901	\$10,414,264	\$10,426,410	\$9,974,716
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The Business and Financial Services Division is the centralized business center for the Department of Public Health and Human Services (DPHHS). All fixed costs for services provided by the Department of Administration are funded in this division, including legislative audit.

In addition to personal service and operating adjustments, the legislature approved a base reduction, which decreased the budget by \$800,000.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 06-Business & Financial Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,898,891	0	0	7,898,891	38.72 %
02382 02 Indirect Activity Prog 06	1,020,134	0	0	1,020,134	100.00 %
02597 Healthy Montana Kids Plan	0	0	0	0	0.00 %
State Special Total	\$1,020,134	\$0	\$0	\$1,020,134	5.00 %
03580 6901-93.778 - Med Adm 50%	0	0	0	0	0.00 %
03591 03 Indirect Activity Prog 06	11,482,101	0	0	11,482,101	100.00 %
03426 CHIP Program Fed	0	0	0	0	0.00 %
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0.00 %
Federal Special Total	\$11,482,101	\$0	\$0	\$11,482,101	56.28 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$20,401,126	\$0	\$0	\$20,401,126	

The Business and Financial Services Division (BFSD) receives general fund, state special revenue, and federal funds through a complicated, federally approved cost allocation formula that is generally referred to as indirect activity. The funding formula is derived from those funds expended on functions benefiting or serving other programs in the department. The general fund, like the state special revenue and federal state special revenue received from the cost allocation formula, is used to support internal BFSD functions previously mentioned.

Budget Summary by Category

69010 - Department of Public Health & Human Services06-Business & Financial Services Division

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	4,025,458	4,025,458	8,050,916	101.92 %	10,414,264	10,414,264	20,828,528	102.10 %
SWPL Adjustments	202,425	28,121	230,546	2.92 %	523,837	72,745	596,582	2.92 %
PL Adjustments	(10,967)	(11,099)	(22,066)	(0.28)%	(28,380)	(28,721)	(57,101)	(0.28)%
New Proposals	(180,202)	(180,303)	(360,505)	(4.56)%	(483,311)	(483,572)	(966,883)	(4.74)%
Total Budget	\$4,036,714	\$3,862,177	\$7,898,891		\$10,426,410	\$9,974,716	\$20,401,126	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	49,851	6,498	72,621	128,970	0.00	54,670	7,126	79,642	141,438
DP 2 - Fixed Costs	0.00	167,372	21,828	243,952	433,152	0.00	(11,833)	(1,543)	(17,246)	(30,622)
DP 3 - Inflation Deflation	0.00	(14,798)	(1,929)	(21,558)	(38,285)	0.00	(14,716)	(1,918)	(21,437)	(38,071)
DP 53 - SWPL Fixed Costs Reductions	0.00	(10,967)	(1,430)	(15,983)	(28,380)	0.00	(11,099)	(1,447)	(16,175)	(28,721)
Grand Total All Present Law Adjustments	0.00	\$191,458	\$24,967	\$279,032	\$495,457	0.00	\$17,022	\$2,218	\$24,784	\$44,024

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(32,250)	(4,204)	(46,981)	(83,435)	0.00	(32,351)	(4,217)	(47,128)	(83,696)
DP 555 - Appropriation Rebase	0.00	(147,952)	(24,012)	(227,912)	(399,876)	0.00	(147,952)	(24,012)	(227,912)	(399,876)
Total	0.00	(\$180,202)	(\$28,216)	(\$274,893)	(\$483,311)	0.00	(\$180,303)	(\$28,229)	(\$275,040)	(\$483,572)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	26,193,975	26,822,269	628,294	2.40 %
Operating Expenses	21,926,297	21,262,043	(664,254)	(3.03)%
Equipment & Intangible Assets	433,482	433,482	0	0.00 %
Grants	45,981,948	44,463,092	(1,518,856)	(3.30)%
Benefits & Claims	31,203,757	32,032,572	828,815	2.66 %
Transfers	960,200	950,200	(10,000)	(1.04)%
Total Expenditures	\$126,699,659	\$125,963,658	(\$736,001)	(0.58)%
General Fund	7,776,850	7,799,281	22,431	0.29 %
State/Other Special Rev. Funds	36,050,291	33,761,653	(2,288,638)	(6.35)%
Federal Spec. Rev. Funds	82,872,518	84,402,724	1,530,206	1.85 %
Total Funds	\$126,699,659	\$125,963,658	(\$736,001)	(0.58)%
Total Ongoing	\$126,699,659	\$125,963,658	(\$736,001)	(0.58)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The mission of the Public Health and Safety Division (PHSD) is to improve and protect the health of Montanans by creating conditions for healthy living. The division provides a wide range of public health services to individuals and communities that are aimed at prevention of disease and promotion of health. Services are provided through nearly 500 contracts with a broad range of private and public providers, including local and tribal public health departments, clinics, hospitals, and other community-based organizations. Programs administered by the division include, but are not limited to:

- Clinical and environmental laboratory services;
- Chronic and communicable disease prevention and control;
- Maternal and child public health services;
- Public health emergency preparedness;
- Women, Infants and Children Special Nutrition Program (WIC);
- Food and Consumer Safety; and
- Emergency Medical Services.

Program Highlights

Public Health & Safety Division Major Budget Highlights
<ul style="list-style-type: none"> • Legislative actions impacting PHSD include: <ul style="list-style-type: none"> ◦ The adoption of a \$3.1 million reduction in state special revenue due to a reduction in revenue from the Tobacco Master Settlement ◦ An appropriation of \$350,000 federal authority for the Pregnancy Risk Assessment Monitoring System (PRAMS) ◦ A present law increase of \$1.6 million federal funds for the Ryan White HIV/AIDS Treatment Program

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	181.26	181.26	181.26	181.26	181.26
Personal Services	13,012,540	12,808,978	13,384,997	13,388,946	13,433,323
Operating Expenses	13,801,602	10,861,667	11,064,630	10,624,438	10,637,605
Equipment & Intangible Assets	105,481	216,741	216,741	216,741	216,741
Grants	19,319,920	23,156,776	22,825,172	22,231,546	22,231,546
Benefits & Claims	14,142,640	15,601,714	15,602,043	16,016,286	16,016,286
Transfers	452,884	485,100	475,100	475,100	475,100
Total Expenditures	\$60,835,067	\$63,130,976	\$63,568,683	\$62,953,057	\$63,010,601
General Fund	3,849,011	3,859,832	3,917,018	3,898,715	3,900,566
State/Other Special Rev. Funds	17,426,179	17,775,611	18,274,680	16,871,816	16,889,837
Federal Spec. Rev. Funds	39,559,877	41,495,533	41,376,985	42,182,526	42,220,198
Total Funds	\$60,835,067	\$63,130,976	\$63,568,683	\$62,953,057	\$63,010,601
Total Ongoing	\$60,835,067	\$63,130,976	\$63,568,683	\$62,953,057	\$63,010,601
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The legislature made several changes to the PHSD budget, including the adoption of a present law adjustment for the Ryan White HIV/AIDS Treatment Program for case management, medication, and insurance premium support. This increase is \$1.6 million in federal authority over the biennium. The legislature adopted a 6% vacancy savings rate across DPHHS, including PHSD. A reduction in available funds from the Tobacco Master Settlement led the legislature to reduce the PHSD biennial appropriation by \$3.1 million in state special revenue. Finally, these actions included the authorization of \$350,000 in federal special revenue over the biennium for the Pregnancy Risk Assessment Monitoring System (PRAMS), funds that will be used to develop public health programs for pregnant women and infants.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 07-Public Health & Safety Div					
Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,799,281	0	0	7,799,281	6.00 %
02199 DHES Food & Consumer	13,928	0	0	13,928	0.04 %
02366 Public Health Laboratory	7,015,698	0	0	7,015,698	20.78 %
02379 02 Indirect Activity Prog 07	846,367	0	0	846,367	2.51 %
02419 Vital Statistics	855,769	0	0	855,769	2.53 %
02462 Food/Lodging License	2,305,168	0	0	2,305,168	6.83 %
02512 BRFS SURVEY FEES	116,052	0	0	116,052	0.34 %
02765 Insurance Policies Fees SB278	2,578,817	0	0	2,578,817	7.64 %
02772 Tobacco Hlth and Medicaid Init	51,338	0	0	51,338	0.15 %
02773 Childrens Special Health Svc.	926,474	0	0	926,474	2.74 %
02790 6901-Statewide Tobacco Sttimnt	17,107,948	0	0	17,107,948	50.67 %
02987 Tobacco Interest	1,944,094	0	0	1,944,094	5.76 %
State Special Total	\$33,761,653	\$0	\$0	\$33,761,653	25.96 %
03139 PPHF Immunization Capacity	0	0	0	0	0.00 %
03146 10.577 WIC BF PEER COUNSELING	416,580	0	0	416,580	0.47 %
03159 Tuberculosis Grant	339,716	0	0	339,716	0.38 %
03203 Strengthen PHI Component I	1,868	0	0	1,868	0.00 %
03246 WIC Admin	10,311,470	0	0	10,311,470	11.65 %
03273 Primary Care Services	322,622	0	0	322,622	0.36 %
03274 Ryan White Act - Title II	1,713,157	0	0	1,713,157	1.94 %
03275 Adult Viral Hepatitis Prevent	44,284	0	0	44,284	0.05 %
03310 ACA MDCD INCNT FOR PREV OF CD	223,780	0	0	223,780	0.25 %
03328 Afford Care Act MIECHVP Frmla	2,032,530	0	0	2,032,530	2.30 %
03574 Title X Hlth Enroll Assist	0	0	0	0	0.00 %
03575 School Health Program - Basic	1,055,436	0	0	1,055,436	1.19 %
03596 03 Indirect Activity Prog 07	2,317,426	0	0	2,317,426	2.62 %
03602 BRFS Program	919,437	0	0	919,437	1.04 %
03603 PHEP Suppl. for Ebola Prep #2	0	0	0	0	0.00 %
03606 ELC Ebola Supplement	0	0	0	0	0.00 %
03607 Tobacco Control Program	1,502,780	0	0	1,502,780	1.70 %
03610 Hospital Preparedness Ebola	0	0	0	0	0.00 %
03612 WIC Infrastructure Breastfeed	0	0	0	0	0.00 %
03668 WIC Infrastructure Participant	0	0	0	0	0.00 %
03690 6901-Rape Prev & Educ 93.126	401,452	0	0	401,452	0.45 %
03711 6901-Breast & Cervical Cancer	66,042	0	0	66,042	0.07 %
03712 6901-Cancer Registries 93.283	517,357	0	0	517,357	0.58 %
03713 6901-WIC Farmer Market 10.572	104,344	0	0	104,344	0.12 %
03788 MT Disability & Health	600,834	0	0	600,834	0.68 %
03796 ACA-MIECHV- Expansion	0	0	0	0	0.00 %
03822 Tobacco Control	64,308	0	0	64,308	0.07 %
03334 ACA Community Transformation	12,062	0	0	12,062	0.01 %
03336 Food Inspection Program	186,140	0	0	186,140	0.21 %
03346 Highway Safety/EMS Cont	0	0	0	0	0.00 %
03362 Data Integration	191,422	0	0	191,422	0.22 %
03363 Mgmt Leadership Coordination	58,022	0	0	58,022	0.07 %
03366 EMSC SPROC	402,696	0	0	402,696	0.46 %
03371 Improving Arthritis Outcomes	816,061	0	0	816,061	0.92 %
03380 C&Y wSpecial Health Care Needs	150,152	0	0	150,152	0.17 %
03392 Colorectal Cancer Screening	1,367,658	0	0	1,367,658	1.55 %
03402 Addressing Asthma	753,694	0	0	753,694	0.85 %
03415 Breast and Cervical Health	4,212,986	0	0	4,212,986	4.76 %
03420 Early Hearing Deficit Intrv	274,298	0	0	274,298	0.31 %
03451 69010-CDP for BRFS	6,670	0	0	6,670	0.01 %
03535 WIC EBT Implementation	0	0	0	0	0.00 %
03540 Ryan White Treatment Rebate	1,591,502	0	0	1,591,502	1.80 %
03541 State Loan Repayment Program	144,228	0	0	144,228	0.16 %
03551 Preventive Health Block Grant	1,892,996	0	0	1,892,996	2.14 %
03569 ACA-ELC Non-PPHF	846,021	0	0	846,021	0.96 %
03004 EMS Data Injury	220,840	0	0	220,840	0.25 %
03014 MT Retail Food Academy	114,000	0	0	114,000	0.13 %
03020 PH Workforce Development	0	0	0	0	0.00 %
03026 Family Planning Title X	11,224	0	4,083,407	4,094,631	4.63 %
03027 WIC (Women Infants & Children)	19,900,358	0	0	19,900,358	22.49 %
03030 Health Prevention & Services	8,138	0	0	8,138	0.01 %
03031 Maternal & Child Health	4,556,455	0	0	4,556,455	5.15 %
03057 Newborn Hearing Screening	510,961	0	0	510,961	0.58 %
03823 Oral Health Workforce	700,592	0	0	700,592	0.79 %
03827 Personal Resp Education Prgm	350,242	0	0	350,242	0.40 %

03829 PUB HLTH DIAB-HRTD-OBES-SCHLTH	2,919,110	0	0	2,919,110	3.30 %
03903 Emergency Preparedness	7,931,728	0	0	7,931,728	8.96 %
03904 Bioterr. Hospital Preparedness	1,841,006	0	0	1,841,006	2.08 %
03929 Seroprevalence/Surveillance	230,364	0	0	230,364	0.26 %
03933 Affordable Care Act ELC	1,208,508	0	0	1,208,508	1.37 %
03936 Vaccination Program	2,347,177	0	0	2,347,177	2.65 %
03937 STD Program	644,922	0	0	644,922	0.73 %
03938 Aids Fed. Cat. #13.118	1,985,828	0	0	1,985,828	2.24 %
03969 Ryan White ADAP Shortfall	2,135,280	0	0	2,135,280	2.41 %
03979 69010 Comprehnsv Cancer Contrl	573,960	0	0	573,960	0.65 %
03104 DLI MOU Adult Lead	0	0	0	0	0.00 %
03206 MIECHV - Service Delivery	0	0	0	0	0.00 %
03417 PRAMS Pregnancy Risk Assesment	350,000	0	0	350,000	0.40 %
Federal Special Total	\$84,402,724	\$0	\$4,083,407	\$88,486,131	68.04 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$125,963,658	\$0	\$4,083,407	\$130,047,065	

The 2019 biennium Public Health and Safety Division (PHSD) budget is funded by general fund, state special revenue, and federal funds. There are over 75 funding sources that support PHSD, with the majority being federal categorical grants that fund specific activities. The single largest federal source supports the Women, Infants, and Children (WIC) nutrition program. The major sources of state special revenue are:

- Tobacco settlement funds and tobacco settlement trust fund interest: a reduction in state tobacco settlement funding was adopted by the legislature
- Public health laboratory fees
- Insurance fees for a genetics program (\$1 annually for each Montana resident insured under any individual or group disability or health insurance policy)
- Licensing fees for food manufacturers or food sales establishments (5% of an annual license fee of \$115) and penalties for failure to renew licenses in a timely manner

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	3,917,018	3,917,018	7,834,036	100.45 %	63,568,683	63,568,683	127,137,366	100.93 %
SWPL Adjustments	6,197	11,376	17,573	0.23 %	286,454	347,793	634,247	0.50 %
PL Adjustments	(7,179)	(10,802)	(17,981)	(0.23)%	744,684	741,836	1,486,520	1.18 %
New Proposals	(17,321)	(17,026)	(34,347)	(0.44)%	(1,646,764)	(1,647,711)	(3,294,475)	(2.62)%
Total Budget	\$3,898,715	\$3,900,566	\$7,799,281		\$62,953,057	\$63,010,601	\$125,963,658	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	5,258	238,246	45,314	288,818	0.00	6,709	250,479	76,954	334,142
DP 2 - Fixed Costs	0.00	650	1,550	2,805	5,005	0.00	3,700	5,500	10,693	19,893
DP 3 - Inflation Deflation	0.00	289	(5,707)	(1,951)	(7,369)	0.00	967	(5,324)	(1,885)	(6,242)
DP 53 - SWPL Fixed Costs Reductions	0.00	(7,179)	(17,087)	(30,700)	(54,966)	0.00	(10,802)	(16,040)	(30,972)	(57,814)
DP 7004 - Ryan White Emergency Relief Fund	0.00	0	0	799,650	799,650	0.00	0	0	799,650	799,650
Grand Total All Present Law Adjustments	0.00	(\$982)	\$217,002	\$815,118	\$1,031,138	0.00	\$574	\$234,615	\$854,440	\$1,089,629

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 7004 - Ryan White Emergency Relief Fund -

The legislature adopted a present law increase to maintain existing services for the Ryan White HIV/AIDS Treatment Program. The increase is necessary to accept and spend additional funding for the provision of case management, medications, and support of insurance premiums. This service is funded with 100% federal funds.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(17,321)	(82,971)	(184,577)	(284,869)	0.00	(17,026)	(82,563)	(186,227)	(285,816)
DP 7003 - Pregnancy Risk Assessment Monitoring System (PRAMS)	0.00	0	0	175,000	175,000	0.00	0	0	175,000	175,000
DP 7006 - Adjustment in Tobacco Settlement Funds	0.00	0	(1,536,895)	0	(1,536,895)	0.00	0	(1,536,895)	0	(1,536,895)
Total	0.00	(\$17,321)	(\$1,619,866)	(\$9,577)	(\$1,646,764)	0.00	(\$17,026)	(\$1,619,458)	(\$11,227)	(\$1,647,711)

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 7003 - Pregnancy Risk Assessment Monitoring System (PRAMS) -

The legislature adopted the addition of federal spending authority each year of the 2019 biennium to the Family and Community Health Bureau in the Public Health and Safety Division for the Pregnancy Risk Assessment Monitoring System (PRAMS). The grant will be used to develop public health programs aimed at improving the health of pregnant women and infants.

DP 7006 - Adjustment in Tobacco Settlement Funds -

The legislature adopted a reduction in state special revenue (Statewide Tobacco Settlement funds) each year of the biennium in the Chronic Disease Bureau of the Public Health and Safety Division due to a reduction in revenue from the Tobacco Master Settlement.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	14,555,429	14,258,569	(296,860)	(2.04)%
Operating Expenses	3,216,651	3,355,313	138,662	4.31 %
Equipment & Intangible Assets	6,650	1,050	(5,600)	(84.21)%
Grants	1,184,147	1,169,882	(14,265)	(1.20)%
Total Expenditures	\$18,962,877	\$18,784,814	(\$178,063)	(0.94)%
General Fund	4,989,914	5,000,087	10,173	0.20 %
State/Other Special Rev. Funds	922,760	778,025	(144,735)	(15.69)%
Federal Spec. Rev. Funds	13,050,203	13,006,702	(43,501)	(0.33)%
Total Funds	\$18,962,877	\$18,784,814	(\$178,063)	(0.94)%
Total Ongoing	\$18,962,877	\$18,784,814	(\$178,063)	(0.94)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Quality Assurance Division (QAD) promotes and protects the safety and well-being of people in Montana by providing responsive and independent assessment and monitoring of human services. This includes activities related to licensing, fraud investigations and fair hearings, ensuring federal compliance, and operating the medical marijuana registry.

QAD has field offices in Anaconda, Billings, Bozeman, Great Falls, Havre, Hinsdale, Kalispell, Miles City, and Missoula.

Program Highlights

Quality Assurance Division Major Budget Highlights
<ul style="list-style-type: none"> • The legislature approved approximately \$18.8 million to QAD for the 2019 biennium. This is a slight decrease in comparison to the previous biennium. This decrease is primarily due to a decrease in personal services • As of April 2017, the Medical Marijuana Program state special revenue account had a fund balance of over \$1.6 million, this fund balance is to be used for one-time-only related costs to implement the provisions of SB 333

Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	104.23	104.23	104.23	104.23	104.23
Personal Services	6,778,751	7,137,296	7,418,133	7,118,050	7,140,519
Operating Expenses	1,376,511	1,597,007	1,619,644	1,676,704	1,678,609
Equipment & Intangible Assets	5,577	6,125	525	525	525
Grants	552,107	599,206	584,941	584,941	584,941
Total Expenditures	\$8,712,946	\$9,339,634	\$9,623,243	\$9,380,220	\$9,404,594
General Fund	2,415,760	2,420,741	2,569,173	2,496,859	2,503,228
State/Other Special Rev. Funds	498,243	552,424	370,336	388,706	389,319
Federal Spec. Rev. Funds	5,798,943	6,366,469	6,683,734	6,494,655	6,512,047
Total Funds	\$8,712,946	\$9,339,634	\$9,623,243	\$9,380,220	\$9,404,594
Total Ongoing	\$8,712,946	\$9,339,634	\$9,623,243	\$9,380,220	\$9,404,594
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The legislature adopted personal services and operating adjustments, a base reduction and a 6% vacancy savings rate for the 2019 biennium.

Almost \$110,000 of state special revenue authority and almost \$200,000 of federal special revenue authority was added to the 2019 biennium to maintain existing services for the Recovery Audit program. Funds for the Recovery Audit program are used to investigate waste, fraud and abuse within the healthcare system.

SB 333 Discussion

SB 333 was adopted by the 65th Legislature during the 2017 session, this bill revised the Montana Medical Marijuana Act. SB 333 created a sales tax of 4% of provider gross sales in FY 2018 and 2% in subsequent years. The tax is imposed, collected and paid to DPHHS by the product provider on a quarterly basis. DPHHS will incur costs associated with information technology development, implementation and ongoing licensing, and interagency costs associated with collecting the tax revenue. The overall costs associated for the 2019 biennium will be about \$2.3 million state special revenue in FY 2018 and \$.5 million in FY 2019 and about \$717,000 general fund in FY 2018 and \$85,000 in 2019.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 08-Quality Assurance Division						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	5,000,087	0	0	5,000,087	26.62 %	
02034 Earmarked Alcohol Funds	162,638	0	0	162,638	20.90 %	
02043 Med Provider Revalidation Fees	0	0	0	0	0.00 %	
02380 02 Indirect Activity Prog 08	28,954	0	0	28,954	3.72 %	
02497 6901-Lien & Estate - SLTCD	144,445	0	0	144,445	18.57 %	
02566 Medical Marijuana	251,183	0	0	251,183	32.28 %	
02585 Recovery Audit Contract	190,805	0	0	190,805	24.52 %	
02597 Healthy Montana Kids Plan	0	0	0	0	0.00 %	
State Special Total	\$778,025	\$0	\$0	\$778,025	4.14 %	
03251 Child Care Admin	316,866	0	0	316,866	2.44 %	
03303 Title 18 CLIA	309,684	0	0	309,684	2.38 %	
03317 Crib Inspections	0	0	0	0	0.00 %	
03580 6901-93.778 - Med Adm 50%	1,768,306	0	0	1,768,306	13.60 %	
03597 03 Indirect Activity Prog 08	2,614,112	0	0	2,614,112	20.10 %	
03335 FDA Mammography Inspections	60,132	0	0	60,132	0.46 %	
03341 Frontier Community Health	0	0	0	0	0.00 %	
03359 Recovery Audit Program	280,904	0	0	280,904	2.16 %	
03426 CHIP Program Fed	0	0	0	0	0.00 %	
03530 6901-Foster Care 93.658	158,889	0	0	158,889	1.22 %	
03096 Discretionary Child Care	1,969,066	0	0	1,969,066	15.14 %	
03934 Title 19	818,722	0	0	818,722	6.29 %	
03935 Title 18	3,553,651	0	0	3,553,651	27.32 %	
03948 T-19 OBRA Nurse Aid	221,975	0	0	221,975	1.71 %	
03960 Rural Hospital Flexibility Prog	934,395	0	0	934,395	7.18 %	
Federal Special Total	\$13,006,702	\$0	\$0	\$13,006,702	69.24 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$18,784,814	\$0	\$0	\$18,784,814		

The Quality Assurance Division (QAD) is funded primarily with federal funds, accounting for 69.2% of the total. General fund supports 26.6% of program costs with the remaining costs supported by state special revenues. General fund supports some administrative functions, such as program compliance and support services. State special revenue includes alcohol taxes allocated to DPHHS, lien and estate recoveries for Medicaid services, marijuana registry fees, and indirect cost recovery funds. Federal funding is made up of 12 separate sources, including Medicaid administrative funding and indirect activity funds.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	2,569,173	2,569,173	5,138,346	102.77 %	9,623,243	9,623,243	19,246,486	102.46 %
SWPL Adjustments	67,972	74,457	142,429	2.85 %	(147,386)	(122,522)	(269,908)	(1.44)%
PL Adjustments	(89)	(82)	(171)	(0.00)%	153,323	153,307	306,630	1.63 %
New Proposals	(140,197)	(140,320)	(280,517)	(5.61)%	(248,960)	(249,434)	(498,394)	(2.65)%
Total Budget	\$2,496,859	\$2,503,228	\$5,000,087		\$9,380,220	\$9,404,594	\$18,784,814	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	67,484	(30,954)	(185,163)	(148,633)	0.00	73,501	(30,374)	(168,817)	(125,690)
DP 2 - Fixed Costs	0.00	8	3	21	32	0.00	29	12	89	130
DP 3 - Inflation Deflation	0.00	480	(82)	817	1,215	0.00	927	(46)	2,157	3,038
DP 53 - SWPL Fixed Costs Reductions	0.00	(89)	(34)	(239)	(362)	0.00	(82)	(35)	(261)	(378)
DP 8001 - Recovery Audit Contract (Biennial)	0.00	0	54,143	99,542	153,685	0.00	0	54,143	99,542	153,685
Grand Total All Present Law Adjustments	0.00	\$67,883	\$23,076	(\$85,022)	\$5,937	0.00	\$74,375	\$23,700	(\$67,290)	\$30,785

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 8001 - Recovery Audit Contract (Biennial) -

The legislature adopted \$54,143 of state special revenue authority and \$99,542 of federal special revenue authority in each year of the biennium to maintain existing services for the Recovery Audit program in the Quality Assurance Division. This funding provides payment to the recovery audit contractor for an amount of up to 12.5 percent of funds recovered while investigating waste, fraud, and abuse in the healthcare system.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(42,687)	(4,706)	(104,057)	(151,450)	0.00	(42,810)	(4,717)	(104,397)	(151,924)
DP 555 - Appropriation Rebase	0.00	(97,510)	0	0	(97,510)	0.00	(97,510)	0	0	(97,510)
Total	0.00	(\$140,197)	(\$4,706)	(\$104,057)	(\$248,960)	0.00	(\$140,320)	(\$4,717)	(\$104,397)	(\$249,434)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	10,412,992	10,402,893	(10,099)	(0.10)%
Operating Expenses	45,985,715	52,948,157	6,962,442	15.14 %
Equipment & Intangible Assets	418,412	418,412	0	0.00 %
Debt Service	182,532	182,532	0	0.00 %
Total Expenditures	\$56,999,651	\$63,951,994	\$6,952,343	12.20 %
General Fund	23,039,427	24,943,464	1,904,037	8.26 %
State/Other Special Rev. Funds	3,093,897	2,982,817	(111,080)	(3.59)%
Federal Spec. Rev. Funds	30,866,327	36,025,713	5,159,386	16.72 %
Total Funds	\$56,999,651	\$63,951,994	\$6,952,343	12.20 %
Total Ongoing	\$56,999,651	\$63,951,994	\$6,952,343	12.20 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The mission of the Technology Services Division (TSD) is to implement and improve technology that supports the department’s mission to improve and protect the health, well-being, and self-reliance of all Montanans. TSD is comprised of three bureaus that provide a wide range of technology platforms that support DPHHS. The three bureaus are organized in areas of project management, information systems, and network/communication systems. TSD services include programming, help desk functions, database support, web development, enterprise architecture, project and contract management, security, and network management.

Program Highlights

Technology Services Division Major Budget Highlights
<ul style="list-style-type: none"> The legislature approved approximately \$64.0 million to the Technology Services Division for the 2019 biennium. This is a 12.2% increase compared to the previous biennium, due entirely to fixed cost increases in operating expense

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	62.60	62.60	62.60	62.60	62.60
Personal Services	5,377,811	5,099,224	5,313,768	5,190,003	5,212,890
Operating Expenses	22,550,951	23,019,033	22,966,682	26,934,896	26,013,261
Equipment & Intangible Assets	421,679	209,206	209,206	209,206	209,206
Debt Service	0	91,266	91,266	91,266	91,266
Total Expenditures	\$28,350,441	\$28,418,729	\$28,580,922	\$32,425,371	\$31,526,623
General Fund	11,103,306	11,108,314	11,931,113	12,481,891	12,461,573
State/Other Special Rev. Funds	1,673,961	1,692,733	1,401,164	1,492,596	1,490,221
Federal Spec. Rev. Funds	15,573,174	15,617,682	15,248,645	18,450,884	17,574,829
Total Funds	\$28,350,441	\$28,418,729	\$28,580,922	\$32,425,371	\$31,526,623
Total Ongoing	\$28,350,441	\$28,418,729	\$28,580,922	\$32,425,371	\$31,526,623
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The legislature increased fixed operating costs, which will be used for ITSD services, the restructuring of projects and for division flexibility. The majority of the increase is funded from federal revenue authority, which will allow TSD to restructure some of its projects. TSD can take advantage of the A87 cost allocation waiver, which expires on December 31, 2018, for cross-program and enterprise architecture enhancements by restructuring certain projects. Additionally, the legislature adopted federal authority to allow for flexibility in anticipation of the Patient Protection and Affordable Care Act changing. The legislature also increased fixed cost expenditures by approximately \$165,000 for Oracle licensing.

TSD funding increases were partially offset by the following:

- Adoption of an IT Convergence savings program, which will migrate assets to the state data center and other enterprise IT solutions (\$1.2 million)
- Adoption of an additional 2% vacancy savings rate, for a total of 6% vacancy savings (\$221,000)
- Adoption of an appropriation rebase plan (\$2.2 million)

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 09-Technology Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	24,943,464	0	0	24,943,464	39.00 %
02319 DPHHS JP Morgan Settlement	0	0	0	0	0.00 %
02381 02 Indirect Activity Prog 09	2,982,817	0	0	2,982,817	100.00 %
02597 Healthy Montana Kids Plan	0	0	0	0	0.00 %
State Special Total	\$2,982,817	\$0	\$0	\$2,982,817	4.66 %
03580 6901-93.778 - Med Adm 50%	0	0	0	0	0.00 %
03598 03 Indirect Activity Prog 09	36,025,713	0	0	36,025,713	100.00 %
03426 CHIP Program Fed	0	0	0	0	0.00 %
03530 6901-Foster Care 93.658	0	0	0	0	0.00 %
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0.00 %
Federal Special Total	\$36,025,713	\$0	\$0	\$36,025,713	56.33 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$63,951,994	\$0	\$0	\$63,951,994	

The Technology Services Division (TSD) receives general fund, state special revenue, and federal funds through a federally approved cost allocation formula that is generally referred to as indirect activity. The funding formula is derived from those funds expended on functions benefitting or serving other programs in the department.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	11,931,113	11,931,113	23,862,226	95.67 %	28,580,922	28,580,922	57,161,844	89.38 %
SWPL Adjustments	1,148,533	1,160,355	2,308,888	9.26 %	2,645,281	2,670,466	5,315,747	8.31 %
PL Adjustments	(33,004)	(64,910)	(97,914)	(0.39)%	(75,510)	(148,955)	(224,465)	(0.35)%
New Proposals	(564,751)	(564,985)	(1,129,736)	(4.53)%	1,274,678	424,190	1,698,868	2.66 %
Total Budget	\$12,481,891	\$12,461,573	\$24,943,464		\$32,425,371	\$31,526,623	\$63,951,994	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2018-----				-----Fiscal 2019-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(6,262)	(829)	(6,249)	(13,340)	0.00	4,711	623	4,701	10,035
DP 2 - Fixed Costs	0.00	1,155,036	141,682	1,362,663	2,659,381	0.00	1,155,820	141,786	1,363,446	2,661,052
DP 3 - Inflation Deflation	0.00	(241)	(18)	(501)	(760)	0.00	(176)	(9)	(436)	(621)
DP 53 - SWPL Fixed Costs Reductions	0.00	(59,590)	(7,336)	(69,805)	(136,731)	0.00	(109,562)	(13,467)	(128,748)	(251,777)
DP 56 - Oracle License	0.00	26,586	3,261	31,374	61,221	0.00	44,652	5,476	52,694	102,822
Grand Total All Present Law Adjustments	0.00	\$1,115,529	\$136,760	\$1,317,482	\$2,569,771	0.00	\$1,095,445	\$134,409	\$1,291,657	\$2,521,511

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 56 - Oracle License -

The legislature increased funding for Oracle license costs included in the State Information Technology Services Division. The license costs are allocated through fixed cost adjustments.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(51,835)	(6,862)	(51,728)	(110,425)	0.00	(52,069)	(6,886)	(51,958)	(110,913)
DP 555 - Appropriation Rebase	0.00	(512,916)	(38,466)	(553,515)	(1,104,897)	0.00	(512,916)	(38,466)	(553,515)	(1,104,897)
DP 556 - IT Convergence Savings	0.00	0	0	(560,000)	(560,000)	0.00	0	0	(560,000)	(560,000)
DP 932817 - Additional Federal Authority for Technology Services Divis	0.00	0	0	3,050,000	3,050,000	0.00	0	0	2,200,000	2,200,000
Total	0.00	(\$564,751)	(\$45,328)	\$1,884,757	\$1,274,678	0.00	(\$564,985)	(\$45,352)	\$1,034,527	\$424,190

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 556 - IT Convergence Savings -

The legislature approved reductions to agency information technology costs for savings generated by migrating information technology assets to the state data center and other enterprise IT solutions.

DP 932817 - Additional Federal Authority for Technology Services Divis -

The legislature adopted additional federal authority to allow the Technology Services Division to restructure some its projects to take advantage of the A87 cost allocation waiver for cross-program and enterprise architecture enhancements

before the waiver expires on December 31, 2018 and to allow the division additional flexibility in preparing for changes that may come to the Patient Protection and Affordable Care Act.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	39,506,118	35,676,294	(3,829,824)	(9.69)%
Operating Expenses	10,449,688	9,697,264	(752,424)	(7.20)%
Benefits & Claims	554,391,136	563,570,120	9,178,984	1.66%
Debt Service	37,932	0	(37,932)	(100.00)%
Total Expenditures	\$604,384,874	\$608,943,678	\$4,558,804	0.75%
General Fund	186,660,878	182,815,851	(3,845,027)	(2.06)%
State/Other Special Rev. Funds	13,266,315	13,266,580	265	0.00%
Federal Spec. Rev. Funds	404,457,681	412,861,247	8,403,566	2.08%
Total Funds	\$604,384,874	\$608,943,678	\$4,558,804	0.75%
Total Ongoing	\$604,134,874	\$607,743,678	\$3,608,804	0.60%
Total OTO	\$250,000	\$1,200,000	\$950,000	380.00%

Program Description

The Developmental Services Division (DSD) assists Montanans with disabilities and children with mental health needs to live, work, and participate in their communities. The division includes the Developmental Disabilities Program, the Montana Developmental Center, and the Children’s Mental Health Bureau. The division provides or contracts for institutional care, inpatient care, residential services, home and community based services, and case management.

The Developmental Disabilities Program operates three home and community based Medicaid waivers, the state’s Individuals with Disabilities Education Act (IDEA) early intervention program, and the state facility for behavioral treatment at the Montana Developmental Center (MDC) in Boulder. These services include transportation, residential and work habilitation, adaptive equipment, and some medical services not covered by the state Medicaid plan.

The Children’s Mental Health Bureau manages a continuum of services to address the needs of youth with serious emotional disturbance and their families. These services are funded by Medicaid and offered by Medicaid enrolled providers. In addition, the bureau builds linkages to other child serving agencies to support the development of a system of care for youth.

Program Highlights

Developmental Disorders Division Major Budget Highlights	
<ul style="list-style-type: none"> • The total appropriation for the Developmental Services Division is \$609.0 million. This is a 0.8% increase, or \$4.8 million over the 2017 biennium budget, primarily due to an increase in benefits and claims. This growth is tempered by reductions in personal services • The majority of the benefits and claims increase is due to caseload growth in Medicaid services and an increase in children’s mental health benefits • The Montana Developmental Center (MDC) was slated to close at the end of fiscal year 2017 as a result of the 2015 Legislature, however HB 387 revised the laws relating to the closure of MDC • The current appropriation for MDC is \$25.8 million. All funding for MDC is general fund. The legislature restricted funding for MDC, and stipulated the conditions included in HB 639 	

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	295.18	295.18	295.18	295.18	295.18
Personal Services	19,649,195	20,657,628	18,848,490	17,815,223	17,861,071
Operating Expenses	6,065,879	5,715,089	4,734,599	4,842,929	4,854,335
Benefits & Claims	259,126,158	267,999,497	286,391,639	278,780,409	284,789,711
Debt Service	37,932	37,932	0	0	0
Total Expenditures	\$284,879,164	\$294,410,146	\$309,974,728	\$301,438,561	\$307,505,117
General Fund	91,285,650	92,330,617	94,330,261	89,866,735	92,949,116
State/Other Special Rev. Funds	6,632,598	6,633,025	6,633,290	6,633,290	6,633,290
Federal Spec. Rev. Funds	186,960,916	195,446,504	209,011,177	204,938,536	207,922,711
Total Funds	\$284,879,164	\$294,410,146	\$309,974,728	\$301,438,561	\$307,505,117
Total Ongoing	\$284,879,164	\$294,285,146	\$309,849,728	\$300,838,561	\$306,905,117
Total OTO	\$0	\$125,000	\$125,000	\$600,000	\$600,000

Program Narrative

The Developmental Services Division increased slightly (0.8%) compared to the 2017 biennium due to an increase in benefits and claims. Medicaid benefits and claims were increased due to anticipated caseload growth.

Children’s mental health benefits and claims have increased significantly largely due to the adoption of a one-time-only youth mental health crisis diversion. The legislature adopted \$.6 million general fund each year of the biennium to continue efforts funded by the 2015 Legislature in accordance with HB 47 for youth mental health crisis diversion. This proposal is for one-time-only funds and therefore will not become part of the 2019 base

The increase in benefits and claims was slightly tempered by a decrease in personal services, mostly due to the adoption of 6% vacancy savings rate, the transfer of 27.5 FTE out of MDC to the Director’s Office, the Technology Services Division,

and the Child and Family Services Division by DPHHS during the 2017 biennium, and by a reduction to the reimbursement rate for physicians and practitioners in the Medicaid program.

HB 387 and Senate Bill 411 General Discussion:

Senate Bill 411 was approved by the 64th Legislature during the 2015 session and mandated the closure of the Montana Developmental Center (MDC). MDC is a state operated facility providing 24 hour care for people with serious developmental disabilities. Clients served in the facility include forensic, civil, emergency, and voluntary commitments.

The census of MDC in the 2017 biennium peaked at 56 individuals, compared to over 1,000 served in the 1960's. With the deinstitutionalization movement occurring in the 1970's and reform during the last 20 years, there has been a major shift to allow people with intellectual disabilities to be served in community based settings. SB 411 supported this movement by closing MDC and transferring clients to community homes around the state. As of April 2017, the census was 23 at MDC, with up to 12 of those 23 residing in the secure Assessment and Stabilization Unit (ASU).

HB 387 was approved by the 65th Legislature during the 2017 session, and revised the laws relating to the closure of MDC extending the closure deadline to the end of fiscal year 2019. This also allows for the establishment of a 12-bed Intensive Behavior Center (IBC) as a new service for individuals with a developmental disability who are in need of intensive treatment. Individuals not residing in the IBC will be moved from MDC into community-based services.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 10-Developmental Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	182,815,851	0	0	182,815,851	29.92 %	
02035 MDC Vocational	598	0	0	598	0.00 %	
02053 Medicaid IGT's	0	0	0	0	0.00 %	
02310 MDC Bond Repayment Revenue	0	0	2,000,000	2,000,000	13.10 %	
02497 6901-Lien & Estate - SLTCD	0	0	0	0	0.00 %	
02597 Healthy Montana Kids Plan	2,309,508	0	0	2,309,508	15.13 %	
02772 Tobacco Hlth and Medicaid Init	9,366,384	0	0	9,366,384	61.35 %	
02987 Tobacco Interest	1,590,090	0	0	1,590,090	10.42 %	
02990 69010-Nursing Home Utilization	0	0	0	0	0.00 %	
State Special Total	\$13,266,580	\$0	\$2,000,000	\$15,266,580	2.50 %	
03579 93.667 - SSBG - Benefits	9,668,048	0	0	9,668,048	2.34 %	
03580 6901-93.778 - Med Adm 50%	7,315,516	0	0	7,315,516	1.77 %	
03582 93.778 - Med Ben 100%	0	0	0	0	0.00 %	
03583 93.778 - Med Ben Fmap	387,272,210	0	0	387,272,210	93.80 %	
03599 03 Indirect Activity Prog 10	5,443,635	0	0	5,443,635	1.32 %	
03705 SAMHSA Treatment Enhancement	0	0	0	0	0.00 %	
03520 MT Capacity Building Project	0	0	0	0	0.00 %	
03556 84.181 - Part H - Early Interv	3,161,838	0	0	3,161,838	0.77 %	
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0.00 %	
03975 Medicaid Exp HELP Act Benefit	0	0	0	0	0.00 %	
Federal Special Total	\$412,861,247	\$0	\$0	\$412,861,247	67.58 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$608,943,678	\$0	\$2,000,000	\$610,943,678		

The division is organized and funded by three major programs:

- Children’s Mental Health Bureau (CMHB) - CMHB is responsible for providing mental health services for youth enrolled in Medicaid. It is funded almost entirely with federal Medicaid funds and associated matching state funds at the Federal Medical Assistance Program (FMAP) rate. Also administered under CMHB is the Children's Mental Health School Based Services (CMHSBS), which provides school based mental health services for seriously emotional disturbed youth (SED). Funding for CMHSBS is provided by Medicaid federal dollars matched by local school district funds
- Montana Developmental Center (MDC) - MDC is the State of Montana facility for seriously developmentally disabled persons. MDC is the institution of last resort for civil and criminal commitments. MDC is entirely funded with general fund, however eligible services are billed to Medicaid at the federal match and captured into the Medicaid Services Program. The program requires bond payments be made first for MDC with the remaining balance returned to the general fund. The IBC is not eligible for Medicaid reimbursement. As mentioned, MDC is slated for closure at the end of FY 2019 and only the IBC will remain open. Individuals formally in the center will be served under Medicaid if eligible using the standard FMAP rate and matched with state funding
- Developmental Disabilities Program (DDP) - DDP contracts with private and non-profit organizations to provide services to individuals with developmental disabilities. DDP is funded mostly with federal Medicaid funds and associated matching state funds at the FMAP rate. DDP also receives funding from federal Social Services block grants

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	94,205,261	94,205,261	188,410,522	103.06 %	309,849,728	309,849,728	619,699,456	101.77 %
SWPL Adjustments	231,348	276,548	507,896	0.28 %	(542,849)	(484,367)	(1,027,216)	(0.17)%
PL Adjustments	(4,831,267)	(1,762,897)	(6,594,164)	(3.61)%	(7,936,423)	(1,858,366)	(9,794,789)	(1.61)%
New Proposals	261,393	230,204	491,597	0.27 %	68,105	(1,878)	66,227	0.01 %
Total Budget	\$89,866,735	\$92,949,116	\$182,815,851		\$301,438,561	\$307,505,117	\$608,943,678	

Present Law Adjustments

The “Present Law Adjustments” table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. “Statewide Present Law” adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	119,153	0	(775,271)	(656,118)	0.00	154,084	0	(763,381)	(609,297)
DP 2 - Fixed Costs	0.00	141,619	0	268	141,887	0.00	141,403	0	1,068	142,471
DP 3 - Inflation Deflation	0.00	(29,424)	0	806	(28,618)	0.00	(18,939)	0	1,398	(17,541)
DP 53 - SWPL Fixed Costs Reductions	0.00	(1,970)	0	(2,969)	(4,939)	0.00	(2,080)	0	(3,114)	(5,194)
DP 1001 - MED CORE DSD B SUBCOMMITTEE	0.00	850,681	0	6,785,702	7,636,383	0.00	3,894,259	0	11,714,277	15,608,536
DP 1002 - MED WAIVER DSD B SUBCOMMITTEE	0.00	(5,679,978)	0	(3,179,758)	(8,859,736)	0.00	(5,655,076)	0	(4,201,077)	(9,856,153)
DP 1003 - MED FED DSD B SUBCOMMITTEE	0.00	0	0	(6,708,131)	(6,708,131)	0.00	0	0	(7,605,555)	(7,605,555)
Grand Total All Present Law Adjustments	0.00	(\$4,599,919)	\$0	(\$3,879,353)	(\$8,479,272)	0.00	(\$1,486,349)	\$0	(\$856,384)	(\$2,342,733)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 1001 - MED CORE DSD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 1002 - MED WAIVER DSD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 1003 - MED FED DSD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted DPHHS federal Medicaid caseload estimates.

New Proposals

The “New Proposals” table shows new changes to expenditures.

New Proposals	Fiscal 2018					Fiscal 2019				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(293,037)	0	(84,112)	(377,149)	0.00	(293,764)	0	(84,358)	(378,122)
DP 555 - Appropriation Rebase	0.00	(1,100,000)	0	0	(1,100,000)	0.00	(1,100,000)	0	0	(1,100,000)
DP 5552 - Reinstate Executive Reduction/DD Benefits in DP 555	0.00	1,100,000	0	0	1,100,000	0.00	1,100,000	0	0	1,100,000
DP 10100 - Youth Crisis Diversion (OTO)	0.00	600,000	0	0	600,000	0.00	600,000	0	0	600,000
DP 10109 - Montana Developmental Center (RST)	0.00	0	0	0	0	0.00	0	0	0	0
DP 11997 - Physician CPI Adjustment - Medicaid	0.00	(28,407)	0	(68,058)	(96,465)	0.00	(66,954)	0	(130,086)	(197,040)
DP 119972 - Physician CPI Additional Adjustment - Section E Inflation	0.00	(17,163)	0	(41,118)	(58,281)	0.00	(9,078)	0	(17,638)	(26,716)
Total	0.00	\$261,393	\$0	(\$193,288)	\$68,105	0.00	\$230,204	\$0	(\$232,082)	(\$1,878)

***Total Funds** amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 5552 - Reinstate Executive Reduction/DD Benefits in DP 555 -

The legislature adopted action to reinstate Developmental Disabilities benefits reduced in DP 555.

DP 10100 - Youth Crisis Diversion (OTO) -

The legislature adopted \$600,000 general fund each year of the biennium to continue efforts funded by the 2015 Legislature in accordance with HB 47 for Youth Mental Health Crisis Diversion. This proposal is for one time only funds and therefore will not become part of the 2019 base.

DP 10109 - Montana Developmental Center (RST) -

The legislature restricted funding for the Montana Developmental Center. Specific restrictions and conditions will be included in HB 639.

DP 11997 - Physician CPI Adjustment - Medicaid -

The legislature adopted a reduction of total funds over the biennium for physicians and other practitioners in the Medicaid program, whose current reimbursement rates are tied to the consumer price index for medical care for the previous year as calculated by the Bureau of Labor Statistics of the United States Department of Labor.

DP 119972 - Physician CPI Additional Adjustment - Section E Inflation -

The legislature adopted an adjustment to the Medicaid physician provider rate increase based on the inflation figures applied in Section E. This change will require companion legislation to HB 2 for implementation, and will be included in HB 639.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	7,443,320	7,678,814	235,494	3.16 %
Operating Expenses	20,911,447	21,058,929	147,482	0.71 %
Benefits & Claims	1,512,874,822	1,506,663,580	(6,211,242)	(0.41)%
Total Expenditures	\$1,541,229,589	\$1,535,401,323	(\$5,828,266)	(0.38)%
General Fund	298,821,410	335,487,979	36,666,569	12.27 %
State/Other Special Rev. Funds	152,225,290	143,807,011	(8,418,279)	(5.53)%
Federal Spec. Rev. Funds	1,090,182,889	1,056,106,333	(34,076,556)	(3.13)%
Total Funds	\$1,541,229,589	\$1,535,401,323	(\$5,828,266)	(0.38)%
Total Ongoing	\$1,541,229,589	\$1,535,401,323	(\$5,828,266)	(0.38)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Health Resources Division (HRD) administers Medicaid primary care services, Healthy Montana Kids (Medicaid and Children's Health Insurance Program services for children in low-income families), and Big Sky Rx. Additionally, a majority of the expenditures associated with the Montana Health and Economic Livelihood Partnership (HELP) Act happen within HRD, though these expenditures are statutorily appropriated and not reflected in HB 2.

The division reimburses private and public providers for a wide range of preventive, primary, and acute care services. The major service providers include: physicians, public health departments, clinics, hospitals, dentists, pharmacies, durable medical equipment providers, and mental health providers. The division develops tools, measurements, and reports necessary to allow division management to administer and control programs and expenditures in the division, and to report those results in an accurate and timely manner to others. The majority of services in the division are funded through Medicaid. Medicaid is a voluntary state/federal partnership that reimburses for medical services for the aged, blind, disabled, children, and low income adults and families.

The division administers Healthy Montana Kids (HMK) as a separate health insurance program and contracts with Blue Cross Blue Shield to provide third party administrator services. HMK dental and eyeglasses benefits are reimbursed directly by the department. HMK is a voluntary state/federal partnership that reimburses for medical services for children at or below 261% the federal poverty level.

The Montana Health and Economic Livelihood Partnership (HELP Act) Plan is administered by the division to provide Medicaid coverage to Montanans whose income is below 138% of the federal poverty level. Blue Cross and Blue Shield of Montana was selected as a third-party administrator for the program, and is responsible for the administration of approximately one-third of the participants. Big Sky Rx is a state funded program that helps Montanans at or below 200% of poverty and who are eligible for the Medicare Part D prescription drug program pay for their Medicare premium. Big Sky Rx eligibility is determined by division staff. A related program, PharmAssist, pays for prescription drug counseling by a pharmacist and provides drug information and technical assistance to all Montanans.

HRD has the largest budget of any DPHHS program. The total DPHHS HB 2 budget for the 2019 biennium is \$4,422 million, and HRD accounts for \$1,712 million of this total.

Program Highlights

DPHHS Health Resources Division Major Budget Highlights
<ul style="list-style-type: none"> • Legislative actions impacting HRD include: <ul style="list-style-type: none"> ◦ Making Medicaid caseload adjustments in order to fund Medicaid services at the anticipated level ◦ Adopting additional federal authority for HRD to fund caseload growth in the Healthy Montana Kids program ◦ Making adjustments to the Medicaid reimbursement rate inflation calculation for physicians and other practitioners ◦ Making the 100% federal funds appropriation for Indian Health Services Medicaid benefits a statutory appropriation

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	51.62	51.62	51.62	51.62	51.62
Personal Services	3,154,837	3,525,526	3,917,794	3,833,182	3,845,632
Operating Expenses	9,862,364	10,557,678	10,353,769	10,504,228	10,554,701
Benefits & Claims	707,556,877	727,991,988	784,882,834	733,062,207	773,601,373
Total Expenditures	\$720,574,078	\$742,075,192	\$799,154,397	\$747,399,617	\$788,001,706
General Fund	138,195,928	145,104,488	153,716,922	164,737,397	170,750,582
State/Other Special Rev. Funds	74,211,676	74,781,146	77,444,144	72,073,696	71,733,315
Federal Spec. Rev. Funds	508,166,474	522,189,558	567,993,331	510,588,524	545,517,809
Total Funds	\$720,574,078	\$742,075,192	\$799,154,397	\$747,399,617	\$788,001,706
Total Ongoing	\$720,574,078	\$742,075,192	\$799,154,397	\$747,399,617	\$788,001,706
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The legislature made several significant changes to the HRD budget, including making appropriations for Medicaid services in HRD based on the LFD estimates for general fund Medicaid service expenditures and DPHHS estimates for state special revenue and federal special revenue Medicaid service expenditures. The legislature then added back one-third of the difference between the LFD general fund estimate and the higher DPHHS general fund estimate to HRD. Another change was the legislative adoption of a present law adjustment for caseload growth in Healthy Montana Kids (reduction of \$70,000 general fund, reduction of \$7.1 million state special revenue, and an increase of \$14.4 million in federal funds). Vacancy savings for HRD was set at 6% by the legislature. Two adjustments to Medicaid practitioner reimbursement growth rates were made. The inflation rate for Medicaid practitioner reimbursement growth rates is based on the inflation figures adopted by the legislature for K-12 education. Finally, the 100% federal funds appropriation for Indian Health Services (IHS) Medicaid benefits was changed to a statutory appropriation.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 11-Health Resource Division						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	335,487,979	0	12,541,870	348,029,849	15.78 %	
02043 Med Provider Revalidation Fees	0	0	0	0	0.00 %	
02053 Medicaid IGT's	288,110	0	0	288,110	0.20 %	
02142 Medicaid Third Party Revenue	1,604,792	0	0	1,604,792	1.12 %	
02164 MT Univ System Grad Med Ed	0	0	0	0	0.00 %	
02311 02 Indirect Activity Prog 11	87,691	0	0	87,691	0.06 %	
02585 Recovery Audit Contract	1,000,000	0	0	1,000,000	0.70 %	
02597 Healthy Montana Kids Plan	56,092,270	0	0	56,092,270	39.01 %	
02772 Tobacco Hlth and Medicaid Init	29,256,721	0	0	29,256,721	20.34 %	
02789 6901-CHIP/MCHA Tobacco Sett Fd	2,380,343	0	0	2,380,343	1.66 %	
02987 Tobacco Interest	5,974,450	0	0	5,974,450	4.15 %	
02989 69010-Hospital Utilization Fee	47,122,634	0	0	47,122,634	32.77 %	
State Special Total	\$143,807,011	\$0	\$0	\$143,807,011	6.52 %	
03580 6901-93.778 - Med Adm 50%	13,916,248	0	0	13,916,248	0.81 %	
03582 93.778 - Med Ben 100%	(25,063,397)	0	176,929,463	151,866,066	8.86 %	
03583 93.778 - Med Ben Fmap	835,212,365	0	0	835,212,365	48.73 %	
03611 03 Indirect Activity Prog 11	1,260,457	0	652,336	1,912,793	0.11 %	
03426 CHIP Program Fed	230,780,660	0	0	230,780,660	13.47 %	
03127 Adult Quality Grant	0	0	0	0	0.00 %	
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0.00 %	
03975 Medicaid Exp HELP Act Benefit	0	0	463,691,938	463,691,938	27.06 %	
03977 Med Exp HELP Act Indian Health	0	0	16,495,060	16,495,060	0.96 %	
Federal Special Total	\$1,056,106,333	\$0	\$657,768,797	\$1,713,875,130	77.70 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,535,401,323	\$0	\$670,310,667	\$2,205,711,990		

The 2019 biennium Health Resources Division (HRD) HB 2 budget is funded by general fund, state special revenue, and federal funds. General fund pays for the state Medicaid match, state CHIP match, and Medicare buy-in. The 2017 Legislature made the 100% federal appropriation for Indian Health Services Medicaid benefits a statutory appropriation. Functions supported by state special revenue sources and the major sources of funds are:

State Medicaid match

- Hospital utilization fee (\$50 per day assessed for each day of an inpatient stay)
- Tobacco revenue from the health and Medicaid initiatives account
- Insurance tax proceeds allocated to the HMK account
- Tobacco settlement trust fund interest

State CHIP match

- Insurance tax proceeds allocated to the HMK account
- Tobacco state special revenue from the health and Medicaid initiatives account
- Tobacco settlement funds
- Tobacco settlement trust fund interest

Big Sky Rx (premium assistance for low-income persons to purchase Medicare Part D drug coverage)

- Tobacco revenue from the health and Medicaid initiatives account

Federal funding sources include:

- Federal Medicaid matching funds: some at a 50% match (Medicaid program administration), some at 100% (IHS), and some at the standard FMAP rate (about 65% depending on the year)
- Federal CHIP matching funds (98.9% in FY 2017)
- Federal Medicaid 100% funds: some Medicaid benefits (like Indian Health Services) are funded with 100% federal dollars

HELP Act expenditures in HRD are funded with statutory appropriations in the 2019 biennium.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	153,716,922	153,716,922	307,433,844	91.64 %	799,154,397	799,154,397	1,598,308,794	104.10 %
SWPL Adjustments	73,918	80,840	154,758	0.05 %	(4,479)	12,473	7,994	0.00 %
PL Adjustments	10,625,786	19,085,591	29,711,377	8.86 %	35,273,560	91,083,909	126,357,469	8.23 %
New Proposals	320,771	(2,132,771)	(1,812,000)	(0.54)%	(87,023,861)	(102,249,073)	(189,272,934)	(12.33)%
Total Budget	\$164,737,397	\$170,750,582	\$335,487,979		\$747,399,617	\$788,001,706	\$1,535,401,323	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	73,335	(65,029)	(11,361)	(3,055)	0.00	78,570	(64,643)	(4,267)	9,660
DP 2 - Fixed Costs	0.00	562	170	682	1,414	0.00	2,236	675	2,711	5,622
DP 3 - Inflation Deflation	0.00	21	(2,885)	26	(2,838)	0.00	34	(2,885)	42	(2,809)
DP 53 - SWPL Fixed Costs Reductions	0.00	(6,201)	(1,860)	(7,539)	(15,600)	0.00	(6,526)	(1,958)	(7,917)	(16,401)
DP 1101 - MED CORE HRD B SUBCOMMITTEE	0.00	2,394,666	(1,904,546)	13,776,068	14,266,188	0.00	9,893,476	(1,904,546)	47,659,117	55,648,047
DP 1103 - MED FED HRD B SUBCOMMITTEE	0.00	0	0	12,902,615	12,902,615	0.00	0	0	18,841,374	18,841,374
DP 1104 - MED OTHER HRD B SUBCOMMITTEE	0.00	5,953,381	0	0	5,953,381	0.00	7,922,434	0	0	7,922,434
DP 1199 - MED B SUBCOMMITTEE HRD GF ADJ.	0.00	2,318,940	0	0	2,318,940	0.00	1,311,207	0	0	1,311,207
DP 11004 - HMK Caseload HRD	0.00	(35,000)	(3,395,782)	3,278,818	(151,964)	0.00	(35,000)	(3,742,603)	11,154,851	7,377,248
Grand Total All Present Law Adjustments	0.00	\$10,699,704	(\$5,369,932)	\$29,939,309	\$35,269,081	0.00	\$19,166,431	(\$5,715,960)	\$77,645,911	\$91,096,382

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 1101 - MED CORE HRD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 1103 - MED FED HRD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 1104 - MED OTHER HRD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 1199 - MED B SUBCOMMITTEE HRD GF ADJ. -

The legislature adopted a general fund increase based on one-third of the difference between LFD and DPHHS general fund Medicaid caseload estimates. This increase is for Medicaid services and with the intent that the department may allocate this appropriation across the four Medicaid divisions as deemed necessary.

DP 11004 - HMK Caseload HRD -

The legislature adopted a present law adjustment for Healthy Montana Kids caseload growth in the Health Resources Division. This adjustment covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This change package is \$7.2 million in total funds. The biennial funding is a reduction of \$70,000 in general fund, a reduction of \$7.1 million in state special revenue, and an increase of \$14.4 million in federal funds.

New Proposals

The “New Proposals” table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(32,728)	(3,388)	(45,441)	(81,557)	0.00	(32,837)	(3,383)	(45,602)	(81,822)
DP 555 - Appropriation Rebase	0.00	(2,674,292)	0	(5,079,526)	(7,753,818)	0.00	(2,674,292)	0	(5,079,526)	(7,753,818)
DP 11328 - Medicaid Caseload Contingency	0.00	5,300,000	0	0	5,300,000	0.00	3,300,000	0	0	3,300,000
DP 11555 - Reinstate Medicaid DME/Incont. Reduced in DP 555	0.00	1,324,305	0	2,515,373	3,839,678	0.00	1,324,305	0	2,515,373	3,839,678
DP 11997 - Physician CPI Adjustment - Medicaid	0.00	(447,877)	0	(1,048,984)	(1,496,861)	0.00	(1,031,976)	0	(2,005,036)	(3,037,012)
DP 110103 - Indian Health Services HB 2 Reduction	0.00	0	0	(82,373,231)	(82,373,231)	0.00	0	0	(94,556,232)	(94,556,232)
DP 119972 - Physician CPI Additional Adjustment - Section E Inflation	0.00	(270,592)	0	(633,761)	(904,353)	0.00	(139,926)	0	(271,864)	(411,790)
DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22	0.00	(2,878,045)	0	(678,546)	(3,556,591)	0.00	(2,878,045)	0	(678,546)	(3,556,591)
Total	0.00	\$320,771	(\$3,388)	(\$87,344,116)	(\$87,026,733)	0.00	(\$2,132,771)	(\$3,383)	(\$100,121,433)	(\$102,257,587)

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 11328 - Medicaid Caseload Contingency -

The legislature adopted contingent Medicaid caseload general fund authority for the Health Resources Division. This authority is contingent according to the conditions detailed in HB 639.

DP 11555 - Reinstate Medicaid DME/Incont. Reduced in DP 555 -

The legislature reinstated Medicaid Durable Medical Equipment (DME)/Incontinence supply provider rates reduced in DP 555.

DP 11997 - Physician CPI Adjustment - Medicaid -

The legislature adopted a reduction of \$4.5 million total funds over the biennium for physicians and other practitioners in the Medicaid program, whose current reimbursement rates are tied to the consumer price index for medical care for the previous year as calculated by the Bureau of Labor Statistics of the United States Department of Labor.

DP 110103 - Indian Health Services HB 2 Reduction -

The legislature adopted HB 639 which contained a statutory appropriation for Indian health services and tribal health services funding, this decreased the HB 2 federal fundinf for the health resources division in fiscal year 2018 and fiscal year 2019.

DP 119972 - Physician CPI Additional Adjustment - Section E Inflation -

The legislature adopted an adjustment to the Medicaid physician provider rate increase based on the inflation figures applied in Section E. This change will require companion legislation to HB 2 for implementation, and will be included in HB 639.

DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22 -

The legislature reallocated funds from the Health Resources Division to the Disability Employment and Transitions Division, Child and Family Services Division, the Director's Office, and the Senior and Long-Term Care Division.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	963,715	998,089	34,374	3.57 %
Operating Expenses	22,295,858	22,555,452	259,594	1.16 %
Grants	13,578,124	14,078,124	500,000	3.68 %
Total Expenditures	\$36,837,697	\$37,631,665	\$793,968	2.16 %
General Fund	4,744,634	4,664,515	(80,119)	(1.69)%
State/Other Special Rev. Funds	213,383	297,911	84,528	39.61 %
Federal Spec. Rev. Funds	31,879,680	32,669,239	789,559	2.48 %
Total Funds	\$36,837,697	\$37,631,665	\$793,968	2.16 %
Total Ongoing	\$36,837,697	\$37,631,665	\$793,968	2.16 %
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

Medicaid and Health Services Management (MHSM), also known as Program 12, heads the Medicaid and Health Services Branch of DPHHS. The Medicaid Systems Support Program works in conjunction with the state Medicaid director and division administrators by providing oversight and guidance on management of the Medicaid programs. It also oversees the Medicaid Management Information System (MMIS) contractor that is responsible for the processing and payment of Medicaid claims. The Medicaid and Health Services Branch Manager is attached to this program for budget purposes.

Program Highlights

<p>Medicaid and Health Services Management Division Major Budget Highlights</p>
<ul style="list-style-type: none"> • The overall MHSM budget increased by 2.2% with a 39.6% increase in state special revenue funds due to an increase in indirect costs.

Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	5.00	5.00	5.00	5.00	5.00
Personal Services	311,589	438,051	525,664	498,462	499,627
Operating Expenses	8,804,974	11,017,759	11,278,099	11,277,670	11,277,782
Grants	1,664,269	6,539,062	7,039,062	7,039,062	7,039,062
Total Expenditures	\$10,780,832	\$17,994,872	\$18,842,825	\$18,815,194	\$18,816,471
General Fund	2,388,903	2,400,512	2,344,122	2,331,977	2,332,538
State/Other Special Rev. Funds	55,634	62,017	151,366	148,899	149,012
Federal Spec. Rev. Funds	8,336,295	15,532,343	16,347,337	16,334,318	16,334,921
Total Funds	\$10,780,832	\$17,994,872	\$18,842,825	\$18,815,194	\$18,816,471
Total Ongoing	\$10,780,832	\$17,994,872	\$18,842,825	\$18,815,194	\$18,816,471
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The legislature's only significant change to the MHSM budget was the adoption of 6% vacancy savings.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 12-Medicaid & Health Svr Mgt Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	4,664,515	0	0	4,664,515	12.40 %
02220 02 Indirect Activity Prog 12	297,911	0	0	297,911	100.00 %
02597 Healthy Montana Kids Plan	0	0	0	0	0.00 %
State Special Total	\$297,911	\$0	\$0	\$297,911	0.79 %
03305 03 Indirect Activity Prog 12	18,591,113	0	0	18,591,113	56.91 %
03580 6901-93.778 - Med Adm 50%	14,078,126	0	0	14,078,126	43.09 %
03426 CHIP Program Fed	0	0	0	0	0.00 %
03100 State innovation Models	0	0	0	0	0.00 %
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0.00 %
Federal Special Total	\$32,669,239	\$0	\$0	\$32,669,239	86.81 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$37,631,665	\$0	\$0	\$37,631,665	

The Medicaid and Health Services Management Division (MHSM) receives general fund, state special revenue fund, and federal special revenue fund authority. The majority of MHSM funding is federal authority from Medicaid administration (50% federal match) or indirect activity from the Cost Allocation Plan (CAP). General fund is used for Medicaid administration.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	2,344,122	2,344,122	4,688,244	100.51 %	18,842,825	18,842,825	37,685,650	100.14 %
SWPL Adjustments	(7,255)	(6,668)	(13,923)	(0.30)%	(16,538)	(15,212)	(31,750)	(0.08)%
PL Adjustments	(236)	(250)	(486)	(0.01)%	(487)	(512)	(999)	(0.00)%
New Proposals	(4,654)	(4,666)	(9,320)	(0.20)%	(10,606)	(10,630)	(21,236)	(0.06)%
Total Budget	\$2,331,977	\$2,332,538	\$4,664,515		\$18,815,194	\$18,816,471	\$37,631,665	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(7,283)	(1,499)	(7,814)	(16,596)	0.00	(6,763)	(1,391)	(7,253)	(15,407)
DP 2 - Fixed Costs	0.00	22	1	22	45	0.00	86	2	88	176
DP 3 - Inflation Deflation	0.00	6	1	6	13	0.00	9	1	9	19
DP 53 - SWPL Fixed Costs Reductions	0.00	(236)	(12)	(239)	(487)	0.00	(250)	(6)	(256)	(512)
Grand Total All Present Law Adjustments	0.00	(\$7,491)	(\$1,509)	(\$8,025)	(\$17,025)	0.00	(\$6,918)	(\$1,394)	(\$7,412)	(\$15,724)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(4,654)	(958)	(4,994)	(10,606)	0.00	(4,666)	(960)	(5,004)	(10,630)
Total	0.00	(\$4,654)	(\$958)	(\$4,994)	(\$10,606)	0.00	(\$4,666)	(\$960)	(\$5,004)	(\$10,630)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	3,922,445	4,004,283	81,838	2.09 %
Operating Expenses	454,131	342,599	(111,532)	(24.56)%
Equipment & Intangible Assets	10,480	10,480	0	0.00 %
Total Expenditures	\$4,387,056	\$4,357,362	(\$29,694)	(0.68)%
General Fund	1,687,723	1,716,901	29,178	1.73 %
State/Other Special Rev. Funds	120,025	120,198	173	0.14 %
Federal Spec. Rev. Funds	2,579,308	2,520,263	(59,045)	(2.29)%
Total Funds	\$4,387,056	\$4,357,362	(\$29,694)	(0.68)%
Total Ongoing	\$4,387,056	\$4,357,362	(\$29,694)	(0.68)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Management and Fair Hearings Office (MFH) is made up of the Branch Management Office and the Office of Fair Hearings. It is responsible for the oversight and management of the Operations Branch and for providing fair hearings for many of the department’s programs.

Management and Fair Hearings (MFH) has several responsibilities, including:

- Leadership and planning for the operation of DPHHS and the programs and public it serves
- Accounting and budget analysis, including financial and caseload projections, reporting, and compliance
- Managing the Office of Fair Hearings, which provides an avenue for program participants to receive impartial judgment through a hearing process

Program Highlights

Management and Fair Hearings Major Budget Highlights
<ul style="list-style-type: none"> • The Legislature decreased the 2019 biennium funding by about \$30,000 (less than 1%) compared to the 2017 biennium

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	22.00	22.00	22.00	22.00	22.00
Personal Services	1,812,036	1,884,982	2,037,463	1,999,589	2,004,694
Operating Expenses	146,964	219,988	234,143	171,227	171,372
Equipment & Intangible Assets	0	5,240	5,240	5,240	5,240
Total Expenditures	\$1,959,000	\$2,110,210	\$2,276,846	\$2,176,056	\$2,181,306
General Fund	778,876	783,879	903,844	857,409	859,492
State/Other Special Rev. Funds	36,001	58,963	61,062	60,028	60,170
Federal Spec. Rev. Funds	1,144,123	1,267,368	1,311,940	1,258,619	1,261,644
Total Funds	\$1,959,000	\$2,110,210	\$2,276,846	\$2,176,056	\$2,181,306
Total Ongoing	\$1,959,000	\$2,110,210	\$2,276,846	\$2,176,056	\$2,181,306
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The total budget for the Management and Fair Hearings Division is about \$4.4 million. Although operating expenses decreased significantly due the adoption of the executive appropriation rebase plan, this reduction was offset by an increase in personal services. The increase in personal services was slightly tempered by the adoption of a 6% vacancy savings rate.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 16-Management and Fair Hearings Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,716,901	0	0	1,716,901	39.40 %
02221 02 Indirect Activity Prog 16	120,198	0	0	120,198	100.00 %
State Special Total	\$120,198	\$0	\$0	\$120,198	2.76 %
03304 03 Indirect Activity Prog 16	2,520,263	0	0	2,520,263	100.00 %
Federal Special Total	\$2,520,263	\$0	\$0	\$2,520,263	57.84 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$4,357,362	\$0	\$0	\$4,357,362	

All HB 2 expenditures are funded through cost allocation using a formula that recognizes the multiple funding sources and required general fund matches for costs that benefit common purposes related to work done by the Management and Fair Hearings Division throughout the agency.

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	903,844	903,844	1,807,688	105.29 %	2,276,846	2,276,846	4,553,692	104.51 %
SWPL Adjustments	1,884	4,024	5,908	0.34 %	4,744	10,135	14,879	0.34 %
PL Adjustments	(251)	(265)	(516)	(0.03)%	(634)	(666)	(1,300)	(0.03)%
New Proposals	(48,068)	(48,111)	(96,179)	(5.60)%	(104,900)	(105,009)	(209,909)	(4.82)%
Total Budget	\$857,409	\$859,492	\$1,716,901		\$2,176,056	\$2,181,306	\$4,357,362	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	1,854	125	2,691	4,670	0.00	3,924	265	5,695	9,884
DP 2 - Fixed Costs	0.00	23	2	33	58	0.00	91	6	132	229
DP 3 - Inflation Deflation	0.00	7	0	9	16	0.00	9	0	13	22
DP 53 - SWPL Fixed Costs Reductions	0.00	(251)	(22)	(361)	(634)	0.00	(265)	(19)	(382)	(666)
Grand Total All Present Law Adjustments	0.00	\$1,633	\$105	\$2,372	\$4,110	0.00	\$3,759	\$252	\$5,458	\$9,469

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(16,890)	(1,139)	(24,515)	(42,544)	0.00	(16,933)	(1,144)	(24,576)	(42,653)
DP 555 - Appropriation Rebase	0.00	(31,178)	0	(31,178)	(62,356)	0.00	(31,178)	0	(31,178)	(62,356)
Total	0.00	(\$48,068)	(\$1,139)	(\$55,693)	(\$104,900)	0.00	(\$48,111)	(\$1,144)	(\$55,754)	(\$105,009)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	26,410,901	26,605,053	194,152	0.74 %
Operating Expenses	17,751,718	18,278,081	526,363	2.97 %
Equipment & Intangible Assets	185,936	62,186	(123,750)	(66.56)%
Capital Outlay	19,250	0	(19,250)	(100.00)%
Grants	27,846,219	27,993,194	146,975	0.53 %
Benefits & Claims	566,450,387	536,791,588	(29,658,799)	(5.24)%
Transfers	8,000	8,000	0	0.00 %
Debt Service	152,568	152,568	0	0.00 %
Total Expenditures	\$638,824,979	\$609,890,670	(\$28,934,309)	(4.53)%
General Fund	150,966,916	151,263,549	296,633	0.20 %
State/Other Special Rev. Funds	72,537,536	64,408,712	(8,128,824)	(11.21)%
Federal Spec. Rev. Funds	415,320,527	394,218,409	(21,102,118)	(5.08)%
Total Funds	\$638,824,979	\$609,890,670	(\$28,934,309)	(4.53)%
Total Ongoing	\$638,824,979	\$609,890,670	(\$28,934,309)	(4.53)%
Total OTO	\$0	\$0	\$0	0.00 %

Program Description

The Senior and Long Term Care Division (SLTC) plans, administers, and provides publicly-funded long-term care services for Montana's senior citizens and persons with physical disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages. The division provides six major programs:

- 1) The Office on Aging provides meals, transportation, public education, information and assistance, long-term care ombudsman, and other services;
- 2) The Medicaid Community Services Program pays for in-home assisted living, and other community-based services to Medicaid-eligible individuals as an alternative to nursing home care;
- 3) The Medicaid Nursing Facility Program pays for care to Medicaid-eligible individuals in 82 Montana nursing homes;
- 4) The Protective Services Program investigates abuse, neglect, and exploitation through adult protective services social workers;
- 5) Skilled nursing facility care is provided to veterans at the 105-bed Montana Veterans Home (MVH) in Columbia Falls and the 80-bed Eastern Montana Veterans Home in Glendive; and
- 6) The State Supplemental Payments Program pays for a portion of the room and board costs for SSI eligible individuals residing in designated residential care facilities.

Program Highlights

Senior & Long Term Care Division Major Budget Highlights
<ul style="list-style-type: none"> • The legislature made Medicaid caseload adjustments in order to fund Medicaid services at the anticipated level • SLTC's 2019 biennium budget is \$28.9 million lower than its 2017 biennium budget in order to reflect actual and estimated expenditure patterns

Program Actuals and Budget Comparison

The following table compares the program's FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	217.55	217.55	217.55	217.55	217.55
Personal Services	13,085,312	12,924,633	13,486,268	13,283,156	13,321,897
Operating Expenses	8,033,431	8,703,742	9,047,976	8,946,695	9,331,386
Equipment & Intangible Assets	24,108	74,843	111,093	31,093	31,093
Capital Outlay	19,250	19,250	0	0	0
Grants	13,169,161	13,849,622	13,996,597	13,996,597	13,996,597
Benefits & Claims	257,571,430	275,057,494	291,392,893	265,832,363	270,959,225
Transfers	3,785	4,000	4,000	4,000	4,000
Debt Service	61,717	76,284	76,284	76,284	76,284
Total Expenditures	\$291,968,194	\$310,709,868	\$328,115,111	\$302,170,188	\$307,720,482
General Fund	69,853,065	70,718,297	80,248,619	74,698,602	76,564,947
State/Other Special Rev. Funds	33,638,759	36,245,577	36,291,959	32,183,387	32,225,325
Federal Spec. Rev. Funds	188,476,370	203,745,994	211,574,533	195,288,199	198,930,210
Total Funds	\$291,968,194	\$310,709,868	\$328,115,111	\$302,170,188	\$307,720,482
Total Ongoing	\$291,968,194	\$310,709,868	\$328,115,111	\$302,170,188	\$307,720,482
Total OTO	\$0	\$0	\$0	\$0	\$0

Program Narrative

The SLTC budget for the 2019 biennium is 1.6% lower than the 2017 biennium SLTC budget. This reduction in overall authority reflects actual and estimated expenditures in SLTC as compared to appropriations for the 2017 biennium. In FY 2016 SLTC expenditures were \$292.0 million (total funds) with an appropriation of \$310.7 million. In FY 2017 SLTC expenditures are estimated by DPHHS to reach \$305.7 million with an appropriation of \$328.1 million.

The legislature increased federal authority for SLTC in order to allow per diem increases at the Montana Veterans Home and the Eastern Montana Veterans Home.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 22-Senior & Long-Term Care						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	151,263,549	0	466,468	151,730,017	24.14 %	
02023 Private Ins. Medicaid Reim.-Ve	9,233,824	0	0	9,233,824	14.34 %	
02032 Vets-I&I Lease	35,782	0	0	35,782	0.06 %	
02053 Medicaid IGT's	10,447,649	0	0	10,447,649	16.22 %	
02260 Cigarette Tax Revenue	3,647,300	0	0	3,647,300	5.66 %	
02497 6901-Lien & Estate - SLTCD	2,329,026	0	0	2,329,026	3.62 %	
02772 Tobacco Hlth and Medicaid Init	21,392,324	0	0	21,392,324	33.21 %	
02783 6901-Traumatic Brain Injury Dn	8,216	0	0	8,216	0.01 %	
02959 EMVH Clinic Rent	67,318	0	0	67,318	0.10 %	
02987 Tobacco Interest	2,289,184	0	0	2,289,184	3.55 %	
02990 69010-Nursing Home Utilization	14,958,089	0	0	14,958,089	23.22 %	
State Special Total	\$64,408,712	\$0	\$0	\$64,408,712	10.25 %	
03247 Benefits Enrollment Center BEC	0	0	0	0	0.00 %	
03279 SLTC Lifespan Respite	200,162	0	0	200,162	0.05 %	
03579 93.667 - SSBG - Benefits	600,002	0	0	600,002	0.15 %	
03580 6901-93.778 - Med Adm 50%	4,490,918	0	0	4,490,918	1.09 %	
03583 93.778 - Med Ben Fmap	349,654,423	0	0	349,654,423	84.78 %	
03666 Aging - Caregiver III-E	1,641,068	0	0	1,641,068	0.40 %	
03350 Aging-SHIP-ACL	757,729	0	0	757,729	0.18 %	
03368 MIPPA CMS - SHIP	0	0	0	0	0.00 %	
03372 MIPPA CMS - ADRC	0	0	0	0	0.00 %	
03381 MIPPA CMS - AAA	0	0	0	0	0.00 %	
03456 69010-AOA Aging One-Stop Shop	2	0	0	2	0.00 %	
03501 64.014 - Vets St. Domic Care 1	237,176	0	0	237,176	0.06 %	
03512 MFP Demonstration Grant	6,391,226	0	0	6,391,226	1.55 %	
03514 10.570 - Elderly Feeding 100%	2,843,408	0	0	2,843,408	0.69 %	
03515 93.041 - Elder Abuse Prev 100%	30,696	0	0	30,696	0.01 %	
03516 93.042 - Ombudsman Activity 10	197,962	0	0	197,962	0.05 %	
03517 93.043 - Preventive Hlth 100%	233,704	0	0	233,704	0.06 %	
03518 93.044 - Aging Sup S & Train 1	3,448,854	0	0	3,448,854	0.84 %	
03519 93.045 - Aging Meals 100%	7,080,649	0	0	7,080,649	1.72 %	
03005 EMVH V-A Nursing Reimbursement	5,861,604	0	0	5,861,604	1.42 %	
03073 Aging - Farmers Market	216,914	0	0	216,914	0.05 %	
03074 Aging - Nutrition Services HDM	1,153,800	0	0	1,153,800	0.28 %	
03112 Vets-V.A. Reimb	9,178,112	0	0	9,178,112	2.23 %	
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0.00 %	
03975 Medicaid Exp HELP Act Benefit	0	0	18,192,218	18,192,218	4.41 %	
Federal Special Total	\$394,218,409	\$0	\$18,192,218	\$412,410,627	65.61 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$609,890,670	\$0	\$18,658,686	\$628,549,356		

The Senior and Long Term Care Division (SLTC) is funded by general fund, state special revenue, and federal special revenue funds.

The general fund supports:

- State Medicaid match
- Aging services
- Adult protective services
- Administrative costs

Most state revenue sources are used as a match for Medicaid services, including:

- Nursing home utilization fee
- Health and Medicaid initiative tobacco tax revenue
- County intergovernmental transfer revenues (IGT)

Other state special revenue sources are used to fund the Montana veterans' homes including:

- Cigarette taxes
- Payments for facility services

Nursing Home Utilization Fee

A portion of the state Medicaid match for nursing homes is paid from a fee assessed for each day of nursing home care. Historically, the number of days of nursing home care has fallen steadily since the mid-1990s, with the exception of FY 2010 and FY 2014.

Cigarette Tax Revenue

By statute, 8.3% of cigarette taxes collected are deposited into a state special revenue account for support of veterans' nursing home costs at state operated veterans' homes. Statute requires that funds in excess of \$2.0 million in the veterans' portion of the cigarette tax revenue be transferred to the general fund at the end of the fiscal year.

Cigarette taxes are a declining revenue source. Services supported by the cigarette tax include:

- Operational costs of Montana veterans' homes
- Indirect administrative costs of DPHHS
- Long-range building projects

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	80,248,619	80,248,619	160,497,238	106.10 %	328,115,111	328,115,111	656,230,222	107.60 %
SWPL Adjustments	156,415	168,030	324,445	0.21 %	31,164	88,778	119,942	0.02 %
PL Adjustments	(4,266,237)	(2,411,300)	(6,677,537)	(4.41)%	(18,703,317)	(13,210,164)	(31,913,481)	(5.23)%
New Proposals	(1,440,195)	(1,440,402)	(2,880,597)	(1.90)%	(7,272,770)	(7,273,243)	(14,546,013)	(2.38)%
Total Budget	\$74,698,602	\$76,564,947	\$151,263,549		\$302,170,188	\$307,720,482	\$609,890,670	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	110,544	(12,306)	(141,348)	(43,110)	0.00	120,465	13,172	(137,534)	(3,897)
DP 2 - Fixed Costs	0.00	41,876	1,647	38,326	81,849	0.00	41,876	1,196	38,326	81,398
DP 3 - Inflation Deflation	0.00	3,995	(11,728)	158	(7,575)	0.00	5,689	5,369	219	11,277
DP 53 - SWPL Fixed Costs Reductions	0.00	0	0	0	0	0.00	0	0	0	0
DP 2201 - MED CORE SLTC B SUBCOMMITTEE	0.00	(6,615,796)	(1,074,160)	(15,092,168)	(22,782,124)	0.00	(5,047,760)	(998,185)	(12,184,285)	(18,230,230)
DP 2203 - MED FED SLT B SUBCOMMITTEE	0.00	0	0	180,951	180,951	0.00	0	0	254,747	254,747
DP 2204 - MED OTHER SLT B SUBCOMMITTEE	0.00	25,686	(2,548,653)	1,115,293	(1,407,674)	0.00	31,974	(2,624,628)	1,115,600	(1,477,054)
DP 22022 - MED WAIVER SLT B SUBCOMMITTEE	0.00	2,323,873	0	2,832,212	5,156,085	0.00	2,604,486	0	3,122,152	5,726,638
DP 22115 - MVH Per Deim PLA	0.00	0	0	18,437	18,437	0.00	0	0	188,683	188,683
DP 22116 - EMVH Fed Auth Per Diem	0.00	0	0	131,008	131,008	0.00	0	0	327,052	327,052
Grand Total All Present Law Adjustments	0.00	(\$4,109,822)	(\$3,645,200)	(\$10,917,131)	(\$18,672,153)	0.00	(\$2,243,270)	(\$3,603,076)	(\$7,275,040)	(\$13,121,386)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services.

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 2201 - MED CORE SLTC B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. This decision package is negative due to anticipated expenditures in SLTC over the 2019 biennium being lower than the 2017 base.

DP 2203 - MED FED SLT B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload.

DP 2204 - MED OTHER SLT B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 22022 - MED WAIVER SLT B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 22115 - MVH Per Deim PLA -

The legislature adopted an increase in federal authority for funds from the Veterans Administration (VA) for per diem rates that will be reimbursed for the domiciliary and the nursing facility days of care at the Montana Veterans Home in the Senior and Long Term Care Division. The VA per diem rates change on October 1st of each year, and this adjustment assumes the 70% Disabled, service connected veterans per diem payments and DOM per diem payments will increase approximately 2% and nursing will increase approximately 1.84%. This funding shifts expenses from state special revenue (cigarette taxes) to federal funds. This change package is \$18,437 in FY 2018 and \$188,683 in FY 2019 in federal funds for the biennium.

DP 22116 - EMVH Fed Auth Per Diem -

The legislature adopted an increase of federal authority from the Veterans Administration (VA) for per diem rates that will be reimbursed for the nursing facility days of care at the Eastern Montana Veterans Home (EMVH) in the Senior and Long Term Care Division. The VA per diem rates change on October 1st of each year, and this adjustment assumes the 70% Disabled, service connected veterans per diem payments will increase approximately 2% and nursing will increase approximately 1.84%. The federal VA payments are passed through to the contractor who operates the EMVH facility. This pass through is funded with 100% federal funds. The change package is \$131,008 in FY 2018 and \$327,052 in FY 2019.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 50 - 5% Plan Adjustment	0.00	(7,470,642)	0	(13,644,797)	(21,115,439)	0.00	(7,470,643)	0	(13,644,797)	(21,115,440)
DP 51 - Additional 2% Vacancy Savings	0.00	(71,716)	(58,372)	(29,914)	(160,002)	0.00	(71,922)	(58,558)	(29,994)	(160,474)
DP 555 - Appropriation Rebase	0.00	(1,368,480)	(405,000)	(3,340,674)	(5,114,154)	0.00	(1,368,480)	(405,000)	(3,340,674)	(5,114,154)
DP 5050 - SLTC - Additional Federal Authority	0.00	0	0	11,646,182	11,646,182	0.00	0	0	11,646,182	11,646,182
DP 22050 - SLTC - Additional General Fund	0.00	5,200,000	0	0	5,200,000	0.00	5,200,000	0	0	5,200,000
DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22	0.00	2,270,643	0	0	2,270,643	0.00	2,270,643	0	0	2,270,643
Total	0.00	(\$1,440,195)	(\$463,372)	(\$5,369,203)	(\$7,272,770)	0.00	(\$1,440,402)	(\$463,558)	(\$5,369,283)	(\$7,273,243)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 50 - 5% Plan Adjustment -

Statute requires state agencies to submit a plan to reduce base expenditures for general fund and certain state special revenues as part of its budget submission. The executive incorporated a portion of these reductions in the proposed budget. The legislature adopted reductions for general fund and certain state special revenues to bring the total base reduction for the agency to 5% of the 2017 base budget as outlined in statute, with some exceptions.

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 5050 - SLTC - Additional Federal Authority -

The legislature adopted the addition of federal special revenue authority for the Senior & Long Term Care Division.

DP 22050 - SLTC - Additional General Fund -

The legislature adopted the addition of general fund authority for the Senior & Long Term Care Division.

DP 1114322 - MED HRD REALLOCATION-Pgms 1,3,4,22 -

The legislature reallocated funds from the Health Resources Division to the Disability Employment and Transitions Division, Child and Family Services Division, the Director's Office, and the Senior and Long-Term Care Division.

Program Budget Comparison

The following Program Budget Comparison table compares the 2017 biennium appropriated budget to the 2019 biennium adopted budget by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 16-17	Legislative Budget 18-19	Biennium Change	Biennium % Change
Personal Services	93,107,069	96,454,124	3,347,055	3.59 %
Operating Expenses	35,500,818	34,894,610	(606,208)	(1.71)%
Equipment & Intangible Assets	203,920	284,920	81,000	39.72 %
Grants	10,977,746	7,597,746	(3,380,000)	(30.79)%
Benefits & Claims	179,360,633	158,642,392	(20,718,241)	(11.55)%
Transfers	31,000	45,000	14,000	45.16 %
Debt Service	242,446	235,246	(7,200)	(2.97)%
Total Expenditures	\$319,423,632	\$298,154,038	(\$21,269,594)	(6.66)%
General Fund	159,623,048	152,607,521	(7,015,527)	(4.40)%
State/Other Special Rev. Funds	32,776,842	38,203,944	5,427,102	16.56 %
Federal Spec. Rev. Funds	127,023,742	107,342,573	(19,681,169)	(15.49)%
Total Funds	\$319,423,632	\$298,154,038	(\$21,269,594)	(6.66)%
Total Ongoing	\$319,356,632	\$298,154,038	(\$21,202,594)	(6.64)%
Total OTO	\$67,000	\$0	(\$67,000)	(100.00)%

Program Description

The Addictive and Mental Disorders Division (AMDD) provides chemical dependency and mental health services through contracts with behavioral health providers across the state. People with substance abuse disorders who have family incomes below 200% of the federal poverty level (FPL) are eligible for public funding of treatment services. In addition, the Medicaid program funds outpatient and residential chemical dependency treatment services for adolescents and outpatient services for adults who are Medicaid eligible. The mental health program provides services to adults who are eligible for Medicaid as well as non-Medicaid adults up to 150% of FPL. The division also manages three inpatient facilities:

- The Montana State Hospital in Warm Springs
- The Montana Chemical Dependency Center in Butte
- Montana Mental Health Nursing Care Center in Lewistown

Program Highlights

Addictive and Mental Disorders Division Major Budget Highlights	
<ul style="list-style-type: none"> • The legislature approved a \$298.2 million budget for the 2019 biennium, which is a decrease of approximately \$21.2 million, or 6.7%, compared to the previous biennium. This decrease is primarily due to changes in benefits and claims. Benefits and claims decreased significantly compared to the 2017 biennium due to the transition of Health Insurance Flexibility and Accountability (HIFA) enrollees from traditional Medicaid to Medicaid expansion, which is statutorily appropriated • A 6% vacancy savings rate and the appropriation rebase submitted by the executive were adopted, which decreased the budget by \$2.4 million • A fund switch was adopted, that increased state special revenue by \$5.5 million and decreased general fund by the same amount 	

Program Actuals and Budget Comparison

The following table compares the program’s FY 2016 actual expenditures with FY 2016 through FY 2019 appropriations.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2016	Approp. Fiscal 2016	Approp. Fiscal 2017	Legislative Fiscal 2018	Legislative Fiscal 2019
FTE	718.06	718.06	718.06	718.06	718.06
Personal Services	43,742,089	44,283,778	48,823,291	48,161,165	48,292,959
Operating Expenses	16,686,138	18,335,108	17,165,710	17,412,227	17,482,383
Equipment & Intangible Assets	60,299	61,460	142,460	142,460	142,460
Grants	5,781,522	5,978,873	4,998,873	3,798,873	3,798,873
Benefits & Claims	81,191,037	90,901,190	88,459,443	78,156,737	80,485,655
Transfers	8,500	8,500	22,500	22,500	22,500
Debt Service	124,792	124,823	117,623	117,623	117,623
Total Expenditures	\$147,594,377	\$159,693,732	\$159,729,900	\$147,811,585	\$150,342,453
General Fund	73,951,384	81,299,608	78,323,440	75,949,820	76,657,701
State/Other Special Rev. Funds	15,704,138	16,249,317	16,527,525	19,108,208	19,095,736
Federal Spec. Rev. Funds	57,938,855	62,144,807	64,878,935	52,753,557	54,589,016
Total Funds	\$147,594,377	\$159,693,732	\$159,729,900	\$147,811,585	\$150,342,453
Total Ongoing	\$147,527,378	\$159,626,732	\$159,729,900	\$147,811,585	\$150,342,453
Total OTO	\$66,999	\$67,000	\$0	\$0	\$0

Program Narrative

The legislature decreased the AMDD budget by about 6.7% compared to the previous biennium. This decrease is primarily due to changes in benefits and claims. Benefits and claims, which are funds that pay for services for individuals who meet specific programmatic eligibility criteria, have decreased significantly versus the previous biennium due to the transition of HIFA enrollees from traditional Medicaid to Medicaid expansion. Benefits and claims were further reduced by the adoption of the LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

69010 - Department of Public Health & Human Services33-Addictive & Mental Disorders Division

Although general fund is down approximately \$7.0 million and federal authority is down almost \$19.7 million, state special revenue is up. This is due to the legislature adopting a realignment of funding for substance abuse treatment programs that reduced one state special revenue fund (alcohol tax) and increased another state special revenue fund (facility reimbursement) in FY 2018 and FY 2019 due to the facility being made eligible for federal reimbursements. At the community service level for residential treatment contracts and at the Montana Chemical Dependency Center this also reduced general fund and increased state special revenue (alcohol tax) in FY 2018 and in FY 2019. The total costs for these programs did not change.

Funding

The following table shows adopted program funding by source of authority.

Department of Public Health & Human Services, 33-Addictive & Mental Disorders Division						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	152,607,521	0	1,147,028	153,754,549	43.63 %	
02034 Earmarked Alcohol Funds	13,456,357	0	4,860,884	18,317,241	39.33 %	
02247 MMHNCC DOC INFIRMARY	0	0	0	0	0.00 %	
02384 02 Indirect Activity Prog 33	650,249	0	0	650,249	1.40 %	
02394 Montana State Hospital Rev Acc	0	0	3,505,000	3,505,000	7.53 %	
02598 MDCDC COST RECOVERY	5,772,132	0	0	5,772,132	12.39 %	
02691 6901-MSH/DOC Maint Agreement	280,162	0	0	280,162	0.60 %	
02772 Tobacco Hlth and Medicaid Init	16,657,860	0	0	16,657,860	35.77 %	
02987 Tobacco Interest	1,387,184	0	0	1,387,184	2.98 %	
State Special Total	\$38,203,944	\$0	\$8,365,884	\$46,569,828	13.22 %	
03171 Data Infrastructure Developmnt	203,124	0	0	203,124	0.13 %	
03580 6901-93.778 - Med Adm 50%	2,002,402	0	0	2,002,402	1.32 %	
03583 93.778 - Med Ben Fmap	89,515,611	0	0	89,515,611	58.86 %	
03601 03 Indirect Activity Prog 33	351,690	0	0	351,690	0.23 %	
03491 Tobacco Retail Inspctn Program	0	0	0	0	0.00 %	
03504 Strategic Prevention Framework	0	0	0	0	0.00 %	
03505 93.150 - Mntal Hlth - Homeless	606,034	0	0	606,034	0.40 %	
03506 93.279 - ADAD - Data Contract	0	0	0	0	0.00 %	
03507 93.958 - Mntal Hlth - Blk Grt	1,913,102	0	0	1,913,102	1.26 %	
03508 93.959 - ADAD - Blk Grt 100%	12,750,610	0	0	12,750,610	8.38 %	
03513 CHIPRA Bonus	0	0	0	0	0.00 %	
03902 HRSA Flex Rural Hlth Access Pg	0	0	0	0	0.00 %	
03974 Medicaid Exp HELP Act Admin	0	0	0	0	0.00 %	
03975 Medicaid Exp HELP Act Benefit	0	0	44,734,128	44,734,128	29.42 %	
Federal Special Total	\$107,342,573	\$0	\$44,734,128	\$152,076,701	43.15 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$298,154,038	\$0	\$54,247,040	\$352,401,078		

The Addictive and Mental Disorders Division (AMDD) is funded by general fund, state special revenue, and federal funds. General fund supports adult mental health facility costs, various adult mental health community services and state Medicaid match services. State special revenue primarily comes from earmarked alcohol taxes, which are used for treatment, rehabilitation, and prevention of alcoholism and chemical dependency. The majority of federal funding for AMDD is made up of federal Medicaid funds.

In addition to HB 2 appropriations there are three statutory appropriations surrounding earmarked alcohol taxes:

1. 20% is distributed as grants to state-approved alcoholism programs
2. 6.6% is distributed as grants to state-approved alcoholism programs that provide services for treatment and rehabilitation for persons with co-occurring serious mental illness and chemical dependency
3. Any funds remaining from earmarked alcohol taxes after legislative appropriations are distributed via grants to state-approved alcoholism programs

69010 - Department of Public Health & Human Services33-Addictive & Mental Disorders Division

Budget Summary by Category

The following summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary section of the Budget Analysis.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget	Budget Fiscal 2018	Budget Fiscal 2019	Biennium Fiscal 18-19	Percent of Budget
2017 Base Budget	78,323,440	78,323,440	156,646,880	102.65 %	159,729,900	159,729,900	319,459,800	107.15 %
SWPL Adjustments	319,004	506,389	825,393	0.54 %	62,316	265,531	327,847	0.11 %
PL Adjustments	1,710,635	2,228,605	3,939,240	2.58 %	(10,193,568)	(7,816,438)	(18,010,006)	(6.04)%
New Proposals	(4,403,259)	(4,400,733)	(8,803,992)	(5.77)%	(1,787,063)	(1,836,540)	(3,623,603)	(1.22)%
Total Budget	\$75,949,820	\$76,657,701	\$152,607,521		\$147,811,585	\$150,342,453	\$298,154,038	

Present Law Adjustments

The "Present Law Adjustments" table shows the changes from the FY 2017 base appropriation to the budget approved by the legislature. "Statewide Present Law" adjustments are standard statewide categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	108,359	(163,180)	(129,380)	(184,201)	0.00	226,485	(151,302)	(126,325)	(51,142)
DP 2 - Fixed Costs	0.00	247,271	34,390	0	281,661	0.00	245,839	34,245	0	280,084
DP 3 - Inflation Deflation	0.00	(36,626)	454	1,028	(35,144)	0.00	34,065	1,080	1,444	36,589
DP 53 - SWPL Fixed Costs Reductions	0.00	0	0	0	0	0.00	0	0	0	0
DP 3301 - MED CORE AMDD B SUBCOMMITTEE	0.00	2,627,522	1,968,897	(1,321,187)	3,275,232	0.00	3,145,492	2,033,986	300,001	5,479,479
DP 3302 - MED WAIVER AMDD B SUBCOMMITTEE	0.00	(916,887)	(1,968,897)	(12,361,881)	(15,247,665)	0.00	(916,887)	(2,033,986)	(12,304,346)	(15,255,219)
DP 3303 - MED FED AMDD B SUBCOMMITTEE	0.00	0	0	1,778,865	1,778,865	0.00	0	0	1,959,302	1,959,302
Grand Total All Present Law Adjustments	0.00	\$2,029,639	(\$128,336)	(\$12,032,555)	(\$10,131,252)	0.00	\$2,734,994	(\$115,977)	(\$10,169,924)	(\$7,550,907)

**"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 1 - Personal Services -

The legislature adopted adjustments to annualize personal services costs including FY 2017 statewide pay plan adjustments and increases to state share costs for health insurance passed by the 2015 Legislature, benefit rate adjustments, and longevity adjustments related to incumbents in each position at the time of the personal services snapshot.

DP 2 - Fixed Costs -

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The legislature adopted adjustments to provide the funding required in the budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. The rates charged for these services are approved in the section of the budget for the programs that provide the services..

DP 3 - Inflation Deflation -

The legislature adopted adjustments to reflect budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include food, postage, gasoline and others.

DP 53 - SWPL Fixed Costs Reductions -

The legislature reduced fixed costs for warrant writer, rent, and information technology.

DP 3301 - MED CORE AMDD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 3302 - MED WAIVER AMDD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted LFD general fund Medicaid caseload estimates and DPHHS state special revenue and federal Medicaid caseload estimates.

DP 3303 - MED FED AMDD B SUBCOMMITTEE -

The legislature adopted changes to Medicaid services appropriations based on anticipated caseload. The legislature adopted DPHHS federal Medicaid caseload estimates.

New Proposals

The "New Proposals" table shows new changes to expenditures.

New Proposals	-----Fiscal 2018-----					-----Fiscal 2019-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 51 - Additional 2% Vacancy Savings	0.00	(406,741)	(55,135)	(16,049)	(477,925)	0.00	(407,822)	(55,256)	(16,112)	(479,190)
DP 555 - Appropriation Rebase	0.00	(1,200,000)	0	0	(1,200,000)	0.00	(1,200,000)	0	0	(1,200,000)
DP 11997 - Physician CPI Adjustment - Medicaid	0.00	(20,175)	0	(47,859)	(68,034)	0.00	(47,083)	0	(91,479)	(138,562)
DP 33300 - Substance Abuse Treatment Refinance	0.00	(2,764,154)	2,764,154	0	0	0.00	(2,739,444)	2,739,444	0	0
DP 119972 - Physician CPI Additional Adjustment - Section E Inflation	0.00	(12,189)	0	(28,915)	(41,104)	0.00	(6,384)	0	(12,404)	(18,788)
Total	0.00	(\$4,403,259)	\$2,709,019	(\$92,823)	(\$1,787,063)	0.00	(\$4,400,733)	\$2,684,188	(\$119,995)	(\$1,836,540)

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 51 - Additional 2% Vacancy Savings -

The legislature adopted an additional 2% vacancy savings for the 2019 biennium, resulting in a total 6% vacancy savings for the 2019 biennium.

DP 555 - Appropriation Rebase -

Under 17-7-111, MCA state agencies are required to submit plans to reduce general fund and certain state special revenue funds by 5%. The legislature approved reductions to the present law budget based on either the 5% reduction plans or FY 2016 reversions.

DP 11997 - Physician CPI Adjustment - Medicaid -

The legislature adopted a reduction in total funds over the biennium for physicians and other practitioners in the Medicaid program, whose current reimbursement rates are tied to the consumer price index for medical care for the previous year as calculated by the Bureau of Labor Statistics of the United States Department of Labor.

DP 33300 - Substance Abuse Treatment Refinance -

The legislature adopted a realignment of funding for substance abuse treatment programs in the Addictive and Mental Disorders division. At the Montana Chemical Dependency Center, this change package is a reduction in one state special revenue fund (alcohol tax) and an offsetting increase in another state special revenue fund (facility reimbursement) of \$2.8 million in FY 2018 and \$2.7 million in FY 2019. Additionally, at the community service level for residential treatment contracts and at the Montana State Hospital, this change package is a reduction in general fund and a like increase in state special revenue (alcohol tax) of \$2.8 million in FY 2018 and \$2.7 million in FY 2019. The total appropriation for these programs does not change.

DP 119972 - Physician CPI Additional Adjustment - Section E Inflation -

The legislature adopted an adjustment to the Medicaid physician provider rate increase based on the inflation figures applied in Section E. This change will require companion legislation to HB 2 for implementation, and will be included in HB 639.