

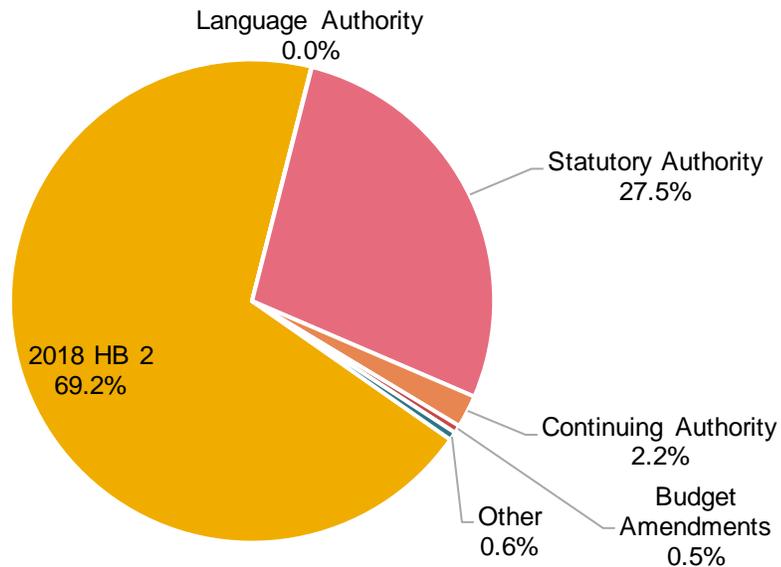
DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES

BUDGET AND EXPENDITURE HIGHLIGHTS

- The Department of Public Health and Human Services (DPHHS) expended a total of \$2,722.7 million, including HB 2 expenditures of \$1,909.2 million in FY 2018. General fund expenditures associated with HB 2 totaled \$489.9 million, or 98.5% of that appropriation
- The department did not utilize any of the proposed fiscal year transfer supplemental funding, and instead reverted a total of \$5.9 million in general fund authority
 - Of this amount, \$5.0 million in general fund was reverted from Health Resources Division (HRD), of the \$5.3 million in contingency funds in HB 2
- DPHHS made a total of \$19.6 million of budget modifications in June
 - HRD had a net of \$7.7 million in total spending authority transferred out while Senior and Long Term Care (SLTC) had a net reduction of \$1.6 million in June
 - Child and Family Services Division (CFSD) authority was increased by \$8.7 million in June
 - Benefits & Claims was reduced by \$10.9 million and Operating Expenses were increased by \$5.1 million
- Previous reports have focused on four main areas of projected general fund concern, including Medicaid, Child & Family Services, Vocational Rehabilitation, and the State Hospital. Final status of these areas is as follows:
 - Medicaid reverted 94.3% of the Medicaid caseload contingency funding, and transferred out \$5.8 million of authority to non-Medicaid programs
 - More detail is provided in the Medicaid Monitoring Report
 - CFSD authority was increased by \$13.9 million from other divisions, including \$8.4 million of general fund and \$5.0 million of federal funds, and spent 99.4% of the resulting authority
 - The appropriation for Vocational Rehabilitation was increased by \$2.6 million of general fund authority, which is an increase of 48.1% over the HB 2 general fund appropriation of \$5.5 million
 - State hospital operations transferred out a small amount of general fund authority, reducing the appropriation by \$396,234
- About 70% of total authority for the Department of Public Health and Human Services (DPHHS) is in HB2. Over 85% of the remaining authority is statutorily appropriated, of which about 90% is for the HELP Act and the remaining 10% is for Indian Health Services (IHS)
- The HELP Act has significantly changed the nature of DPHHS authority. At the beginning of FY 2017, legislative authority for DPHHS was 85.4% HB2 and 11.5% statutory. At FYE 2018, DPHHS expenditures are 70% through HB 2 and 28% statutory authority. The decision to fund IHS in a statutory manner has also contributed to this change.

TOTAL APPROPRIATION AUTHORITY OVERVIEW

FY 2018 LEGISLATIVE TOTAL AGENCY AUTHORITY



FY 2018 Total Agency Authority	
Authority	FYE Budget
2018 HB 2	2,043,441,127
Language Authority	1,225,000
Statutory Authority	811,569,368
Carry Forward	0
Continuing Authority	64,206,167
Budget Amendments	15,439,973
Other	16,284,866
Long Range Planning	0
Total Budgeted Authority	2,952,166,502
Non-Budgeted Proprietary	\$ -

FY 2018 Total Agency Authority Expended	
Total Budgeted Expended	2,722,721,177
Total Budgeted Authority	2,952,166,502
% Expended	92.2%

This chart shows current FYE authority compared to special session budget authority for the agency (Appendix B). Budget Amendment authority is not legislative authority, instead it is added authority through the budget amendment process.

DPHHS has total authority of \$2,952.2 million. The majority of their authority is HB 2. The remaining authority is from a combination of sources as listed in the table above. Further detail on the agency's statutory authority and budget amendments are available. DPHHS expended 92.8% of total authority.

Statutory Appropriations

FY 2018 Statutory Authority by Program	
Program	2018 FYE Budget
Human & Community Services	\$ 2,172,397
Child & Family Services	\$ 65,000
Director's Office	\$ 60,831
Business & Financial Services	\$ 212,167
Public Health & Safety	\$ 2,041,113
Technology Services	\$ 2,914,885
Developmental Services	\$ 4,500
Health Resources	\$ 738,061,087
Medicaid & Health Services Mgmt	\$ 7,169,870
Senior & Long Term Care	\$ 9,001,235
Addictive & Mental Disorders	\$ 49,865,084
Total	\$ 811,568,169

This chart shows statutory authority at the end of FY 2018.

DPHHS statutory authority is mainly associated with the HELP Act (89.0%). IHS Medicaid benefits make up most of the remaining 11.0%.

Budget Amendments

FY 2018 Budget Amendments by Program	
Program	2018 FYE Budget
Human & Community Services	\$ 800,000
Child & Family Services	\$ 470,921
Public Health & Safety	\$ 8,371,539
Developmental Services	\$ 760,000
Senior & Long Term Care	\$ 989,114
Addictive & Mental Disorders	\$ 4,048,399
Total	\$ 15,439,973

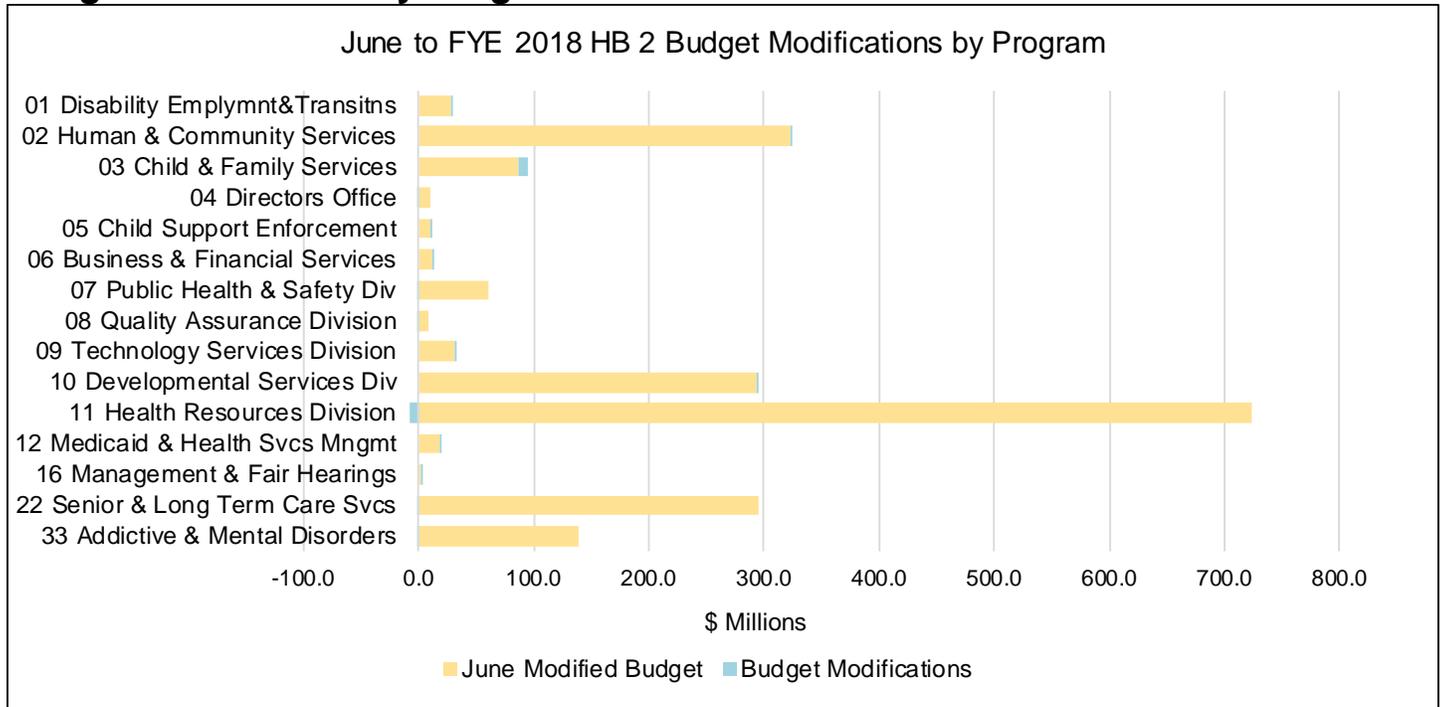
Budget amendments for DPHHS increased by \$15.4 million during FY 2018. Just over 80% of the new authority went to Public Health and Safety Division (PHSD) and Addictive and Mental Disorders Division (AMDD), totaling \$8.4 million and \$4.0 million respectively. Half of the new spending authority at PHSD was for maternal, infant and early childhood home visiting service delivery. AMDD received \$2.0 million in authority for a new opioid grant and \$1.9 million for the Chemical Dependency Framework Grant (CDFG).

Developmental Services Division (DSD) received \$760,000 for Substance Abuse and Mental Health Services Administration (SAMHSA). Human and Community Services received \$800,000 for the Montana Project Launch Initiative (MT-PLI) including 1.50 FTE.

Finally, SLTC received approximately \$1.0 million in budget amendment authority including \$600,000 for the Alzheimer's Disease Initiative – Special Supportive Services (ADI-SSS).

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Disability Emplmnt&Transitns	28,700,511	275,774	(67,552)	208,222	28,908,733	0.7%
02 Human & Community Services	323,373,811	1,313,423	(1,294,304)	19,119	323,392,930	0.0%
03 Child & Family Services	86,247,708	9,306,689	(642,209)	8,664,480	94,912,188	10.0%
04 Directors Office	9,924,724	27,700	(346,100)	(318,400)	9,606,324	-3.2%
05 Child Support Enforcement	10,510,842	165,000	(145,000)	20,000	10,530,842	0.2%
06 Business & Financial Services	11,281,270	307,990	-	307,990	11,589,260	2.7%
07 Public Health & Safety Div	60,387,826	575,000	(1,253,649)	(678,649)	59,709,177	-1.1%
08 Quality Assurance Division	8,866,733	-	(66,980)	(66,980)	8,799,753	-0.8%
09 Technology Services Division	30,892,684	408,000	-	408,000	31,300,684	1.3%
10 Developmental Services Div	293,531,518	716,706	(30,849)	685,857	294,217,375	0.2%
11 Health Resources Division	723,733,593	448,392	(8,164,459)	(7,716,067)	716,017,526	-1.1%
12 Medicaid & Health Svcs Mngmt	18,556,552	1,422,033	(551,392)	870,641	19,427,193	4.7%
16 Management & Fair Hearings	2,377,029	34,000	-	34,000	2,411,029	1.4%
22 Senior & Long Term Care Svcs	295,766,389	307,350	(1,940,949)	(1,633,599)	294,132,790	-0.6%
33 Addictive & Mental Disorders	139,289,149	4,324,000	(5,127,826)	(803,826)	138,485,323	-0.6%
Grand Total	\$2,043,440,339	\$19,632,057	(\$19,631,269)	\$788	\$2,043,441,127	0.0%

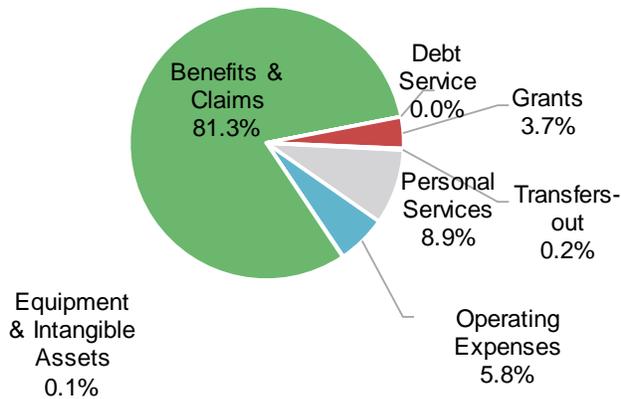
This chart shows budget modifications by program from June through FYE.

The overall DPHHS budget did not materially change over this period, although transfers between programs did significantly realign budget authority across DPHHS programs. In particular, the CFSD budget increased by \$8.7 million over this period, while the HRD budget decreased by \$7.7 million. These are due in part to transfers from HRD to CFSD to cover the costs of administration and foster care/guardianship/adoption associated with higher than anticipated child welfare caseloads. The SLTC budget was reduced by \$1.6 million (and \$1.9 million general fund) total funds over this period. The AMDD budget was reduced by \$803,826 over this period, the general fund budget was reduced by \$1.4 million (some of which was transferred to CFSD) while the state special budget (\$336,000) and federal fund budget (\$255,000) were increased.

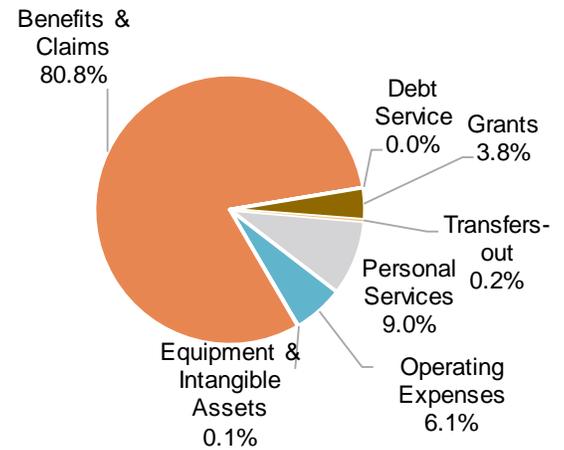
Budget Modification by First Level

June HB 2 Modified Budget vs FYE 2018 HB 2 Modified Budget

June Modified Budget by First Level



FYE 2018 Modified Budget by First Level



June to FYE 2018 HB 2 Budget Modification by First Level

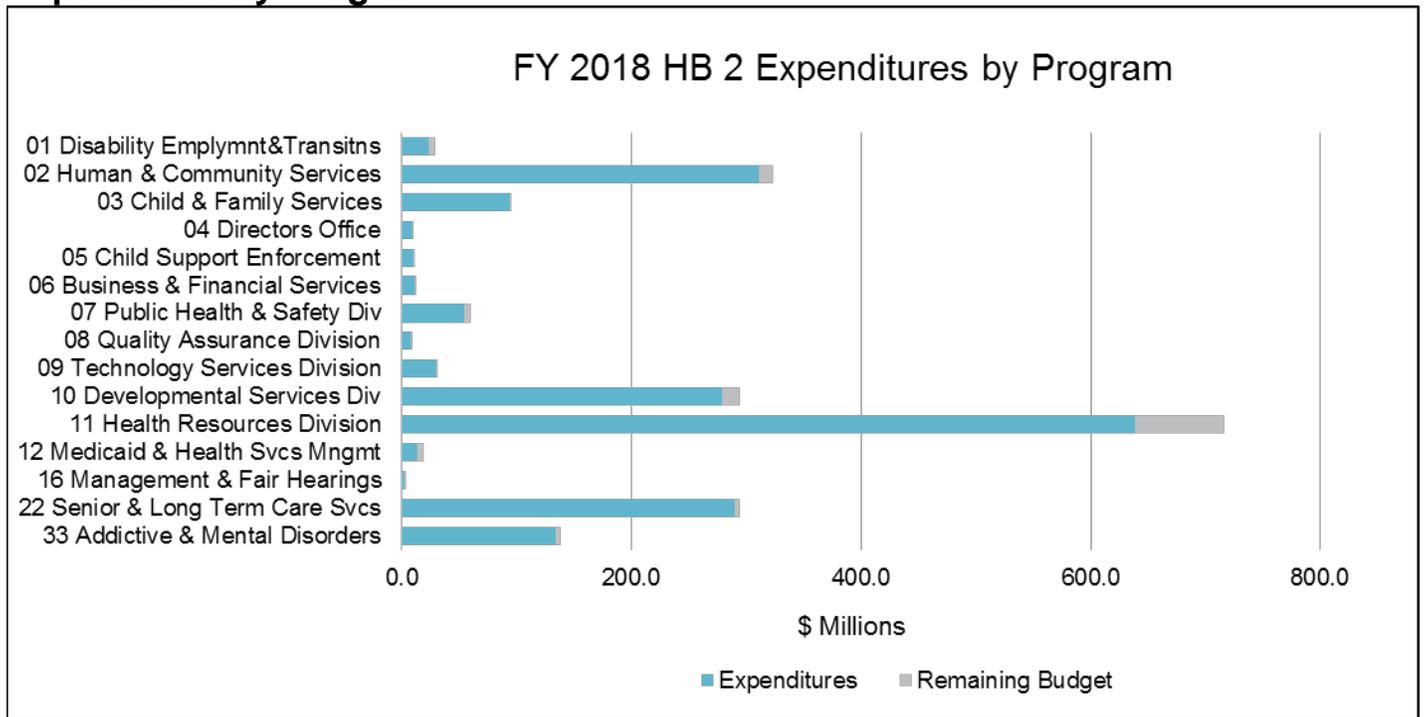
First Level	June Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$181,269,184	5,205,344	(\$1,562,220)	3,643,124	184,912,308	2.0%
62000 Operating Expenses	\$119,381,630	7,524,774	(\$2,451,446)	5,073,328	124,454,958	4.2%
63000 Equipment & Intangible Assets	\$1,349,721	22,000	(\$34,000)	(12,000)	1,337,721	-0.9%
66000 Grants	\$75,802,712	3,293,064	(\$1,076,066)	2,216,998	78,019,710	2.9%
67000 Benefits & Claims	\$1,661,647,391	3,586,875	(\$14,500,337)	(10,913,462)	1,650,733,929	-0.7%
69000 Debt Service	\$329,939	-	\$0	-	329,939	0.0%
68000 Transfers-out	\$3,659,762	-	(\$7,200)	(7,200)	3,652,562	-0.2%
Grand Total	\$2,043,440,339	\$19,632,057	(\$19,631,269)	\$788	\$2,043,441,127	0.0%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

Personal services and operating expenses increased during this period while benefits and claims decreased. Much of this change was due to the shift in authority from HRD Medicaid spending to CFSD child welfare caseload spending. A large portion (\$2.3 million state special authority) of the increase in operating expenses is associated with the Montana State Hospital.

AGENCY HB 2 EXPENDITURES

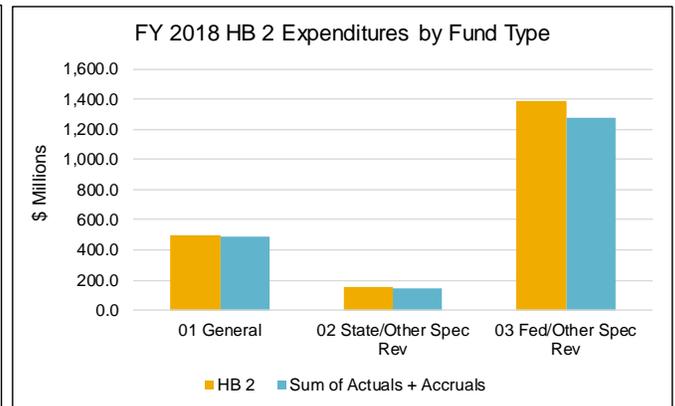
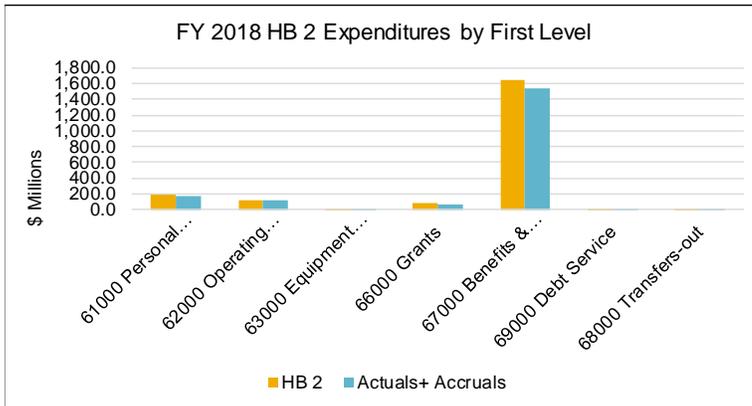
Expenditure by Program



Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Disability Emplmnt&Transitns	28,908,733	23,962,258	4,946,475	82.9%
02 Human & Community Services	323,392,930	311,299,619	12,093,311	96.3%
03 Child & Family Services	94,912,188	94,366,830	545,358	99.4%
04 Directors Office	9,606,324	8,999,866	606,458	93.7%
05 Child Support Enforcement	10,530,842	10,320,991	209,851	98.0%
06 Business & Financial Services	11,589,260	11,352,503	236,757	98.0%
07 Public Health & Safety Div	59,709,177	54,134,803	5,574,374	90.7%
08 Quality Assurance Division	8,799,753	7,699,353	1,100,400	87.5%
09 Technology Services Division	31,300,684	29,803,723	1,496,961	95.2%
10 Developmental Services Div	294,217,375	279,278,837	14,938,538	94.9%
11 Health Resources Division	716,017,526	638,790,054	77,227,472	89.2%
12 Medicaid & Health Svcs Mngmt	19,427,193	13,138,020	6,289,173	67.6%
16 Management & Fair Hearings	2,411,029	2,273,232	137,797	94.3%
22 Senior & Long Term Care Svcs	294,132,790	289,830,376	4,302,414	98.5%
33 Addictive & Mental Disorders	138,485,323	133,920,138	4,565,185	96.7%
Grand Total	\$2,043,441,127	1,909,170,603	\$134,270,525	93.4%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget. Further details on program expenditures can be found in the branch section of this report.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	184,912,308	181,098,142	97.9%
62000 Operating Expenses	124,454,958	120,662,241	97.0%
63000 Equipment & Intangible Assets	1,337,721	642,407	48.0%
66000 Grants	78,019,710	69,457,189	89.0%
67000 Benefits & Claims	1,650,733,929	1,532,392,252	92.8%
68000 Transfers-out	3,652,562	4,685,577	128.3%
69000 Debt Service	329,939	232,795	70.6%
Grand Total	\$2,043,441,127	\$1,909,170,603	93.4%

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	497,080,811	489,862,999	98.5%
02 State/Other Spec Rev	155,076,862	147,564,383	95.2%
03 Fed/Other Spec Rev	1,391,283,454	1,271,743,220	91.4%
Grand Total	\$2,043,441,127	\$1,909,170,603	93.4%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The department expended \$1.9 billion in FY 2018, 93.4% of their fiscal year end HB 2 budget. This was a 1.6% decrease in overall expenditures compared to FY 2017. General fund accounted for \$489.9 million of the total spend, 98.5% of the HB2 general fund budget was expended. The department's spending was lower than the previous year's (FY 2017) spending, which is a change from the general pattern of year-over-year increases. Department spending is discussed in detail at the branch level within this report.

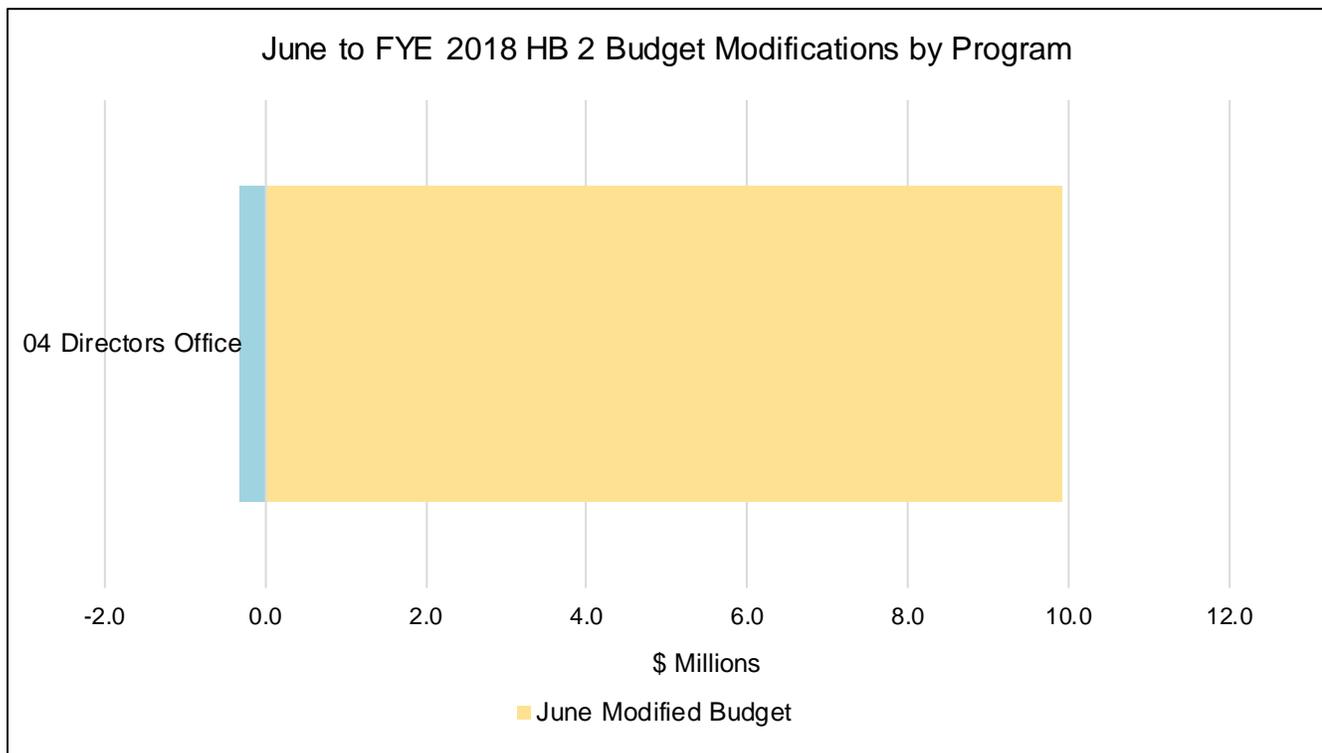
DIRECTOR'S OFFICE

BUDGET AND EXPENDITURE HIGHLIGHTS

- The Director's Office was involved in several program transfers that lowered total authority by \$318,400 over the second half of FY 2018
- The Director's Office expended 93.7% of its budget over FY 2018, and 97.7% of its general fund budget

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program

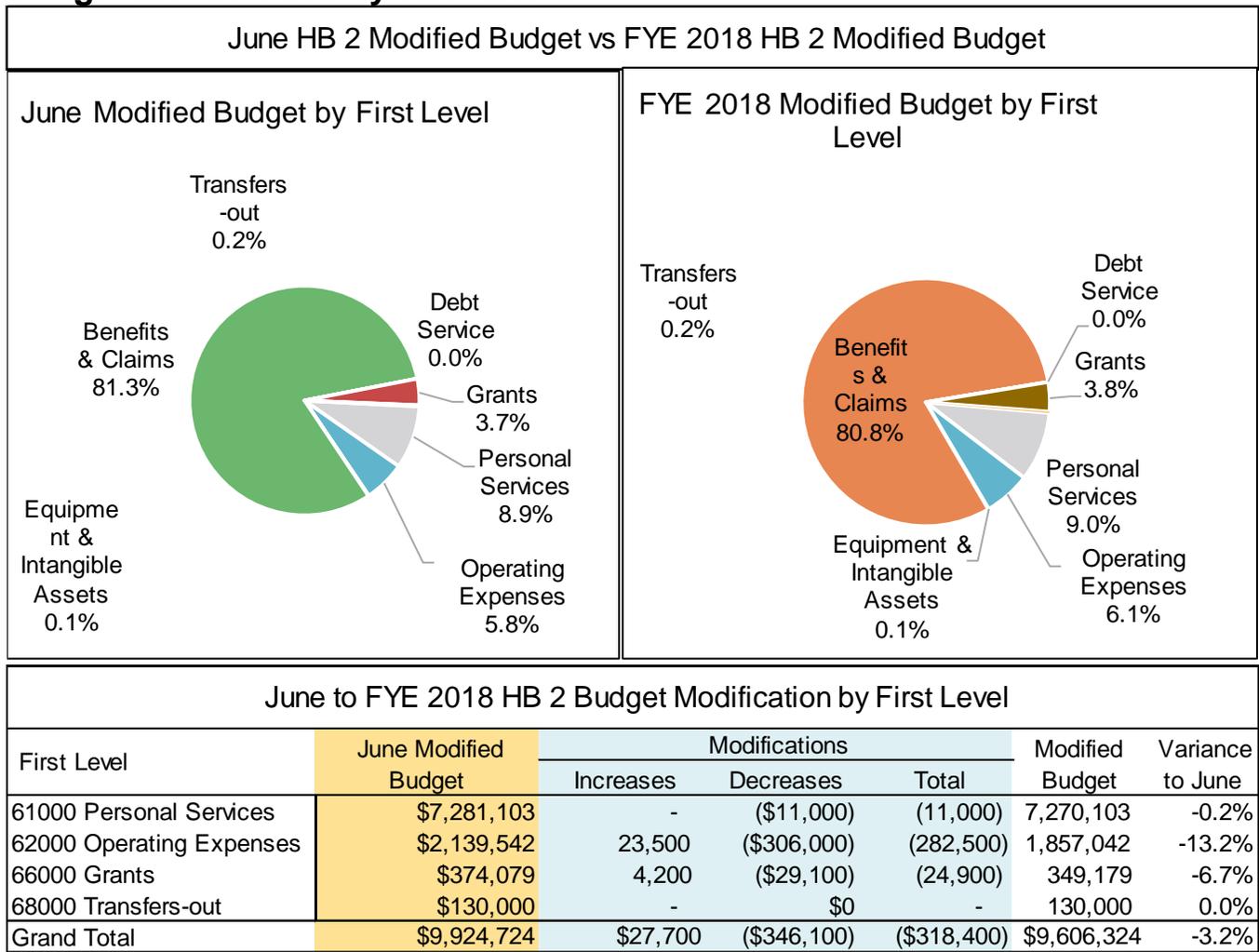


Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
04 Directors Office	9,924,724	27,700	(346,100)	(318,400)	9,606,324	-3.2%
Grand Total	\$9,924,724	\$27,700	(\$346,100)	(\$318,400)	\$9,606,324	-3.2%

This chart shows budget modifications by program from June through FYE.

Total budget modifications for the Director's Office from June to FYE were a reduction of \$318,400. This change is accounted for by several transfers to other DPHHS divisions. Some of these transfers were processed for FYE realignment and another sent state special revenue authority to the Child Support Enforcement Division (CSED) and Senior & Long Term Care Division (SLTC).

Budget Modification by First Level

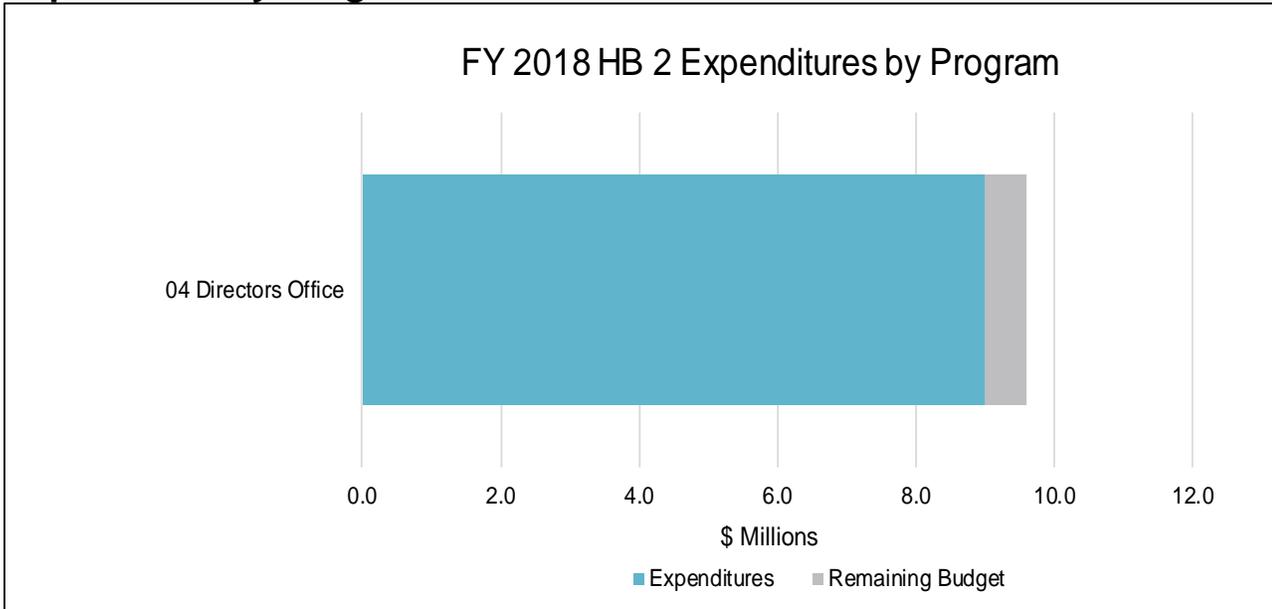


The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

All budget modifications in the Director's Office budget during the June to FYE period were program transfers. The majority of these changes occurred in operating expenses.

AGENCY HB 2 EXPENDITURES

Expenditure by Program

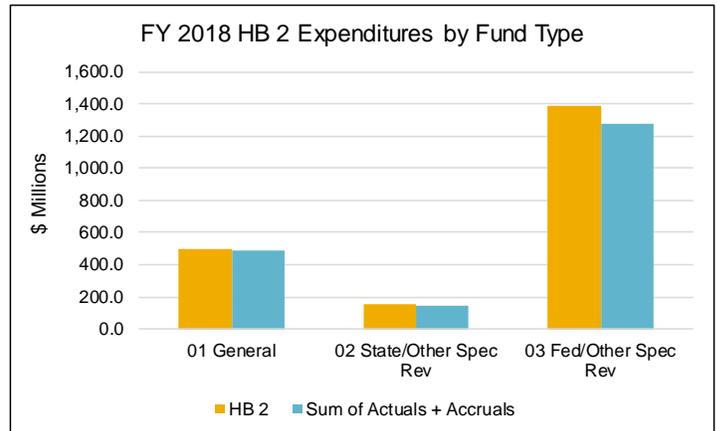
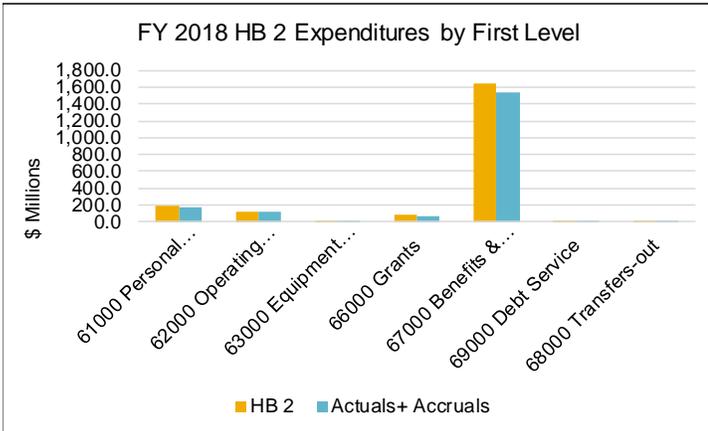


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
04 Directors Office	9,606,324	8,999,866	606,458	93.7%
Grand Total	\$9,606,324	8,999,866	\$606,458	93.7%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The Director’s Office budget was 93.7% expended for the fiscal year. This is slightly lower than the percent of budget expended over the past several years (96.0% in FY 2017).

Expenditure By First Level Account and Fund Type



FY 2018 HB 2 Expended by First Level			
First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	7,270,103	7,322,235	100.7%
62000 Operating Expenses	1,857,042	1,159,486	62.4%
66000 Grants	349,179	388,145	111.2%
68000 Transfers-out	130,000	130,000	100.0%
Grand Total	\$9,606,324	\$8,999,866	93.7%

FY 2018 HB 2 Expended by Fund Type			
Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	4,374,216	4,275,190	97.7%
02 State/Other Spec Rev	829,344	804,432	97.0%
03 Fed/Other Spec Rev	4,402,764	3,920,244	89.0%
Grand Total	\$9,606,324	\$8,999,866	93.7%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

The Director's Office personal services expenditures were 100.7% expended. Operating expenses were considerably lower than budgeted, and most of the authority used in program transfers was in operating expenses. The general fund budget was 97.7% expended, similar to the state special revenue budget (97.0%). The federal special revenue budget was only 89.0% expended, with some of this authority used in program transfers. These patterns are similar to spending in FY 2017.

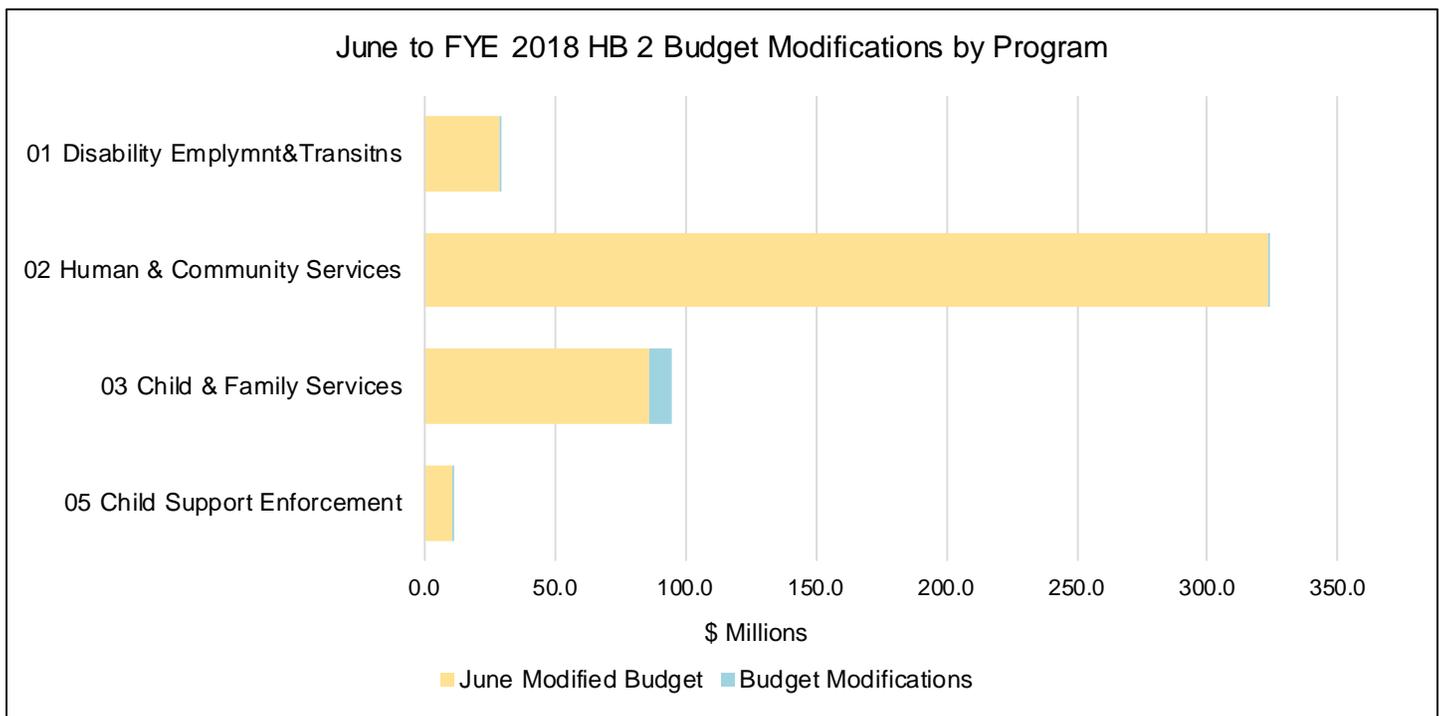
ECONOMIC SECURITIES BRANCH

BUDGET AND EXPENDITURE HIGHLIGHTS

- The Child & Family Services Division (CFSD) budget was increased by 10.0% in the June to FYE period due to high child protection caseloads
- The Disability Employment & Transitions (DETD) budget increased by 0.7% over this period but ended FY 2018 about \$5.5 million lower than the FY 2017 budget
- This branch expended 96.1% of total budget and 99.7% of general fund budget

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
01 Disability Emplmnt&Transitns	28,700,511	275,774	(67,552)	208,222	28,908,733	0.7%
02 Human & Community Services	323,373,811	1,313,423	(1,294,304)	19,119	323,392,930	0.0%
03 Child & Family Services	86,247,708	9,306,689	(642,209)	8,664,480	94,912,188	10.0%
05 Child Support Enforcement	10,510,842	165,000	(145,000)	20,000	10,530,842	0.2%
Grand Total	\$448,832,872	\$11,060,886	(\$2,149,065)	\$8,911,821	\$457,744,693	2.0%

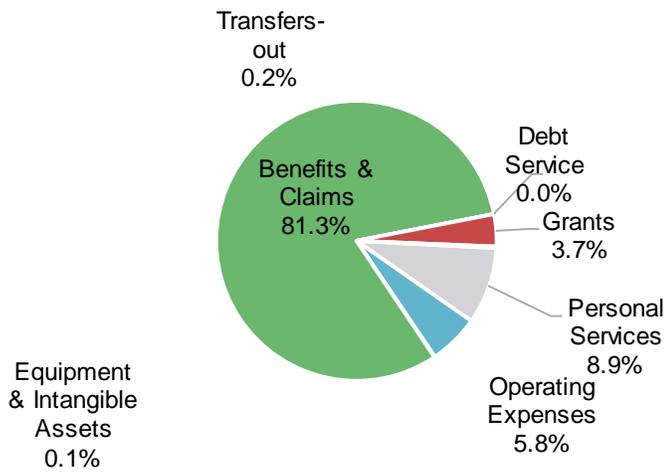
This chart shows budget modifications by program from June through FYE.

The bulk of budget modifications in this branch occurred in CFSD. The CFSD budget increased by \$8.7 million in the June to FYE period. Child protection caseloads remain higher than anticipated, which drive costs in CFSD administration (caseworker labor), foster care, guardianship, and adoption. The child victimization rate in Montana is more than twice what it was five years ago. These increases in authority for CFSD were provided through transfers from other DPHHS divisions, mostly Health Resources (HRD) and Senior & Long Term Care (SLTC).

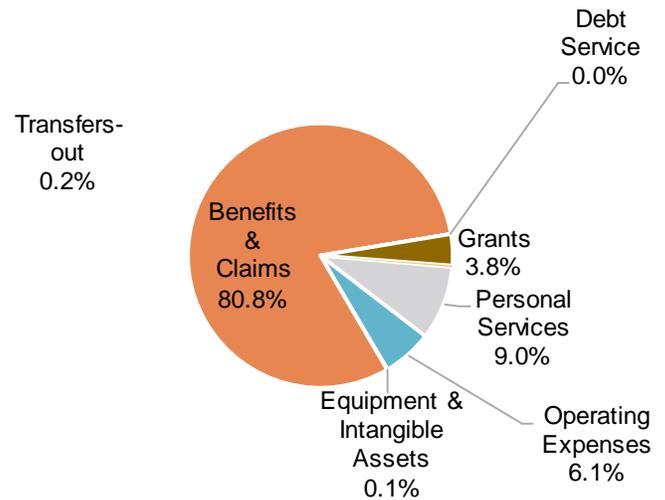
Budget Modification by First Level

June HB 2 Modified Budget vs FYE 2018 HB 2 Modified Budget

June Modified Budget by First Level



FYE 2018 Modified Budget by First Level



June to FYE 2018 HB 2 Budget Modification by First Level

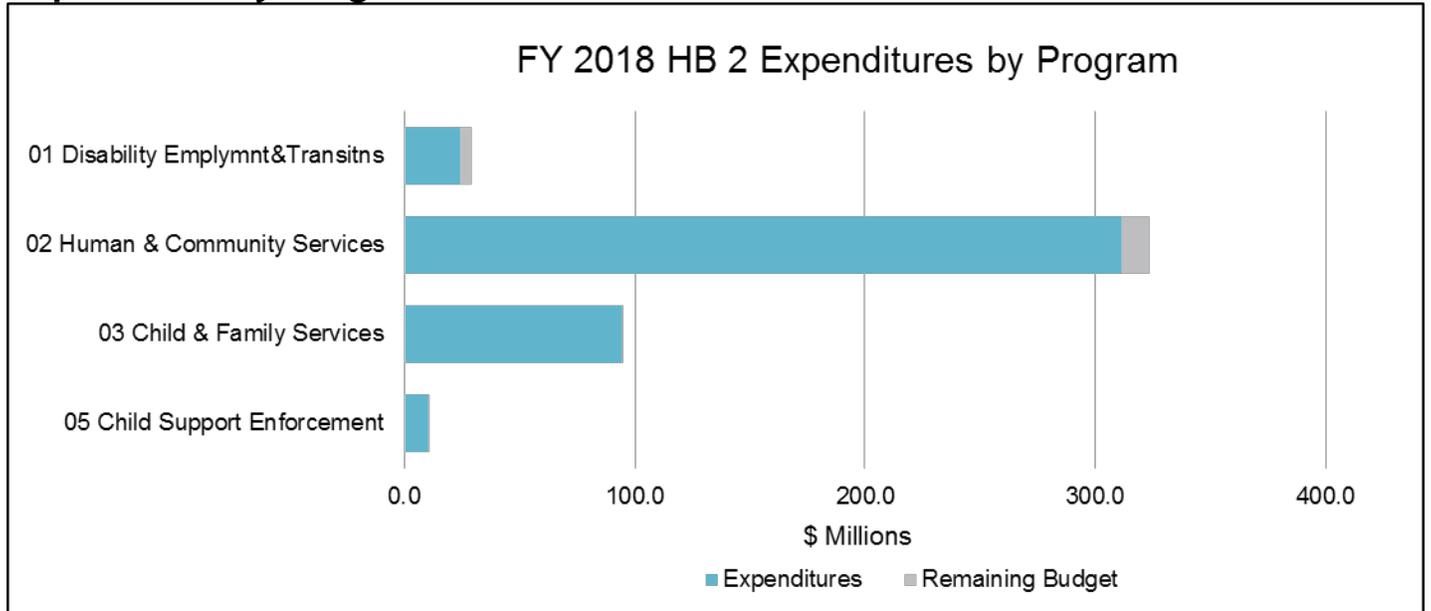
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$65,912,939	4,643,500	(\$287,382)	4,356,118	70,269,057	6.6%
62000 Operating Expenses	\$20,398,806	2,138,353	(\$48,185)	2,090,168	22,488,974	10.2%
63000 Equipment & Intangible Assets	\$224,456	22,000	\$0	22,000	246,456	9.8%
66000 Grants	\$28,752,546	1,713,864	(\$818,763)	895,101	29,647,647	3.1%
67000 Benefits & Claims	\$331,158,766	2,543,169	(\$994,735)	1,548,434	332,707,200	0.5%
69000 Debt Service	\$1,158	-	\$0	-	1,158	0.0%
68000 Transfers-out	\$2,384,201	-	\$0	-	2,384,201	0.0%
Grand Total	\$448,832,872	\$11,060,886	(\$2,149,065)	\$8,911,821	\$457,744,693	2.0%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The total branch budget increased by \$8.9 million in the June-FYE period. Most of this increase was for CFSD caseload, as discussed above, which accounts for the increase in personal services expenditures over this period. CFSD caseload also accounts for most of the increase in operating expenses and benefits and claims.

AGENCY HB 2 EXPENDITURES

Expenditure by Program

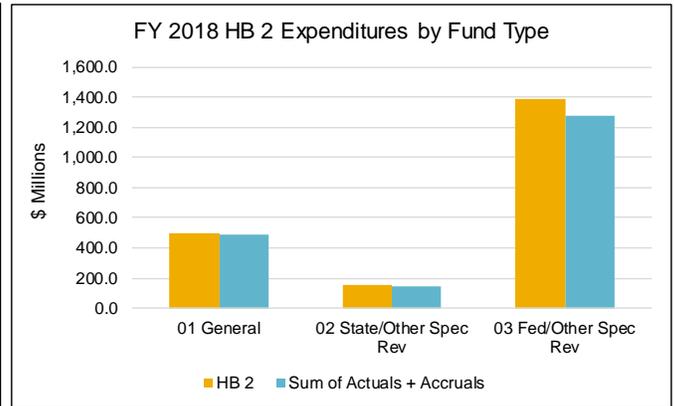
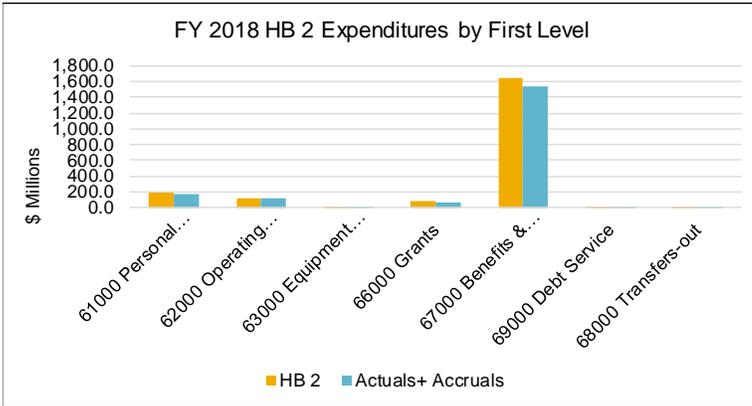


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
01 Disability Emplmnt&Transitns	28,908,733	23,962,258	4,946,475	82.9%
02 Human & Community Services	323,392,930	311,299,619	12,093,311	96.3%
03 Child & Family Services	94,912,188	94,366,830	545,358	99.4%
05 Child Support Enforcement	10,530,842	10,320,991	209,851	98.0%
Grand Total	\$457,744,693	439,949,698	\$17,794,995	96.1%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The remaining budget in DETD is almost entirely federal authority for vocational rehabilitation and disability determination. Other than DETD this branch's expenditure percentages are in line with past behavior.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	70,269,057	67,919,677	96.7%
62000 Operating Expenses	22,488,974	22,174,191	98.6%
63000 Equipment & Intangible Assets	246,456	177,941	72.2%
66000 Grants	29,647,647	29,191,302	98.5%
67000 Benefits & Claims	332,707,200	316,736,918	95.2%
68000 Transfers-out	2,384,201	3,749,669	157.3%
69000 Debt Service	1,158	-	0.0%
Grand Total	\$457,744,693	\$439,949,698	96.1%

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	95,579,721	95,329,789	99.7%
02 State/Other Spec Rev	5,388,757	4,996,140	92.7%
03 Fed/Other Spec Rev	356,776,215	339,623,769	95.2%
Grand Total	\$457,744,693	\$439,949,698	96.1%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

This branch expended most of their general fund, and 96.1% of their overall budget. Spending by first level account is in line with past behavior. Despite higher than budgeted spending in CFSD overall branch expenditures were lower than FY 2017, \$439.9 million as compared to \$456.6 million in FY 2017. Expenditures in DETD have dropped in FY 2018 as compared to the higher-than-trend spend in FY 2017 (due to overruns in the vocational rehabilitation program).

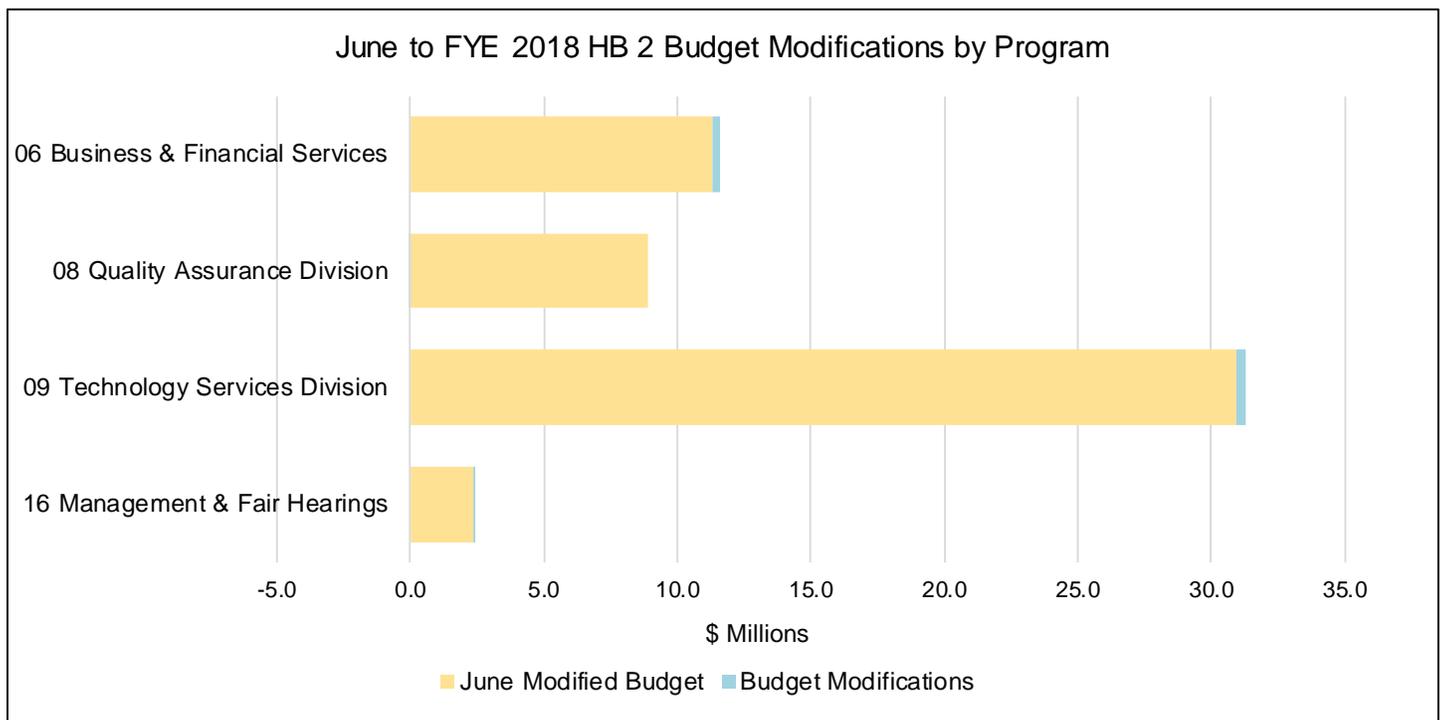
OPERATIONS SERVICES BRANCH

BUDGET AND EXPENDITURE HIGHLIGHTS

- The overall budget for the Operations Services Branch increased by about 1.3% in the June-through-FYE period. The majority of this increase was for the Business and Financial Services Division (BSFD) and the Technology Services Division (TSD)

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
06 Business & Financial Services	11,281,270	307,990	-	307,990	11,589,260	2.7%
08 Quality Assurance Division	8,866,733	-	(66,980)	(66,980)	8,799,753	-0.8%
09 Technology Services Division	30,892,684	408,000	-	408,000	31,300,684	1.3%
16 Management & Fair Hearings	2,377,029	34,000	-	34,000	2,411,029	1.4%
Grand Total	\$53,417,716	\$749,990	(\$66,980)	\$683,010	\$54,100,726	1.3%

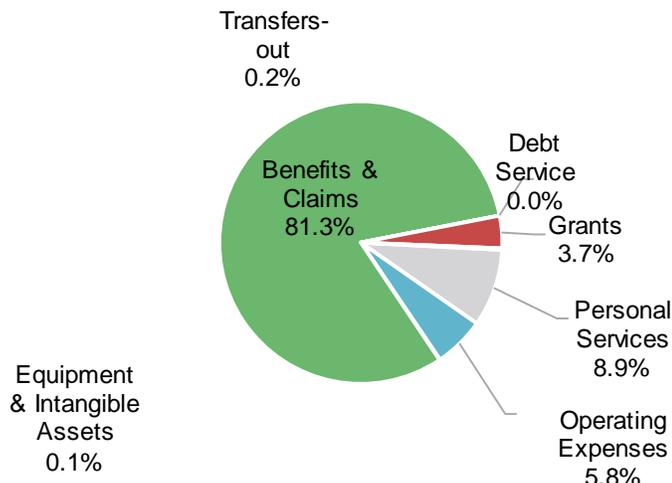
This chart shows budget modifications by program from June through FYE.

BSFD transferred in \$307,990 in the June-FYE period for FYE realignment purposes, while TSD transferred in \$408,000 state special revenue authority at FYE.

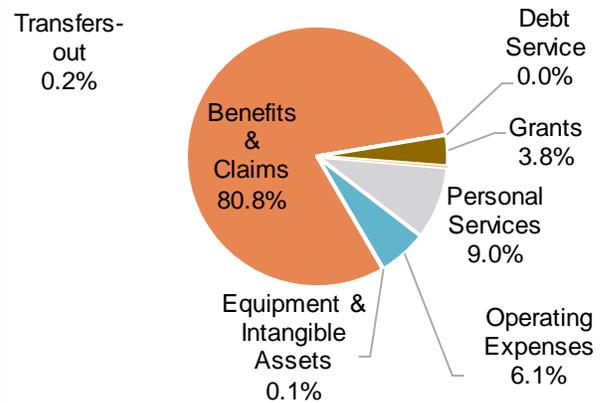
Budget Modification by First Level

June HB 2 Modified Budget vs FYE 2018 HB 2 Modified Budget

June Modified Budget by First Level



FYE 2018 Modified Budget by First Level



June to FYE 2018 HB 2 Budget Modification by First Level

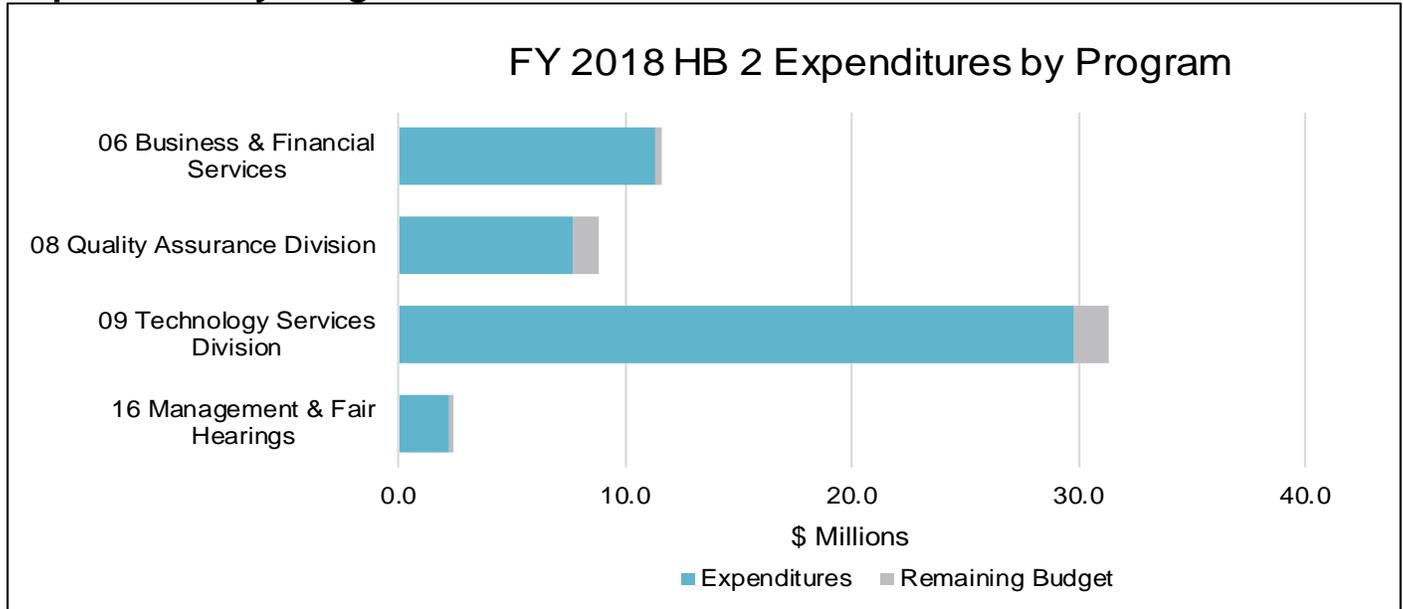
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$17,196,056	85,000	(\$41,000)	44,000	17,240,056	0.3%
62000 Operating Expenses	\$35,252,945	664,990	(\$25,980)	639,010	35,891,955	1.8%
63000 Equipment & Intangible Assets	\$214,971	-	\$0	-	214,971	0.0%
66000 Grants	\$584,941	-	\$0	-	584,941	0.0%
69000 Debt Service	\$96,942	-	\$0	-	96,942	0.0%
68000 Transfers-out	\$71,861	-	\$0	-	71,861	0.0%
Grand Total	\$53,417,716	\$749,990	(\$66,980)	\$683,010	\$54,100,726	1.3%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

First level changes in the Operations Services Branch in the June-FYE period were modest. Operating expenses increased by 1.8% across the branch (due to BSFD and TSD), an amount that is in line with the last fiscal year.

AGENCY HB 2 EXPENDITURES

Expenditure by Program

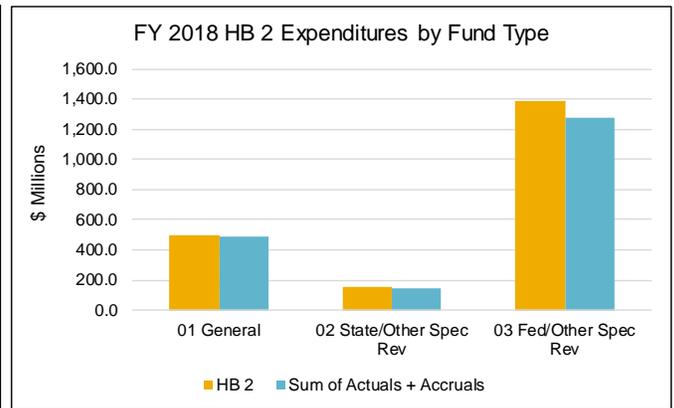
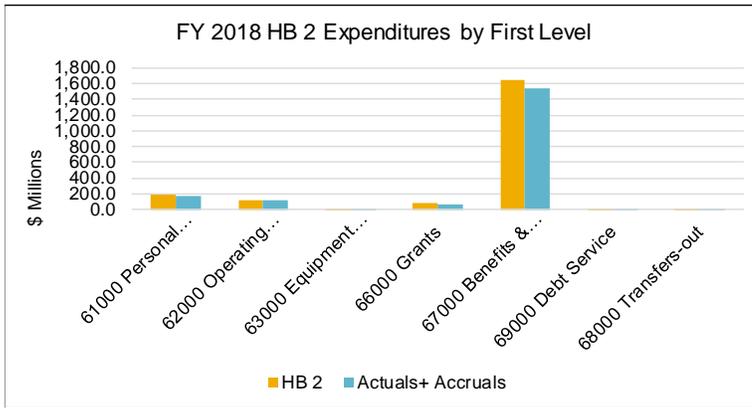


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
06 Business & Financial Services	11,589,260	11,352,503	236,757	98.0%
08 Quality Assurance Division	8,799,753	7,699,353	1,100,400	87.5%
09 Technology Services Division	31,300,684	29,803,723	1,496,961	95.2%
16 Management & Fair Hearings	2,411,029	2,273,232	137,797	94.3%
Grand Total	\$54,100,726	51,128,812	\$2,971,914	94.5%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The branch expended 3.6% less of its budget in FY 2018 than FY 2017. The largest difference was in Quality Assurance Division (QAD), which expended 98.5% of its budget in FY 2017 but only 87.5% in FY 2018.

Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	17,240,056	16,176,406	93.8%
62000 Operating Expenses	35,891,955	34,305,038	95.6%
63000 Equipment & Intangible Assets	214,971	-	0.0%
66000 Grants	584,941	568,569	97.2%
68000 Transfers-out	71,861	71,861	100.0%
69000 Debt Service	96,942	6,938	7.2%
Grand Total	\$54,100,726	\$51,128,812	94.5%

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	18,989,353	18,591,224	97.9%
02 State/Other Spec Rev	3,421,233	3,111,853	91.0%
03 Fed/Other Spec Rev	31,690,140	29,425,735	92.9%
Grand Total	\$54,100,726	\$51,128,812	94.5%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

Expenditures in the Operations Service Branch were slightly higher in real terms than FY 2017 but lower in percent of total budget expended (98.1% in FY 2017). The branch typically spends about 63.0% on operating expenses. Operating expenses made up 66.0% of branch spending in FY 2018. A little over half of the branch funding is through federal special revenue authority, the remainder is funded by the state, 36.0% is general fund and 6.0% is state special revenue.

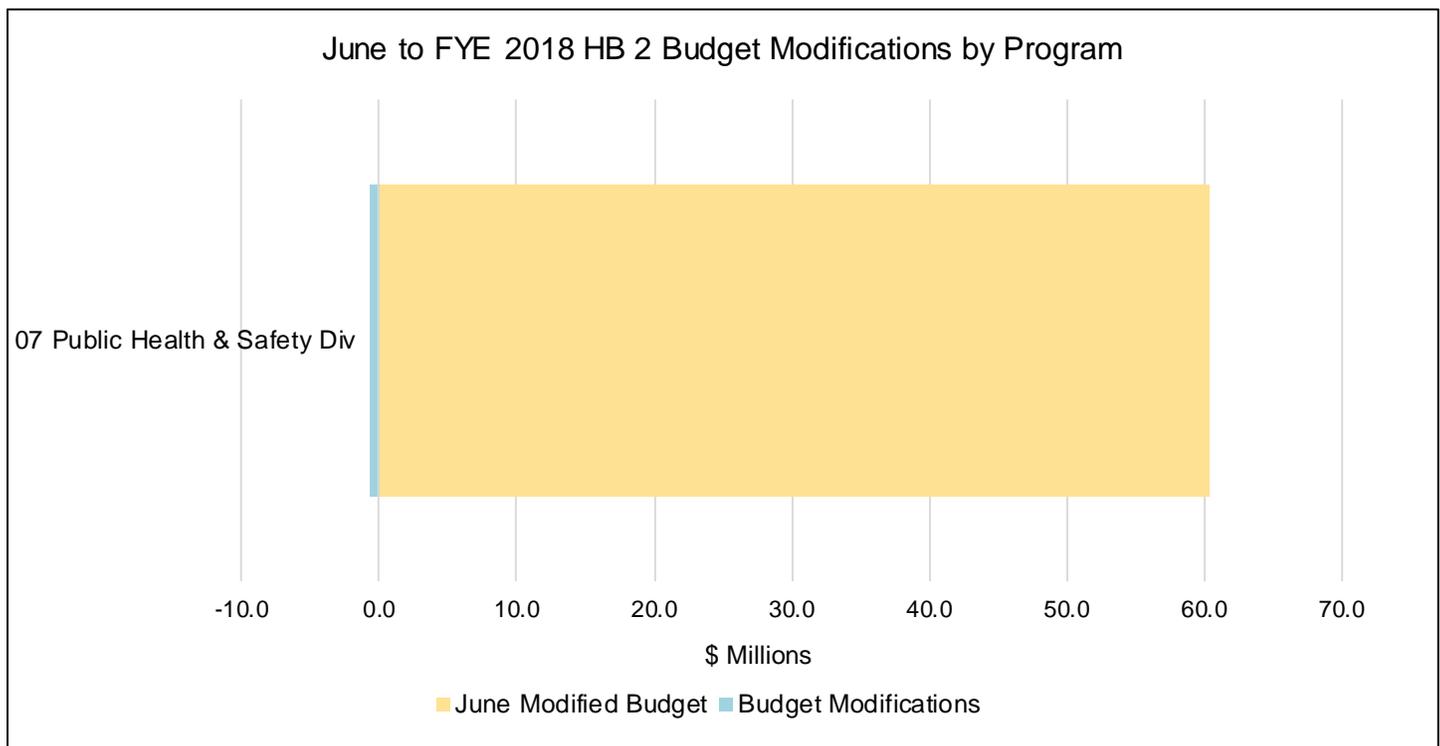
PUBLIC HEALTH AND SAFETY

BUDGET AND EXPENDITURE HIGHLIGHTS

- Public Health & Safety Division (PHSD) was involved in several transfers of authority to other DPHHS divisions that lowered the division budget by \$678,649 in the June-FYE period
- Largely in line with past behavior PHSD expended 90.7% of its total budget over FY 2018 and 99.9% of its general fund budget

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
07 Public Health & Safety Div	60,387,826	575,000	(1,253,649)	(678,649)	59,709,177	-1.1%
Grand Total	\$60,387,826	\$575,000	(\$1,253,649)	(\$678,649)	\$59,709,177	-1.1%

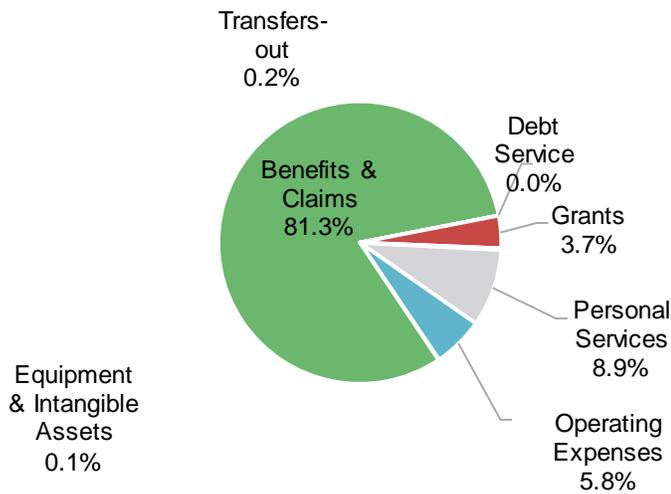
This chart shows budget modifications by program from June through FYE.

Several transfers of authority moved state special authority to other DPHHS divisions in this period. The most significant of these transfers reduced state special revenue authority for the state public health labs and moved a total of \$495,000 to Child Support Enforcement Division (CSED), Senior & Long Term Care (SLTC), and Technology Services Division (TSD).

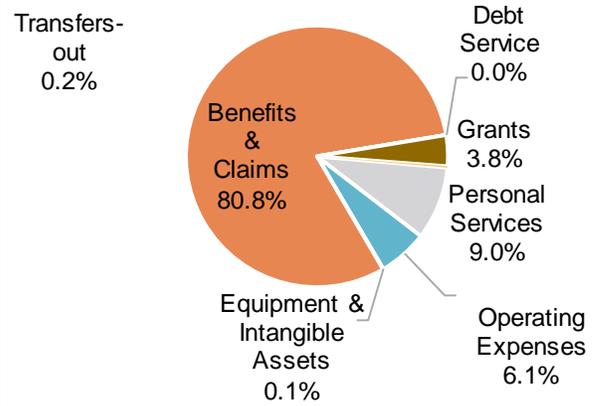
Budget Modification by First Level

June HB 2 Modified Budget vs FYE 2018 HB 2 Modified Budget

June Modified Budget by First Level



FYE 2018 Modified Budget by First Level



June to FYE 2018 HB 2 Budget Modification by First Level

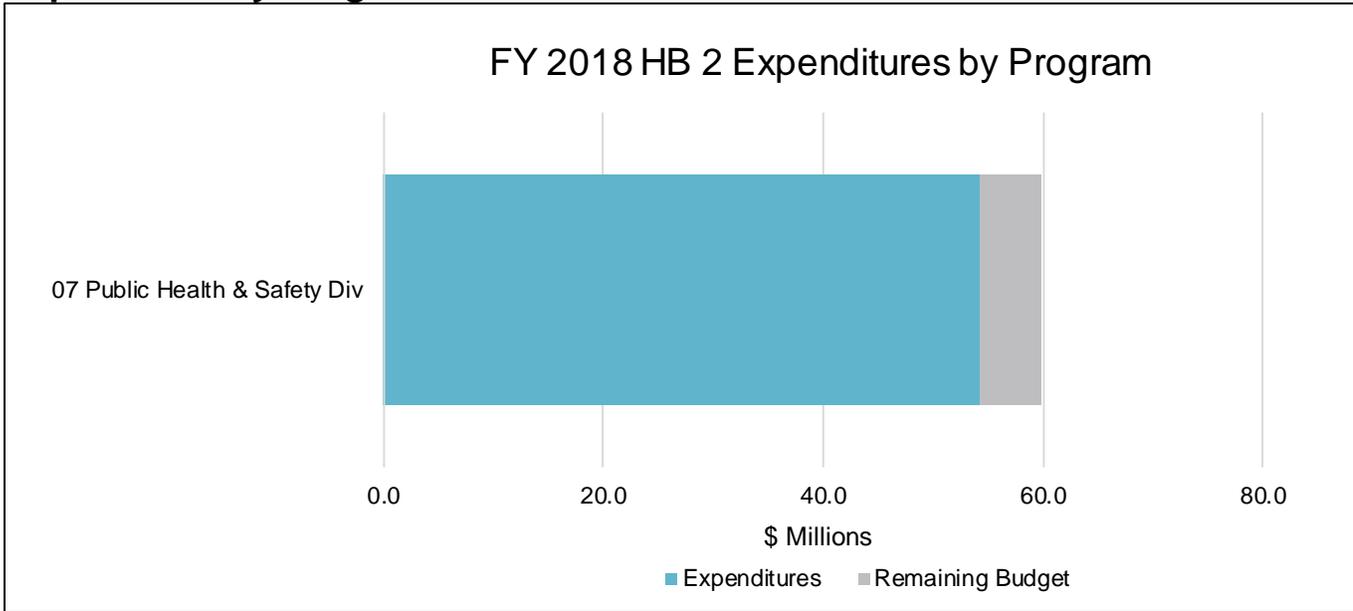
First Level	June Modified Budget	Modifications			Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$12,675,527	-	(\$199,200)	(199,200)	12,476,327	-1.6%
62000 Operating Expenses	\$9,216,177	-	(\$390,012)	(390,012)	8,826,165	-4.2%
63000 Equipment & Intangible Assets	\$736,741	-	\$0	-	736,741	0.0%
66000 Grants	\$21,342,995	575,000	(\$228)	574,772	21,917,767	2.7%
67000 Benefits & Claims	\$15,646,286	-	(\$664,209)	(664,209)	14,982,077	-4.2%
68000 Transfers-out	\$770,100	-	\$0	-	770,100	0.0%
Grand Total	\$60,387,826	\$575,000	(\$1,253,649)	(\$678,649)	\$59,709,177	-1.1%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The most notable change in the first level budget is the increase in grants (\$575,000) and corresponding decrease in benefits and claims. This was due to an operational adjustment to the Family and Community Health program.

AGENCY HB 2 EXPENDITURES

Expenditure by Program

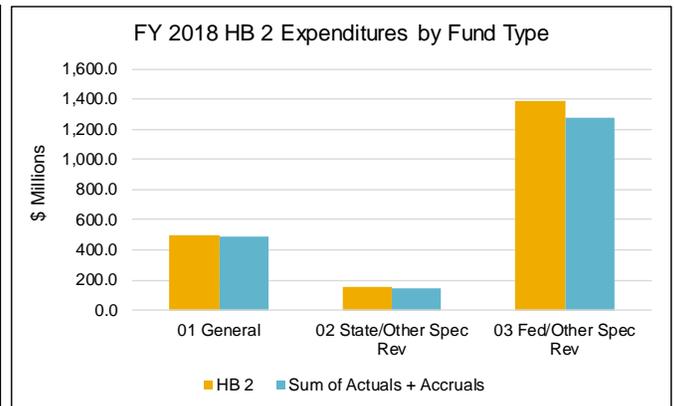
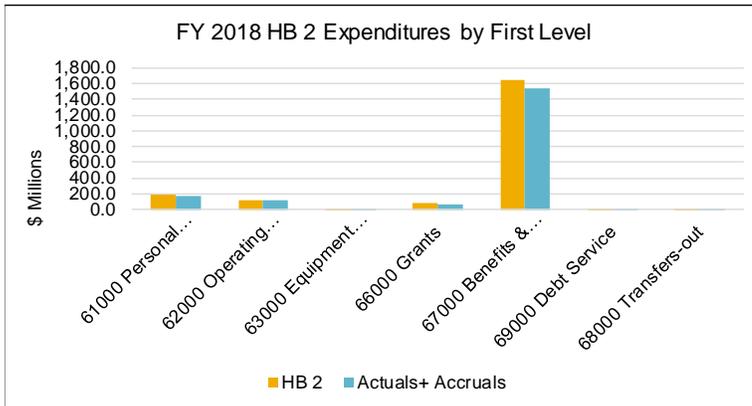


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
07 Public Health & Safety Div	59,709,177	54,134,803	5,574,374	90.7%
Grand Total	\$59,709,177	54,134,803	\$5,574,374	90.7%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The PHSD budget was 90.7% expended in FY 2018. This is somewhat lower than the average expenditure percentage over the last five fiscal years (around 95.0%).

Expenditure By First Level Account and Fund Type



First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	12,476,327	13,321,909	106.8%
62000 Operating Expenses	8,826,165	10,562,198	119.7%
63000 Equipment & Intangible Assets	736,741	456,181	61.9%
66000 Grants	21,917,767	17,629,697	80.4%
67000 Benefits & Claims	14,982,077	11,628,289	77.6%
68000 Transfers-out	770,100	536,528	69.7%
Grand Total	\$59,709,177	\$54,134,803	90.7%

Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	3,492,124	3,488,897	99.9%
02 State/Other Spec Rev	15,613,679	14,359,276	92.0%
03 Fed/Other Spec Rev	40,603,374	36,286,630	89.4%
Grand Total	\$59,709,177	\$54,134,803	90.7%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

PHSD expended almost all of their general fund budget and 92.0% of their state special revenue fund budget, along with 89.4% of their federal fund budget. Personal services and operating expenses were somewhat overspent, while grants and benefits and claims were somewhat underspent. This is a consistent expenditure pattern within this division.

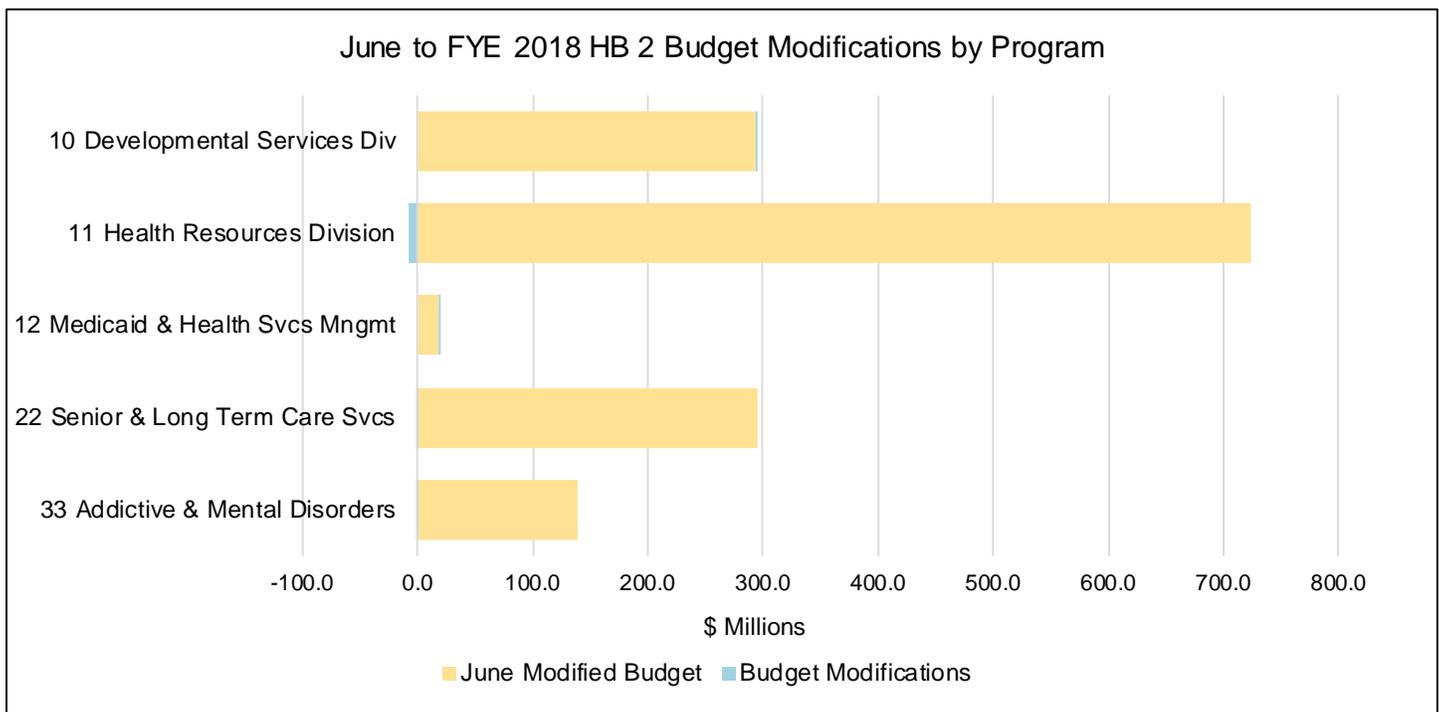
MEDICAID AND HEALTH SERVICES

BUDGET AND EXPENDITURE HIGHLIGHTS

- The Medicaid and health services branch budget was reduced by \$8.6 million in the June-FYE period. This reduction was due to transfers in authority to other divisions within DPHHS, most significantly Child & Family Services Division (CFSD). The bulk of this reduction was made to Health Resources Division (HRD), the branch division with the largest budget
- This branch expended 92.7% of its overall budget and 98.3% of its general fund budget

HB 2 BUDGET MODIFICATIONS

Budget Modification by Program



Program	June. Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
10 Developmental Services Div	293,531,518	716,706	(30,849)	685,857	294,217,375	0.2%
11 Health Resources Division	723,733,593	448,392	(8,164,459)	(7,716,067)	716,017,526	-1.1%
12 Medicaid & Health Svcs Mngmt	18,556,552	1,422,033	(551,392)	870,641	19,427,193	4.7%
22 Senior & Long Term Care Svcs	295,766,389	307,350	(1,940,949)	(1,633,599)	294,132,790	-0.6%
33 Addictive & Mental Disorders	139,289,149	4,324,000	(5,127,826)	(803,826)	138,485,323	-0.6%
Grand Total	\$1,470,877,201	\$7,218,481	(\$15,815,475)	(\$8,596,994)	\$1,462,280,207	-0.6%

This chart shows budget modifications by program from June through FYE.

Developmental Services Division (DSD):

DSD's budget increased by \$685,857 in the June-FYE period, largely due to an \$883,927 (general fund) transfer in for the Medicaid DD waiver program. DSD also transferred out some general fund authority associated with Children's Mental Health Services and Medicaid Children's Autism Services.

Health Resources Division (HRD):

HRD's budget was reduced by \$7.7 million in this period due to transfers to other DPHHS divisions (mostly CFSD), including a reduction of \$4.5 million in general fund authority. This general fund reduction was mostly taken from Medicaid Hospital Services. HRD also had a \$2.9 million reduction in federal authority which was taken out of the Healthy Montana Kids (HMK) program.

Medicaid and Health Services Management (MHSM):

The MHSM budget increased by \$1.4 million general fund and \$870,641 overall in this period. This shift was part of an FYE reorganization associated with caseload changes and staffing changes.

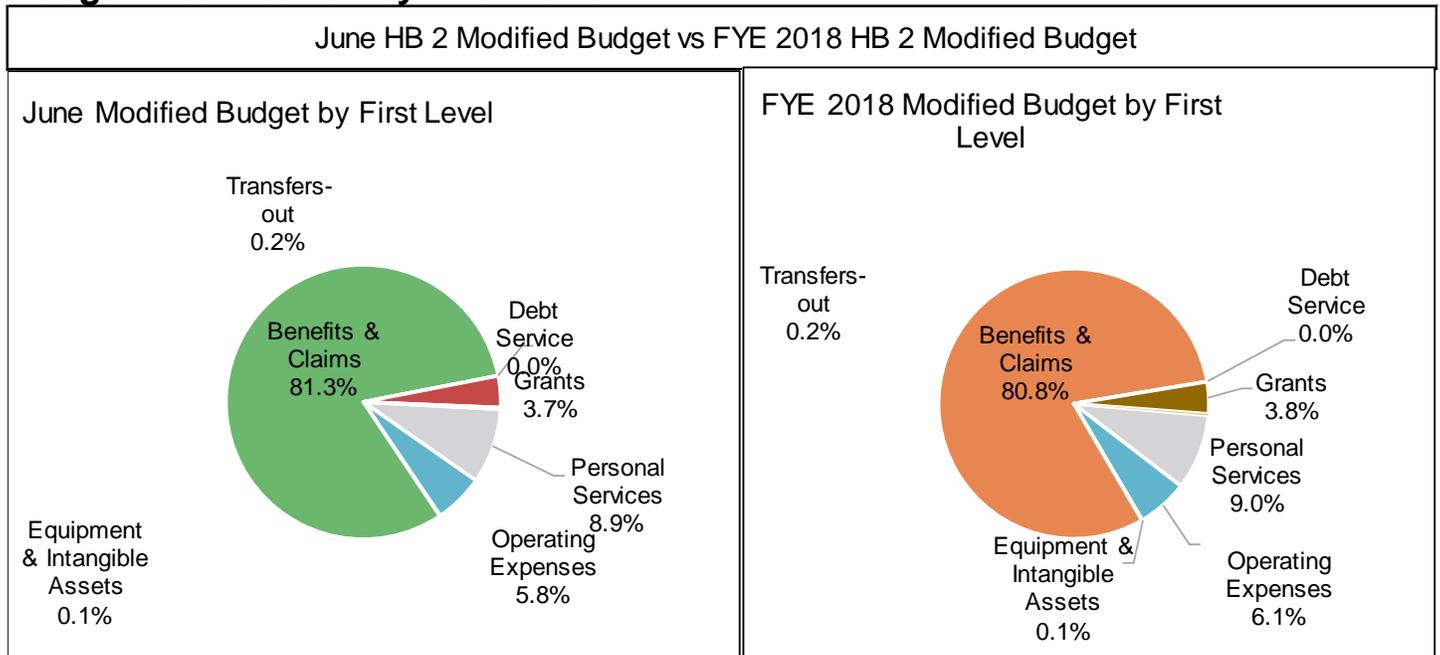
Senior and Long Term Care (SLTC):

The SLTC budget decreased by \$1.6 million in this period due to transfers to other divisions (largely CFSD). About 1.1 million of this transfer was general fund authority associated with Medicaid Nursing Home expenditures.

Addictive and Mental Disorders Division (AMDD):

AMDD's budget decreased by \$803,826 total funds (\$1.4 million general fund) in the June-FYE period due to transfers to other divisions. The largest areas of general fund reduction were Mental Health Bureau, AMDD Administration, and Medicaid Adult Mental Health.

Budget Modification by First Level



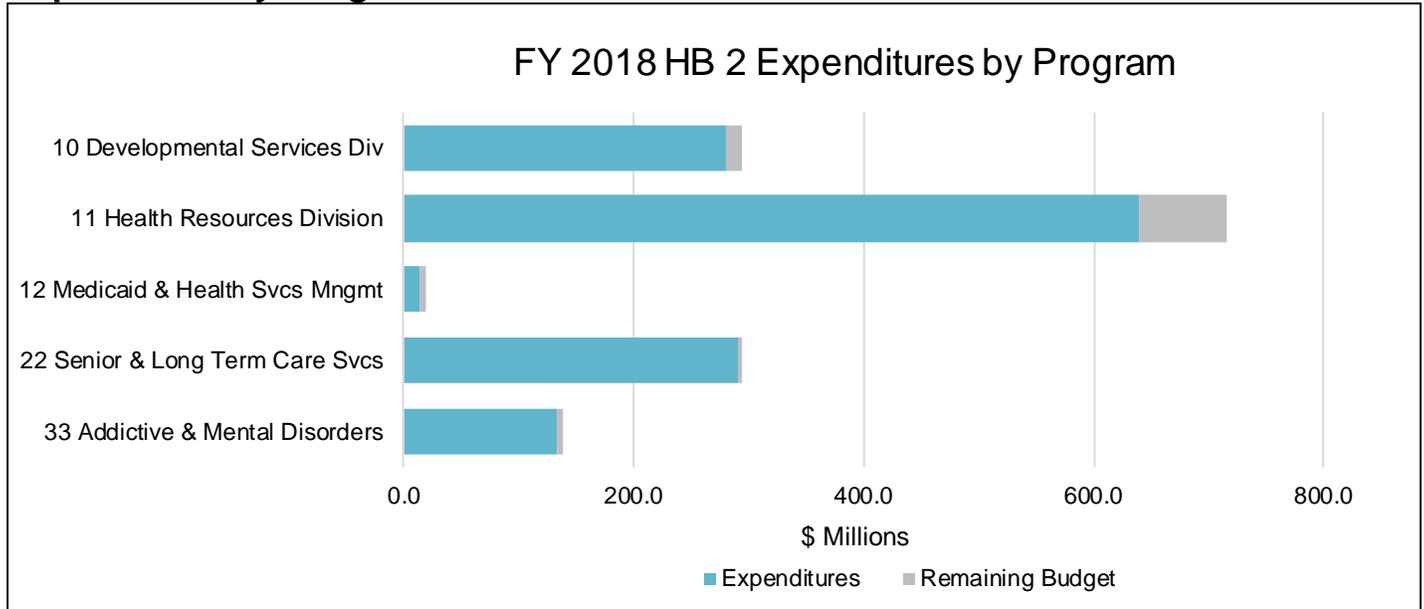
June to FYE 2018 HB 2 Budget Modification by First Level						
First Level	June Modified Budget	Modifications			FYE Modified Budget	Variance to June
		Increases	Decreases	Total		
61000 Personal Services	\$78,203,559	476,844	(\$1,023,638)	(546,794)	77,656,765	-0.7%
62000 Operating Expenses	\$52,374,160	4,697,931	(\$1,681,269)	3,016,662	55,390,822	5.8%
63000 Equipment & Intangible Assets	\$173,553	-	(\$34,000)	(34,000)	139,553	-19.6%
66000 Grants	\$24,748,151	1,000,000	(\$227,975)	772,025	25,520,176	3.1%
67000 Benefits & Claims	\$1,314,842,339	1,043,706	(\$12,841,393)	(11,797,687)	1,303,044,652	-0.9%
69000 Debt Service	\$231,839	-	\$0	-	231,839	0.0%
68000 Transfers-out	\$303,600	-	(\$7,200)	(7,200)	296,400	-2.4%
Grand Total	\$1,470,877,201	\$7,218,481	(\$15,815,475)	(\$8,596,994)	\$1,462,280,207	-0.6%

The above charts show June HB 2 modified budget by first level compared to FYE modified budget by first level.

The majority of the budget reductions in the Medicaid and Health Services Branch came from reductions in benefits and claims, primarily due to transfers to other DPHHS divisions. The increase in operating expenses is largely due to increased costs at the Montana State Hospital associated with meeting federal standards.

AGENCY HB 2 EXPENDITURES

Expenditure by Program

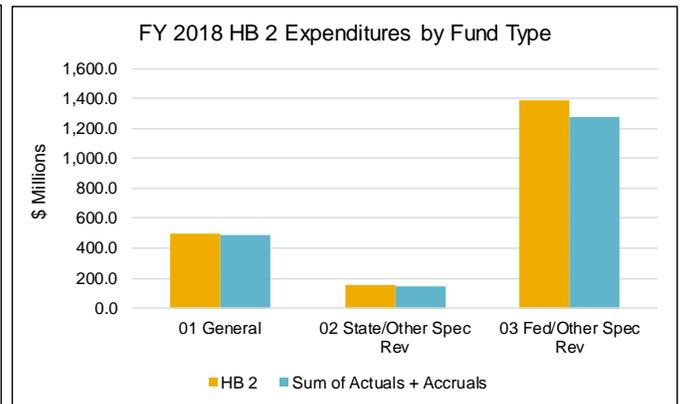
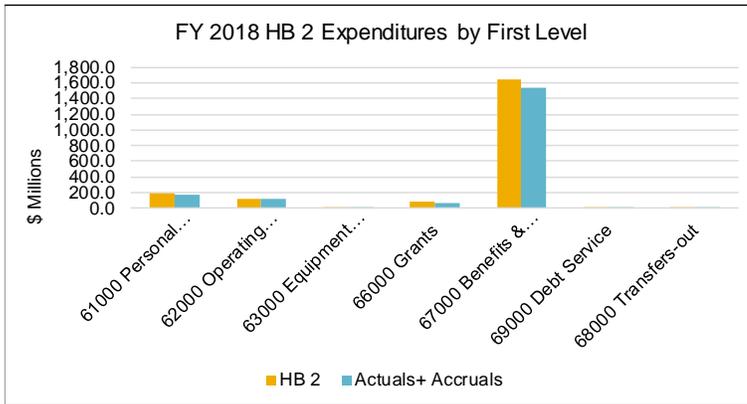


Program	FYE Modified Budget	Expenditures	Remaining Budget	Percent Expended
10 Developmental Services Div	294,217,375	279,278,837	14,938,538	94.9%
11 Health Resources Division	716,017,526	638,790,054	77,227,472	89.2%
12 Medicaid & Health Svcs Mngmt	19,427,193	13,138,020	6,289,173	67.6%
22 Senior & Long Term Care Svcs	294,132,790	289,830,376	4,302,414	98.5%
33 Addictive & Mental Disorders	138,485,323	133,920,138	4,565,185	96.7%
Grand Total	\$1,462,280,207	1,354,957,425	\$107,322,782	92.7%

This chart shows current FY 2018 expenditures by program and remaining authority for HB 2 budget.

The DSD budget was 94.9% expended, slightly higher than FY 2017 and in line with past behavior. The HRD budget was 89.2% expended, of the remaining \$77.2 million, \$66.3 million is federal authority. Most of the remaining general fund authority is the Medicaid Caseload Contingency (\$5.0 million). The unspent budget in MHSM is almost entirely federal funds for Medicaid Health Administration. SLTC and AMDD expenditures are consistent with past behavior.

Expenditure By First Level Account and Fund Type



FY 2018 HB 2 Expended by First Level			
First Level	FYE Modified HB 2	Expended	Percent Expended
61000 Personal Services	77,656,765	76,357,916	98.3%
62000 Operating Expenses	55,390,822	52,461,329	94.7%
63000 Equipment & Intangible Assets	139,553	8,284	5.9%
66000 Grants	25,520,176	21,679,476	85.0%
67000 Benefits & Claims	1,303,044,652	1,204,027,044	92.4%
68000 Transfers-out	296,400	197,519	66.6%
69000 Debt Service	231,839	225,856	97.4%
Grand Total	\$1,462,280,207	\$1,354,957,425	92.7%

FY 2018 HB 2 Expended by Fund Type			
Fund Type	FYE Modified HB 2	Expended	Percent Expended
01 General	374,645,397	368,177,899	98.3%
02 State/Other Special Revenue	129,823,849	124,292,683	95.7%
03 Federal/Other Special Revenue	957,810,961	862,486,843	90.0%
Grand Total	\$1,462,280,207	\$1,354,957,425	92.7%

The above charts show HB 2 modified budget compared to expenditures by first level and fund type.

FY 2018 spending in this branch is noticeably lower than FY 2017, \$1,355.0 million in FY 2018 as compared to \$1,503.9 million in FY 2017. About 88.5% of branch expenditures are in benefits and claims, this is largely in line with the last five years of branch spending. Overall branch spending is also lower in FY 2018 as compared to FY 2017 in terms of percent expenditure. In FY 2017 the branch spent 94.9% of its overall budget and 99.8% of its general fund budget as compared to 92.7% overall and 98.3% of general fund in FY 2018.