

**Agency Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Agency Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	400,451,207	448,046,227	47,595,020	11.89 %
Operating Expenses	334,387,926	402,887,156	68,499,230	20.48 %
Equipment & Intangible Assets	1,155,300	1,078,600	(76,700)	(6.64)%
Grants	164,720,181	178,769,380	14,049,199	8.53 %
Benefits & Claims	5,134,308,027	6,068,351,516	934,043,489	18.19 %
Transfers	27,584,800	6,986,302	(20,598,498)	(74.67)%
Debt Service	2,332,748	617,688	(1,715,060)	(73.52)%
<b>Total Expenditures</b>	<b>\$6,064,940,189</b>	<b>\$7,106,736,869</b>	<b>\$1,041,796,680</b>	<b>17.18 %</b>
General Fund	1,170,001,139	1,484,803,443	314,802,304	26.91 %
State/Other Special Rev. Funds	477,153,774	526,653,639	49,499,865	10.37 %
Federal Spec. Rev. Funds	4,417,785,276	5,095,279,787	677,494,511	15.34 %
<b>Total Funds</b>	<b>\$6,064,940,189</b>	<b>\$7,106,736,869</b>	<b>\$1,041,796,680</b>	<b>17.18 %</b>
<b>Total Ongoing</b>	<b>\$6,046,785,139</b>	<b>\$7,054,073,081</b>	<b>\$1,007,287,942</b>	<b>16.66 %</b>
<b>Total OTO</b>	<b>\$18,155,050</b>	<b>\$52,663,788</b>	<b>\$34,508,738</b>	<b>190.08 %</b>

**Agency Description**

The mission of the Montana 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 four main branches: Director’s Office, Medicaid and Health Services, Economic Security Services, and Public Health and Safety. Within these four 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 chronic disease prevention).

Additional information about the department can be viewed at:

<https://leg.mt.gov/lfd/appropriation-subcommittee-section-b/agency-department-public-health-human-services/>

## Agency Highlights

<b>DPHHS Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2025 biennium HB 2 budget is 17.2% higher than the 2023 biennium budget and totals \$7,106.7 million <ul style="list-style-type: none"> <li>◦ The FY 2024 HB 2 budget is a 12.7% increase from the FY 2023 base, while the FY 2025 budget is a 16.6% increase from the 2023 base</li> </ul> </li> </ul> <p>Significant actions include:</p> <ul style="list-style-type: none"> <li>• Provider rate increases for Medicaid providers totaling \$339.4 million over the 2025 biennium</li> <li>• Provider rate increases for non-Medicaid providers totaling \$31.6 million over the 2025 biennium</li> <li>• Medicaid caseload increases totaling \$396.8 million over the 2025 biennium <ul style="list-style-type: none"> <li>◦ Traditional Medicaid caseload funding decreased by \$18.1 million in FY 2024 and increased by \$25.5 million in FY 2025</li> <li>◦ Medicaid expansion caseload funding increased by \$193.1 million in FY 2024 and \$196.4 million in FY 2025</li> </ul> </li> <li>• Non-Medicaid caseload adjustments totaling a decrease of \$25.4 million in the 2025 biennium <ul style="list-style-type: none"> <li>◦ This negative adjustment is driven by reduced caseload appropriations for the Children's Health Insurance Program (CHIP), which was reduced by \$13.2 million over the 2025 biennium, and foster care which was reduced by \$26.8 million over the 2025 biennium</li> </ul> </li> <li>• Federal Medical Assistance Percentage (FMAP) changes led to an increase in general fund of \$10.1 million, an increase in state special revenue funds of \$1.9 million, and a corresponding reduction in federal funds of \$12.1 million across the 2025 biennium</li> <li>• Decreasing the total by 0.10 FTE in FY 2024 and increasing the total by 0.90 FTE in FY 2025. In addition, HFD transferred 42.00 FTE and associated funding to other divisions. Of that total, 9.00 FTE were transferred from the Intensive Behavior Center and 33.00 FTE were transferred from the Montana State Hospital</li> <li>• General fund totaling \$50.0 million over the biennium was appropriated to the Healthcare Facilities Division on a one-time-only basis to support additional staffing needs for both state and contract staff at various state-run facilities</li> <li>• General fund amounting to \$6.1 million over the biennium was appropriated to the Healthcare Facilities Division on a one-time-only basis to support compliance and recertification efforts at the Montana State Hospital (MSH) and the Montana Mental Health Nursing Care Center (MMHNCC)</li> <li>• Funding for the Comprehensive School and Community Treatment Program (CSCT) was transferred from the Office of Public Instruction to the Behavioral Health and Developmental Disabilities Division</li> <li>• Postpartum coverage extended to 12 months for individuals enrolled in Medicaid</li> </ul>

- Home Visiting funding was increased by \$500,000 in both FY 2024 and FY 2025. Of that total, \$125,000 is state special revenue from the statewide tobacco settlement fund and the rest is increased federal matching funds
- Federal TANF funding increased by \$4.0 million over the biennium in order to update TANF eligibility and case benefit standards to the most current year
- Federal TANF funding totaling \$1.0 million over the biennium appropriated in order to provide grants to entities that advocate for children in legal settings
- A one-time-only insurance premium holiday for premiums paid to the Risk Management and Tort Defense Division proprietary fund reduced the budget for BFSD and HFD by a combined \$6.0 million over the 2025 biennium
- A 5.0% vacancy savings was applied resulting in biennial reductions of \$1.9 million general fund, \$292,510 state special revenue funds, and \$1.5 million federal funds
- Adding funding changes to HB 2 for 13 other bills which were passed and approved by the legislature

**Agency Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	2,831.02	2,831.02	2,830.92	2,831.92
Personal Services	183,965,440	196,377,996	204,073,211	220,888,240	227,157,987
Operating Expenses	172,801,278	173,183,194	161,204,732	209,562,706	193,324,450
Equipment & Intangible Assets	327,779	618,550	536,750	541,850	536,750
Grants	78,647,115	77,949,464	86,770,717	89,725,286	89,044,094
Benefits & Claims	2,434,650,707	2,491,033,087	2,643,274,940	2,969,066,516	3,099,285,000
Transfers	22,867,099	24,091,649	3,493,151	3,493,151	3,493,151
Debt Service	9,650,330	2,023,904	308,844	308,844	308,844
<b>Total Expenditures</b>	<b>\$2,902,909,748</b>	<b>\$2,965,277,844</b>	<b>\$3,099,662,345</b>	<b>\$3,493,586,593</b>	<b>\$3,613,150,276</b>
General Fund	534,420,326	545,299,715	624,701,424	738,932,090	745,871,353
State/Other Special Rev. Funds	224,944,063	237,872,043	239,281,731	256,052,179	270,601,460
Federal Spec. Rev. Funds	2,143,545,359	2,182,106,086	2,235,679,190	2,498,602,324	2,596,677,463
<b>Total Funds</b>	<b>\$2,902,909,748</b>	<b>\$2,965,277,844</b>	<b>\$3,099,662,345</b>	<b>\$3,493,586,593</b>	<b>\$3,613,150,276</b>
<b>Total Ongoing</b>	<b>\$2,893,507,076</b>	<b>\$2,947,122,794</b>	<b>\$3,099,662,345</b>	<b>\$3,459,447,449</b>	<b>\$3,594,625,632</b>
<b>Total OTO</b>	<b>\$9,402,672</b>	<b>\$18,155,050</b>	<b>\$0</b>	<b>\$34,139,144</b>	<b>\$18,524,644</b>

**Summary of Legislative Action**

HB 2 - General Appropriations Act

The HB 2 budget for DPHHS increased by \$1,041.8 million, or 17.2%, relative to the 2023 biennium budget.

This increase was largely driven by Medicaid due to provider rate and caseload increases. The legislature adopted \$339.4 million in all funds over the biennium for Medicaid provider rate increases. Caseload increases totaled over \$396.8 million in all funds over the biennium.

Other smaller, yet significant changes were included as well. The Children’s Health Insurance Program (CHIP) budget increased by 1.7%, or \$4.0 million relative to the 2023 biennium. Non-Medicaid providers received \$31.6 million in additional funding over the biennium for provider rate increases. The funding for the Comprehensive Community Treatment Program and associated funding was transferred from the Office of Public Instruction to the DPHHS.

Additional one-time-only appropriations were adopted also. These include \$50.0 million of contingency funding which was added for the operation of state-owned facilities and a \$6.1 million dollar appropriation to support state facility federal recertification.

HB 2 includes language appropriations for 13 other bills that have a fiscal impact on the department’s budget.

**Agency Discussion**

Medicaid

The HB 2 legislative budget for Medicaid totals \$5,053.3 million over the biennium, which is 21.1% higher than the previous biennium. This includes Medicaid expansion which is funded through HB 2 but does not include Indian Health Services (IHS) Medicaid expenditures as these are statutory. Medicaid expenditures are made in the Behavioral Health and Developmental Disabilities Division (BHDDD), Health Resources Division (HRD), and Senior and Long-Term Care Division (SLTC).

<b>2025 Biennium HB 2 Medicaid Budget (Benefits and Claims Only)</b>			
	<u>Traditional Medicaid</u>		
	FY 2024	FY 2025	Total
Beh. Health and Dev. Disabilities Div.	387,938,488	419,709,052	807,647,540
Health Resources Division	673,888,499	706,562,879	1,380,451,378
Senior and Long-Term Care	338,578,175	372,941,067	711,519,242
<b>Total</b>	<b>1,400,405,162</b>	<b>1,499,212,998</b>	<b>2,899,618,160</b>
	<u>Medicaid Expansion</u>		
	FY 2024	FY 2025	Total
Beh. Health and Dev. Disabilities Div.	102,664,105	105,213,660	207,877,765
Health Resources Division	949,944,159	964,402,302	1,914,346,461
Senior and Long-Term Care	15,288,543	16,169,840	31,458,383
<b>Total</b>	<b>1,067,896,807</b>	<b>1,085,785,802</b>	<b>2,153,682,609</b>
<b>Grand Total: All Medicaid</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Total</b>
	<b>2,468,301,969</b>	<b>2,584,998,800</b>	<b>5,053,300,769</b>

Provider Rates

In the 2021 Session, the legislature recommended performing a [study](#) to conduct a provider cost and wage survey to help DPHHS establish informed provider rates and make recommendations to adjust those rates, if necessary, to maintain services. The study captured 18 specific provider types spanning the three Medicaid divisions. In addition, both Medicaid and non-Medicaid providers who were not encompassed in the study received a 4.0% increase in each year of the biennium.

Funds adopted for provider rate increases because of the study, the 4.0% across the board increase to non-studied providers and the additional discretionary funds restricted to non-Medicaid providers which were appropriated to the Director’s Office total \$371.0 million all funds. Of the funding going to provider rates, \$106.9 million comes from the general fund.

Institutions

DPHHS currently operates a total of seven facilities. The table below shows a biennial summary of the budget adopted by the legislature for these various facilities. The average daily population is based on FY 2022.

2025 Biennium Legislative Budget for DPHHS Facilities					
	Budgeted FTE	Average Daily Population (FY 2023)	FY 2024 Budget	FY 2025 Budget	Average Annual Per Resident Cost
MT Chem. Dependency Ctr.	54.25	21.45	\$ 6,368,305	\$ 6,413,608	\$ 297,947
Mental Health Nursing Care Ctr.	130.71	66.62	13,164,183	14,408,272	206,938
Montana State Hospital	491.45	218.4	48,667,581	48,829,376	223,207
Intensive Behavior Center (Boulder)	54.41	9.09	4,372,069	4,393,965	482,180
Montana Vet. Home	139.8	62.65	16,478,337	16,623,003	264,177
Eastern MT Vet. Home (Contracted)	0.19	55.50	4,702,121	4,906,927	86,568
Southwest MT Vet. Home (Contracted)	1.00	41.95	7,659,693	8,001,261	186,662
<b>Total</b>	<b>871.81</b>	<b>475.66</b>	<b>\$ 101,412,289</b>	<b>\$ 103,576,412</b>	<b>\$ 1,747,679</b>
<u>Additional Line-Items</u>					
Facility Ops - Contract and State Staff (RST/OTO)			\$ 30,000,000	\$ 20,000,000	
Facility Ops - CMS Compliance and Recertification (RST/BIEN/OTO)			6,114,500		
<b>Total Facilities Budget</b>			<b>\$ 137,526,789</b>	<b>\$ 123,576,412</b>	

In addition to the facility budgets passed, two line-items were passed totaling \$56.1 million over the biennium. The line-item for Contract and State Staff is a \$50.0 million general fund appropriation over the biennium on a one-time-only basis to support facility operation and staffing. The line-item for CMS Compliance and Recertification is also a one-time-only, biennial, and restricted appropriation of \$6.1 million general fund over the biennium to support Centers for Medicare and Medicaid Services (CMS) recertification at the Montana State Hospital and support CMS compliance at the Montana Mental Health Nursing Care Center (MMHNCC).

Personal Services

The 2025 biennium budget adopted by the legislature includes \$448.0 million of personal services. This is a \$47.6 million increase over the 2023 biennium, or an increase of 11.9%. DPHHS saw high vacancy rates in the 2023 biennium. Of the department’s total 2,803.50 FTE, 473.27 positions were vacant as of June 2023 – a rate of 16.9%. The largest share of these vacant positions, 330.62 FTE or 69.9% of total vacancies, are in the Healthcare Facilities Division (HFD).

The legislature adopted various transfers of 42.00 longstanding vacant FTE from the Healthcare Facilities Division to various other divisions. This resulted in a savings of \$1.2 million general fund by transferring these FTE to positions that can be funded using a combination of state and federal funds. Of the positions transferred, 33.00 FTE were transferred from the Montana State Hospital (MSH) and 9.00 positions were transferred from the Intensive Behavioral Center (IBC) in Boulder.

- The Disability Employment and Transitions Division received 5.00 FTE in each year of the biennium for Vocational Rehabilitation Technicians and a Workforce Innovation and Opportunity Act partner coordinator
- The Child and Family Services Division received 20.00 FTE in each year of the biennium for additional social workers and social service coordinators
- The Director’s Office received 4.00 FTE in each year of the biennium for additional attorneys and human resource positions
- The Business and Financial Services Division received 3.00 FTE in each year of the biennium for accounting oversight
- The Office of the Inspector General received 3.00 FTE in each year of the biennium to assist with federal Medicaid Eligibility Quality Control mandates
- The Technology Services Division received 6.00 FTE in each year of the biennium for data analysts and Montana Program for Automating and Transforming Healthcare (MPATH) operations positions
- The Behavioral Health and Developmental Disabilities Division received 1.00 FTE in each year of the biennium for administration of the CSCT program

In addition, 1.50 FTE was removed from the Public Health and Safety Division when the implementation of HB 598 was transferred to the Department of Revenue. Healthcare Facilities Division (HFD) added 0.90 FTE in both years of the biennium for an infection control nurse at the Montana Veteran’s Home. The Technology Services Division (TSD) added 1.00 new FTE in FY 2025 to assist with MPATH. SB 516 added 0.50 FTE Program Specialist in each year of the biennium for program administrative responsibilities. Overall, the number of FTE in DPHHS decreased by 0.10 net FTE in FY 2024 and increased by 0.90 FTE in FY 2025.

**Funding**

The following table shows adopted agency funding for all sources of authority.

Total Department of Public Health & Human Services Funding by Source of Authority 2025 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	1,432,486,806	52,316,637	0	0	1,484,803,443	20.32 %	
State Special Total	526,763,544	(109,905)	0	8,702,237	535,355,876	7.32 %	
Federal Special Total	5,094,822,731	457,056	0	193,327,402	5,288,607,189	72.36 %	
Proprietary Total	0	0	0	0	0	0.00 %	
Other Total	0	0	0	0	0	0.00 %	
<b>Total All Funds</b>	<b>\$7,054,073,081</b>	<b>\$52,663,788</b>	<b>\$0</b>	<b>\$202,029,639</b>	<b>\$7,308,766,508</b>		
<b>Percent - Total All Sources</b>	<b>96.52 %</b>	<b>0.72 %</b>	<b>0.00 %</b>	<b>2.76 %</b>			

DPHHS is funded with general fund, state special funds, and federal funds. The federal statutory appropriations in the table above are almost entirely for the Indian Health Services Medicaid program. The state special revenue statutory appropriations are largely associated with Montana State Hospital bond payments and the statutory alcohol tax program.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	624,701,424	624,701,424	1,249,402,848	84.15 %	3,099,662,345	3,099,662,345	6,199,324,690	87.23 %
SWPL Adjustments	10,169,499	11,195,256	21,364,755	1.44 %	20,026,488	22,795,700	42,822,188	0.60 %
PL Adjustments	23,126,619	26,074,439	49,201,058	3.31 %	172,071,903	227,697,420	399,769,323	5.63 %
New Proposals	80,934,548	83,900,234	164,834,782	11.10 %	201,825,857	262,994,811	464,820,668	6.54 %
<b>Total Budget</b>	<b>\$738,932,090</b>	<b>\$745,871,353</b>	<b>\$1,484,803,443</b>		<b>\$3,493,586,593</b>	<b>\$3,613,150,276</b>	<b>\$7,106,736,869</b>	

**Other Legislation**

HB 872 – “Provide funding for behavioral health system for future generations”

This legislation creates the behavioral health system for future generations fund and transfers \$225.0 million into the fund along with \$75.0 million into the capital development fund for the purpose of stabilizing, studying, and continuing to develop a viable and comprehensive statewide behavioral health and developmental disabilities care system. HB 872 creates a commission to study and recommend how the funds are to be used after various reporting and rule-making hurdles to ensure that the funds are used for their specified purpose effectively. In addition, it removes the Comprehensive School and Community Treatment program from the Office of Public Instruction (OPI) and transfers any remaining unencumbered funds in OPI back into the DPHHS.

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 2023	Executive Budget Fiscal 2024	Legislative Budget Fiscal 2024	Leg — Exec. Difference Fiscal 2024	Executive Budget Fiscal 2025	Legislative Budget Fiscal 2025	Leg — Exec. Difference Fiscal 2025	Biennium Difference Fiscal 24-25
FTE	2,831.02	2,840.42	2,830.92	(9.50)	2,841.42	2,831.92	(9.50)	(9.50)
Personal Services	204,073,211	218,633,438	220,888,240	2,254,802	219,963,224	227,157,987	7,194,763	9,449,565
Operating Expenses	161,204,732	178,515,015	209,562,706	31,047,691	182,272,415	193,324,450	11,052,035	42,099,726
Equipment & Intangible Assets	536,750	541,850	541,850	0	536,750	536,750	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Grants	86,770,717	89,225,286	89,725,286	500,000	88,544,094	89,044,094	500,000	1,000,000
Benefits & Claims	2,643,274,940	2,956,574,741	2,969,066,516	12,491,775	3,080,055,963	3,099,285,000	19,229,037	31,720,812
Transfers	3,493,151	3,493,151	3,493,151	0	3,493,151	3,493,151	0	0
Debt Service	308,844	308,844	308,844	0	308,844	308,844	0	0
<b>Total Costs</b>	<b>\$3,099,662,345</b>	<b>\$3,447,292,325</b>	<b>\$3,493,586,593</b>	<b>\$46,294,268</b>	<b>\$3,575,174,441</b>	<b>\$3,613,150,276</b>	<b>\$37,975,835</b>	<b>\$84,270,103</b>
General Fund	624,701,424	692,833,383	738,932,090	46,098,707	721,400,639	745,871,353	24,470,714	70,569,421
State/other Special Rev. Funds	239,281,731	258,196,672	256,052,179	(2,144,493)	270,951,137	270,601,460	(349,677)	(2,494,170)
Federal Spec. Rev. Funds	2,235,679,190	2,496,262,270	2,498,602,324	2,340,054	2,582,822,665	2,596,677,463	13,854,798	16,194,852
Other	0	0	0	0	0	0	0	0
<b>Total Funds</b>	<b>\$3,099,662,345</b>	<b>\$3,447,292,325</b>	<b>\$3,493,586,593</b>	<b>\$46,294,268</b>	<b>\$3,575,174,441</b>	<b>\$3,613,150,276</b>	<b>\$37,975,835</b>	<b>\$84,270,103</b>
<b>Total Ongoing</b>	<b>\$3,099,662,345</b>	<b>\$3,411,747,889</b>	<b>\$3,459,447,449</b>	<b>\$47,699,560</b>	<b>\$3,539,630,004</b>	<b>\$3,594,625,632</b>	<b>\$54,995,628</b>	<b>\$102,695,188</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$35,544,436</b>	<b>\$34,139,144</b>	<b>(\$1,405,292)</b>	<b>\$35,544,437</b>	<b>\$18,524,644</b>	<b>(\$17,019,793)</b>	<b>(\$18,425,085)</b>

The legislative budget is \$84.3 million total funds higher than the executive request over the biennium.

- The legislative budget includes 2,830.92 FTE in FY 2024 and 2,831.92 FTE in FY 2025, which is 9.50 FTE lower than the executive's original request. The legislature did not adopt a decision package that would have added 11.00 Quality Improvement Specialists to the FTE in the Behavioral Health and Developmental Disabilities Division. A portion of those FTE would have been transferred from Healthcare Facilities Division (HFD) and the remainder would have been a net increase to DPHHS HB 2 FTE
- General fund is \$70.6 million higher than the executive request over the 2025 biennium. In FY 2024, the executive request was \$46.1 million general fund lower than the adopted legislative budget. In FY 2025, the executive budget general fund request was \$24.5 million lower than the adopted legislative budget. Though the legislature adopted a lower caseload adjustment for Medicaid and Medicaid expansion, various other changes outweighed this reduction in general fund. A total of \$50.0 million general fund was added to the executive request to support contract staffing needs at various facilities in the Healthcare Facilities Division and \$6.1 million general fund was added to support efforts of federal recertification at the Montana State Hospital and continued federal compliance at the Montana Mental Health Nursing Care Center. The legislature also adopted provider rate increases for Medicaid and Medicaid expansion providers that added \$63.4 million general fund to the executive's original request
- State special revenue funds are \$2.5 million lower than the executive request. The legislature did not adopt an increase for the HEART fund which would have resulted in \$6.0 million additional state special revenue funds across the biennium. The lower caseloads adopted for Medicaid and Medicaid expansion resulted in a reduction of state special revenue funds as compared to the executive request. Other changes include increases in state special revenue necessary to fund the increases in provider rates as well as increases for home visiting and HFD training programs

- Federal funds are \$16.2 million higher than the executive request. This increase is mainly due to increases in provider rates over the original executive request as well as extending the uses of TANF funds through adjustments to the TANF program's eligibility requirements and additional grant funding to entities that advocate for children in legal settings. This increase is partially offset by lower Medicaid and Medicaid expansion caseload funding
- The legislature adopted an additional 1.0% vacancy savings. The additional vacancy savings resulted in biennial reductions of \$1.9 million general fund, \$292,510 state special revenue funds, and \$1.5 million federal funds

### Language and Statutory Authority

#### The legislature adopted the following language for HB 2:

"The Disability Employment and Transitions Division (DETD) is appropriated \$775,000 of state special revenue from the Montana Telecommunications Access Program (MTAP) during each year of the 2025 biennium to cover a contingent Federal Communications Commission mandate, that would require states to provide both video and internet protocol relay services for people with severe hearing, mobility, or speech impairments."

"The Business and Financial Services Division and the Health Care Facilities Division include a one-time-only reduction in FY 2024 and FY 2025 for a suspension of insurance premium payments to the Risk Management and Tort Defense Division's proprietary fund."

"The line item for Independent Living Svc. for the Older Blind Program is restricted to expenditures on benefits and claims."

"The line item for Increase TANF Block Grant Transfer to Child Care is restricted to expenditures on child-care subsidies."

"The Legislature intends that the Department of Public Health and Human Services increase the child support pass-through for eligible Temporary Assistance for Needy Families (TANF) populations from \$100 to \$200 monthly."

"The line item for Increase Funding for Child-Care Subsidies on a biennial and one-time-only basis is restricted to expenditures on child-care subsidies."

"Medicaid provider rate increases for nursing homes in FY 2025 are conditional on facility participation in Department of Public Health and Human Services efforts to collect quality and performance data."

"The Legislature intends that all funding available and appropriated for child-care subsidies be expended only on child-care subsidies."

"The refinance adopted for Medicaid expansion hospital utilization fees in the Health Resources Division is void, the appropriation of state special revenue from hospital utilization fees is increased by \$839,331 in each year of the biennium, and the appropriation of the Tobacco Health and Medicaid Initiatives fund is decreased by \$839,331 in each year of the biennium."

"The line item Increase Funding to Entities That Advocate for Children in Legal Settings is restricted to grants for the specified types of entities. The Department of Public Health and Human Services shall submit a written report on the use of this funding prior to the end of FY 2025 to the Health and Human Services Interim Budget Committee."

"The line item for Medicaid Provider Rate Increase for Inpatient Non-Critical Access Hospital Services is contingent on the Department of Public Health and Human Services' evaluation of the Upper Payment Limit payment methodology, including but not limited to how Medicaid rate increases impact the Upper Payment Limit, the integrity of the cost-to-charge ratio calculation, allowable reportable hospital costs, and alternative Upper Payment Limit calculation methods. The department shall also require hospitals to provide evidence annually of how the Upper Payment Limit payments impact efficiency, economy, quality of care, and access. The department may additionally assess graduated penalties to hospitals with high outlier cost-to-charge ratios."

"The appropriation for Facility Operations – Contract and State Staff is restricted to expenditures in the Health Care Facilities Division."

"The appropriation for Facility Operations – CMS Compliance and Recertification is restricted to expenditures supporting compliance with Centers for Medicare and Medicaid Services (CMS) requirements at the Montana Mental Health Nursing Care Center (MMHNCC) or expenditures supporting CMS recertification at the Montana State Hospital."

"The Director's Office includes an increase in general fund of \$1,052,627 in FY 2024 and \$1,340,249 in FY 2025, an increase in state special revenue of \$373,112 in FY 2024 and \$441,340 in FY 2025, and an increase of federal special revenue of \$1,417,329 in FY 2024 and \$1,834,159 in FY 2025. The increase was provided to offset inflationary impacts. The agency may allocate this increase in funding among programs when developing 2025 biennium operating plans."

"The line item Medicaid Provider Rate Increase for Studied Providers is restricted to benefits and claims."

**Additionally, the legislature adopted the following HB 2 language, contingent on the passage and approval of other bills, and the adjustments to HB 2 appropriations are included as decision packages and incorporated in the tables in the fiscal report:**

"If HB 648 is passed and approved the appropriation for Increase Funding for Child-Care Subsidies (Biennial/OTO) is void and the appropriation for Increase TANF Block Grant Transfer to Child Care (Restricted) is void."

"If HB 29 is passed and approved, the Department of Public Health and Human Services is increased by \$91,397 general fund in FY 2024 and \$1,174,544 general fund in FY 2025."

"If HB 37 is passed and approved, the Department of Public Health and Human Services is increased by \$167,641 general fund and \$207,526 federal special revenue in FY 2024 and \$148,140 general fund and \$199,168 federal special revenue in FY 2025."

"If HB 147 is passed and approved, the Department of Public Health and Human Services is increased by \$20,011 general fund and \$43,288 federal special revenue in FY 2024 and \$6,000 general fund and \$18,000 federal special revenue in FY 2025."

"If HB 218 is passed and approved, the Department of Public Health and Human Services is increased by \$3,406 state special revenue in FY 2024 and \$3,406 state special revenue in FY 2025."

"If HB 449 is passed and approved, the Department of Public Health and Human Services is increased by \$90,345 general fund and \$159,988 federal special revenue in FY 2024 and \$179,639 general fund and \$321,027 federal special revenue in FY 2025."

"If HB 544 is passed and approved, the Department of Public Health and Human Services is increased by \$183,340 general fund and \$493,598 federal special revenue in FY 2024 and \$189,094 general fund and \$506,625 federal special revenue in FY 2025."

"If HB 619 is passed and approved, the Department of Public Health and Human Services is increased by \$25,200 federal special revenue in FY 2024 and \$25,200 federal special revenue in FY 2025."

"If HB 648 is passed and approved, the Department of Public Health and Human Services is increased by \$144,408 general fund in FY 2024 and \$144,408 general fund in FY 2025."

"If HB 655 is passed and approved, the Department of Public Health and Human Services is increased by \$8,147 general fund and \$21,529 federal special revenue in FY 2024 and \$9,080 general fund and \$24,166 federal special revenue in FY 2025."

"If HB 828 is passed and approved, the Department of Public Health and Human Services is increased by \$466,558 general fund and \$45,000 federal special revenue in FY 2024 and \$13,697 general fund and \$45,000 federal special revenue in FY 2025."

"If HB 862 is passed and approved, the Department of Public Health and Human Services is decreased by \$283,969 general fund in FY 2024 and \$306,164 general fund in FY 2025."

"If SB 148 is passed and approved, the Department of Public Health and Human Services is increased by \$178,870 federal special revenue in FY 2024 and \$178,870 federal special revenue in FY 2025."

"If SB 296 is passed and approved, the Department of Public Health and Human Services is decreased by \$446,698 general fund and increased by \$2,454,862 federal special revenue in FY 2024 and decreased by \$965,286 general fund and increased by \$5,022,895 federal special revenue in FY 2025, and the Department of Public Health and Human Services may increase full-time equivalent positions authorized in HB 2 by 1.00 FTE in FY 2024 and 1.00 FTE in FY 2025."

"If SB 516 is passed and approved, the Department of Public Health and Human Services is increased by \$46,969 general fund, \$15,800 state special revenue, and \$129,827 federal special revenue in FY 2024 and \$79,078 general fund, \$15,800 state special revenue, and \$250,068 federal special revenue in FY 2025, and the Department of Public Health and Human Services may increase full-time equivalent positions authorized in HB 2 by 0.50 FTE in FY 2024 and 0.50 FTE in FY 2025."

"If HB 922 is passed and approved, the Department of Public Health and Human Services is increased by \$78,000 as one-time-only federal special revenue in FY 2024 and \$39,000 as one-time-only federal special revenue in FY 2025."

"If HB 83 is passed and approved, the Child and Family Services Division is decreased by \$86,250 general fund, \$63,376 state special revenue, and \$592,459 federal special revenue in FY 2025."

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

### Program Budget Comparison

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	17,263,481	19,284,969	2,021,488	11.71 %
Operating Expenses	8,974,116	9,973,361	999,245	11.13 %
Grants	1,282,423	1,363,364	80,941	6.31 %
Benefits & Claims	23,535,845	29,067,933	5,532,088	23.50 %
Transfers	492,500	469,500	(23,000)	(4.67)%
Debt Service	200,377	25,194	(175,183)	(87.43)%
<b>Total Expenditures</b>	<b>\$51,748,742</b>	<b>\$60,184,321</b>	<b>\$8,435,579</b>	<b>16.30 %</b>
General Fund	10,795,712	13,134,569	2,338,857	21.66 %
State/Other Special Rev. Funds	1,901,165	1,982,773	81,608	4.29 %
Federal Spec. Rev. Funds	39,051,865	45,066,979	6,015,114	15.40 %
<b>Total Funds</b>	<b>\$51,748,742</b>	<b>\$60,184,321</b>	<b>\$8,435,579</b>	<b>16.30 %</b>
<b>Total Ongoing</b>	<b>\$51,748,742</b>	<b>\$60,184,321</b>	<b>\$8,435,579</b>	<b>16.30 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

### Program Description

The Disability Employment and Transitions Division (DETD) advances the independence and employment of Montanans with disabilities. DETD's work is guided by the goal of promoting opportunities for Montanans with disabilities to have rewarding careers and achieve maximum personal potential through informed choice. The division is composed of five bureaus: Vocational Rehabilitation, Blind and Low Vision Services, Pre-Employment Transition Services, Disability Determination Services, and Operations and Support. 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.

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

## Program Highlights

<b>Disability and Employment Transitions Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• DETD's 2025 biennium HB 2 budget is an increase of 16.3% when compared to the 2023 biennium budget. This includes:                             <ul style="list-style-type: none"> <li>◦ Vacancy savings adjustment of 5.0%</li> <li>◦ Additional 4.00 FTE and related funding for vocational rehabilitation technician positions</li> <li>◦ Increases for provider rate adjustments amounting to \$741,000 total funds over the biennium</li> </ul> </li> </ul>

## Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	134.07	134.07	139.07	139.07
Personal Services	8,426,221	7,565,775	9,697,706	9,613,038	9,671,931
Operating Expenses	3,373,470	4,175,588	4,798,528	4,981,535	4,991,826
Grants	854,624	600,741	681,682	681,682	681,682
Benefits & Claims	7,935,833	9,472,309	14,063,536	14,401,513	14,666,420
Transfers	210,855	257,750	234,750	234,750	234,750
Debt Service	794,982	187,780	12,597	12,597	12,597
<b>Total Expenditures</b>	<b>\$21,595,985</b>	<b>\$22,259,943</b>	<b>\$29,488,799</b>	<b>\$29,925,115</b>	<b>\$30,259,206</b>
General Fund	4,538,200	4,661,814	6,133,898	6,535,017	6,599,552
State/Other Special Rev. Funds	841,255	946,683	954,482	988,133	994,640
Federal Spec. Rev. Funds	16,216,530	16,651,446	22,400,419	22,401,965	22,665,014
<b>Total Funds</b>	<b>\$21,595,985</b>	<b>\$22,259,943</b>	<b>\$29,488,799</b>	<b>\$29,925,115</b>	<b>\$30,259,206</b>
<b>Total Ongoing</b>	<b>\$21,595,985</b>	<b>\$22,259,943</b>	<b>\$29,488,799</b>	<b>\$29,925,115</b>	<b>\$30,259,206</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## Program Narrative

The legislature increased the budget for DETD by 1.5% in FY 2024 and 2.6% in FY 2025 relative to the FY 2023 base. Provider rate adjustments added an additional \$741,000 in all funds. An additional 5.00 FTE transferred from the Healthcare Facilities Division added \$753,000 in all funds over the biennium.

## Funding

The following table shows proposed agency funding for all sources of authority.

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

## Funding

The following table shows proposed agency funding for all sources 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	13,134,569	0	0	13,134,569	21.82 %	
02159 Handicapped Telecommunications	1,834,069	0	0	1,834,069	92.50 %	
02434 02 Indirect Activity Prog 01	148,704	0	0	148,704	7.50 %	
<b>State Special Total</b>	<b>\$1,982,773</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,982,773</b>	<b>3.29 %</b>	
03588 93.802 - Disabil Deter Adm 100	9,556,506	0	0	9,556,506	21.21 %	
03604 84.126 - Rehab-Sec110 A 78.7%	28,399,416	0	0	28,399,416	63.02 %	
03365 03 Indirect Activity Prog 01	1,665,419	0	0	1,665,419	3.70 %	
03554 84.169 - Independent Living 90	700,758	0	0	700,758	1.55 %	
03555 84.177 - Indep Living Old BLIN	450,000	0	0	450,000	1.00 %	
03557 84.187 - Vic Sup Employment	398,988	0	0	398,988	0.89 %	
03558 84.224 - Mon Tech 100%	1,002,060	0	0	1,002,060	2.22 %	
03024 Soc Sec - Trust Funds	2,563,832	0	0	2,563,832	5.69 %	
03226 VR Supported Empl VI-B Youth	330,000	0	0	330,000	0.73 %	
<b>Federal Special Total</b>	<b>\$45,066,979</b>	<b>\$0</b>	<b>\$0</b>	<b>\$45,066,979</b>	<b>74.88 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$60,184,321</b>	<b>\$0</b>	<b>\$0</b>	<b>\$60,184,321</b>		

The DETD is funded primarily by a variety of federal funds. Some programs are fully funded with federal funds including disability determinations and the MonTECH Assistive Technology Program, while other federally funded programs require varying levels of state match funds. There are nine federal funds with ongoing HB 2 authority in DETD. Most of the federal authority is contained in four programs including:

- Rehabilitation Sec. 110A are federal funds granted to states for the purpose of vocational rehabilitation intended to assist individuals with disabilities in preparing for and engaging in competitive employment
- Disability determinations administration funds cover administrative costs related to determining disabled status
- Social security trust funds are federal funds used to cover part of the benefits and claims expenditures in the Vocational Rehabilitation Program
- Federal indirect activities are authorized based on a federally approved formula and are derived from DETD functions benefiting or serving other programs in the department

General fund and state special revenue funds also support program costs. About half of each are used to support administrative costs with the remaining general fund being used to support Vocational Rehabilitation and the remaining state special revenue being used to support MTAP.

## Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	6,133,898	6,133,898	12,267,796	93.40 %	29,488,799	29,488,799	58,977,598	98.00 %
SWPL Adjustments	176,596	189,379	365,975	2.79 %	(143,285)	(43,640)	(186,925)	(0.31)%
PL Adjustments	(138)	(129)	(267)	(0.00)%	(637)	(596)	(1,233)	(0.00)%
New Proposals	224,661	276,404	501,065	3.81 %	580,238	814,643	1,394,881	2.32 %
<b>Total Budget</b>	<b>\$6,535,017</b>	<b>\$6,599,552</b>	<b>\$13,134,569</b>		<b>\$29,925,115</b>	<b>\$30,259,206</b>	<b>\$60,184,321</b>	

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

## Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	164,323	12,862	(490,014)	(312,829)	0.00	174,950	14,325	(443,602)	(254,327)
DP 3 - Inflation Deflation	0.00	12,273	38,457	118,814	169,544	0.00	14,429	45,242	151,016	210,687
DP 30 - Motor Pool Rate Adjustment	0.00	(138)	(67)	(432)	(637)	0.00	(129)	(63)	(404)	(596)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$176,458</b>	<b>\$51,252</b>	<b>(\$371,632)</b>	<b>(\$143,922)</b>	<b>0.00</b>	<b>\$189,250</b>	<b>\$59,504</b>	<b>(\$292,990)</b>	<b>(\$44,236)</b>

\*\*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 the present law personal services budget for expected changes, management decisions, and budget modifications.

### 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

### DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

## New Proposals

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 333 - Adjustment to Inflation	0.00	(3,068)	(9,614)	(29,704)	(42,386)	0.00	(3,607)	(11,311)	(37,754)	(52,672)
DP 555 - Additional Vacancy Savings	0.00	(22,664)	(7,987)	(71,182)	(101,833)	0.00	(22,801)	(8,035)	(71,614)	(102,450)
DP 1004 - WIOA Business Services FTE	1.00	19,569	0	61,462	81,031	1.00	18,947	0	59,509	78,456
DP 1015 - Prov Rate Adj - Voc Rehab & Blind Services	0.00	57,058	0	135,313	192,371	0.00	119,426	0	283,221	402,647
DP 1016 - Prov Rate Adj - Disability Determination	0.00	0	0	45,606	45,606	0.00	0	0	100,237	100,237
DP 1777 - Rehab Tech Alternate	4.00	73,766	0	231,683	305,449	4.00	64,439	0	223,986	288,425
DP 1798 - Ind. Living Svc. for the Older Blind Program (RST)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
<b>Total</b>	<b>5.00</b>	<b>\$224,661</b>	<b>(\$17,601)</b>	<b>\$373,178</b>	<b>\$580,238</b>	<b>5.00</b>	<b>\$276,404</b>	<b>(\$19,346)</b>	<b>\$557,585</b>	<b>\$814,643</b>

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

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

### DP 99 - New Fixed Costs -

The legislature adopted appropriations of \$29,507 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

### DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

### DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

### DP 1004 - WIOA Business Services FTE -

The legislature adopted a transfer of 1.00 FTE from Healthcare Facilities Division (HFD) to the DETD for the purpose of coordinating with Workforce Innovation and Opportunity Act (WIOA) partners statewide.

### DP 1015 - Prov Rate Adj - Voc Rehab & Blind Services -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustment.

### DP 1016 - Prov Rate Adj - Disability Determination -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustment.

### DP 1777 - Rehab Tech FTE Alternate -

The legislature adopted the transfer of 4.00 FTE from the HFD to DETD for additional vocational rehabilitation technicians. These positions will be added to general vocational rehabilitation services.

### DP 1798 - Ind. Living Svc. for the Older Blind Program (RST) -

The legislature adopted a general fund increase to independent living services for the older blind. This funding is restricted to expenditures on benefits and claims.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	64,037,561	71,012,285	6,974,724	10.89 %
Operating Expenses	13,386,011	15,093,982	1,707,971	12.76 %
Equipment & Intangible Assets	30,000	50,000	20,000	66.67 %
Grants	36,685,316	46,148,934	9,463,618	25.80 %
Benefits & Claims	419,690,356	443,481,178	23,790,822	5.67 %
Transfers	4,585,123	4,242,220	(342,903)	(7.48)%
Debt Service	160,417	26,422	(133,995)	(83.53)%
<b>Total Expenditures</b>	<b>\$538,574,784</b>	<b>\$580,055,021</b>	<b>\$41,480,237</b>	<b>7.70 %</b>
General Fund	48,638,502	51,200,018	2,561,516	5.27 %
State/Other Special Rev. Funds	3,276,960	4,107,417	830,457	25.34 %
Federal Spec. Rev. Funds	486,659,322	524,747,586	38,088,264	7.83 %
<b>Total Funds</b>	<b>\$538,574,784</b>	<b>\$580,055,021</b>	<b>\$41,480,237</b>	<b>7.70 %</b>
<b>Total Ongoing</b>	<b>\$538,574,784</b>	<b>\$579,055,021</b>	<b>\$40,480,237</b>	<b>7.52 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>100.00 %</b>

**Program Description**

The Human and Community Services Division (HCSD) is led by an administrator and a senior team, comprised of bureau chiefs, and program managers.

The Public Assistance Bureau includes policy, process, and training for eligibility services to clients for Montana's Temporary Assistance to Needy Families (TANF) Program, the Supplemental Nutrition Assistance Program (SNAP), and health coverage including Medicaid programs and Healthy Montana Kids (HMK) Programs across the state. There are 19 offices statewide providing eligibility services, in addition to supporting the public assistance helpline and the apply.mt.gov, self-service portal.

The Intergovernmental Human Services Bureau administers the community services block grant, which is used by 10 Human Resource Development Councils to provide a wide range of community-based human services. In addition, this bureau provides the Low-Income Home Energy Assistance and Weatherization Program (LIEHEAP), as well as other supports including the emergency solutions grant and United States Department of Agriculture food commodities grant.

The Business Operations Bureau coordinates all information technology systems related work for the division including requirements, design, testing, and implementation. The bureau is also responsible for data reporting, as well as providing help desk system support for the public assistance staff.

The Fiscal Bureau coordinates, analyzes, implements, and monitors the division budget; purchases supplies and equipment; and assists with grant reporting, contracts, and leases.

Statutory Authority - is in Title 53, Chapter 2, part 2 MCA and 45 CFR

Program Highlights

<b>Human and Community Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2025 biennium legislative budget for the HCSD increased by 7.7% when compared to the 2023 biennium, due primarily to the increasing cost of personal services and adjustments that the legislature made to TANF eligibility and payment standards. The budget also includes:                             <ul style="list-style-type: none"> <li>◦ Increases in statewide present law adjustments for personal services of \$5.6 million and an inflation adjustment of \$423,000</li> <li>◦ Vacancy savings adjustment of 5.0%</li> <li>◦ An additional \$4.0 million federal funds to adjust the TANF income eligibility limits and the TANF cash benefit payment standard</li> <li>◦ An increase of \$1.0 million federal funds on a restricted, biennial and one-time-only basis for child advocates in legal settings</li> <li>◦ Increases to fund overtime in the Office of Public Assistance totaling \$901,000</li> </ul> </li> </ul>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	492.50	492.50	492.50	492.50
Personal Services	30,082,300	31,402,486	32,635,075	35,406,563	35,605,722
Operating Expenses	4,340,818	6,049,903	7,336,108	7,520,482	7,573,500
Equipment & Intangible Assets	0	5,000	25,000	25,000	25,000
Grants	14,316,324	14,110,849	22,574,467	23,074,467	23,074,467
Benefits & Claims	199,415,069	200,249,767	219,440,589	221,740,589	221,740,589
Transfers	2,399,316	2,464,013	2,121,110	2,121,110	2,121,110
Debt Service	1,999,947	147,206	13,211	13,211	13,211
<b>Total Expenditures</b>	<b>\$252,553,774</b>	<b>\$254,429,224</b>	<b>\$284,145,560</b>	<b>\$289,901,422</b>	<b>\$290,153,599</b>
General Fund	23,633,387	23,791,656	24,846,846	25,558,339	25,641,679
State/Other Special Rev. Funds	1,161,032	1,372,232	1,904,728	2,050,001	2,057,416
Federal Spec. Rev. Funds	227,759,355	229,265,336	257,393,986	262,293,082	262,454,504
<b>Total Funds</b>	<b>\$252,553,774</b>	<b>\$254,429,224</b>	<b>\$284,145,560</b>	<b>\$289,901,422</b>	<b>\$290,153,599</b>
<b>Total Ongoing</b>	<b>\$252,553,774</b>	<b>\$254,429,224</b>	<b>\$284,145,560</b>	<b>\$289,401,422</b>	<b>\$289,653,599</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$500,000</b>

**69010 - Department of Public Health & Human Services      02-Human and Community Services**

**Program Narrative**

The legislature increased the budget for HCSD by 2.0% in FY 2024 and 2.1% in FY 2025 relative to the FY 2023 base. Increases for personal services as well as funding for TANF rule changes contributed to this increase.

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 02-Human and Community Services Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	51,200,018	0	0	51,200,018	8.83 %	
02099 69010-VISTA-Community Cost Shr	112,398	0	0	112,398	2.74 %	
02375 02 Indirect Activity Prog 02	3,178,387	0	0	3,178,387	77.38 %	
02515 School Lunch OPI/Warehouse	8,064	0	0	8,064	0.20 %	
02688 6901-TANF Overpayments	130,000	0	0	130,000	3.17 %	
02772 Tobacco Hlth and Medicaid Init	71,090	0	0	71,090	1.73 %	
02974 Univ Low-Income Energy Assist	607,478	0	0	607,478	14.79 %	
<b>State Special Total</b>	<b>\$4,107,417</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,107,417</b>	<b>0.71 %</b>	
03135 HOPWA TriState HELP CFDA14.241	1,046,298	0	0	1,046,298	0.20 %	
03573 93.569 - CSBG Adm	6,566,579	0	0	6,566,579	1.25 %	
03580 6901-93.778 - Med Adm 50%	2,764,140	0	0	2,764,140	0.53 %	
03678 6901-Food Stamp Benefits	345,133,644	0	0	345,133,644	65.77 %	
03679 6901-HOPWA CFDA#14-241	1,010,974	0	0	1,010,974	0.19 %	
03382 03 Indirect Activity Prog 02	42,025,478	0	0	42,025,478	8.01 %	
03467 6901-Homeless Mgmt Info System	107,556	0	0	107,556	0.02 %	
03519 93.045 - Aging Meals 100%	96,180	0	0	96,180	0.02 %	
03544 10.561 - FS E & T - 50%	434,208	0	0	434,208	0.08 %	
03545 10.561 - FS E & T - 100%	587,378	0	0	587,378	0.11 %	
03546 10.561 - FS Adm - Fed Exp 50%	2,230,871	0	0	2,230,871	0.43 %	
03547 10.568 - Emerg Food Assist 100	1,057,805	0	0	1,057,805	0.20 %	
03548 10.569 - Food Distr - Fed Exp	5,436,652	0	0	5,436,652	1.04 %	
03550 14.231 - Emerg Shelter - HUD 5	1,409,552	0	0	1,409,552	0.27 %	
03552 81.042 - Weather Ben 100%	5,450,105	0	0	5,450,105	1.04 %	
03553 Housing Preservation Grant	90,200	0	0	90,200	0.02 %	
03572 93.568 - LIEAP Blk Grt Adm	41,977,216	0	0	41,977,216	8.00 %	
03066 81.042 BPA	1,002,922	0	0	1,002,922	0.19 %	
03072 69010-CNS-Grants-VISTA	431,880	0	0	431,880	0.08 %	
03074 Aging - Nutrition Services HDM	29,732	0	0	29,732	0.01 %	
03109 TANF Benefits	64,531,652	0	0	64,531,652	12.30 %	
03965 CSFP	1,400,232	0	0	1,400,232	0.27 %	
03974 Medicaid Exp HELP Act Admin	(73,668)	0	0	(73,668)	(0.01)%	
<b>Federal Special Total</b>	<b>\$524,747,586</b>	<b>\$0</b>	<b>\$0</b>	<b>\$524,747,586</b>	<b>90.47 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$580,055,021</b>	<b>\$0</b>	<b>\$0</b>	<b>\$580,055,021</b>		

Human and Community Services Division (HCSD) costs are driven by the benefits delivered by HCSD staff and providers throughout the state and the administrative costs associated with benefit provisions. HCSD is funded primarily by a variety of federal funds.

General fund is used to support TANF Maintenance of Effort (MOE) requirements and is used as a match for federal programs such as Medicaid and SNAP eligibility determinations.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	24,846,846	24,846,846	49,693,692	97.06 %	284,145,560	284,145,560	568,291,120	97.97 %
SWPL Adjustments	754,498	843,191	1,597,689	3.12 %	2,936,077	3,207,944	6,144,021	1.06 %
PL Adjustments	162,756	162,815	325,571	0.64 %	449,516	449,575	899,091	0.15 %
New Proposals	(205,761)	(211,173)	(416,934)	(0.81)%	2,370,269	2,350,520	4,720,789	0.81 %
<b>Total Budget</b>	<b>\$25,558,339</b>	<b>\$25,641,679</b>	<b>\$51,200,018</b>		<b>\$289,901,422</b>	<b>\$290,153,599</b>	<b>\$580,055,021</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	696,737	125,637	1,866,617	2,688,991	0.00	768,162	132,366	1,989,718	2,890,246
DP 3 - Inflation Deflation	0.00	57,761	3,879	185,446	247,086	0.00	75,029	4,795	237,874	317,698
DP 30 - Motor Pool Rate Adjustment	0.00	(940)	0	0	(940)	0.00	(881)	0	0	(881)
DP 2001 - Fund Overtime Public Assistance	0.00	163,696	16,982	269,778	450,456	0.00	163,696	16,982	269,778	450,456
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$917,254</b>	<b>\$146,498</b>	<b>\$2,321,841</b>	<b>\$3,385,593</b>	<b>0.00</b>	<b>\$1,006,006</b>	<b>\$154,143</b>	<b>\$2,497,370</b>	<b>\$3,657,519</b>

\*\*\*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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 2001 - Fund Overtime Public Assistance -

The legislature adopted authority to fund overtime in the Office of Public Assistance.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(14,440)	(970)	(46,362)	(61,772)	0.00	(18,757)	(1,199)	(59,469)	(79,425)
DP 555 - Additional Vacancy Savings	0.00	(191,321)	(255)	(176,383)	(367,959)	0.00	(192,416)	(256)	(177,383)	(370,055)
DP 2112 - Increase TANF pass-through for child support	0.00	0	0	300,000	300,000	0.00	0	0	300,000	300,000
DP 2113 - Adjust TANF Income Eligibility Limits	0.00	0	0	1,000,000	1,000,000	0.00	0	0	1,000,000	1,000,000
DP 2114 - Adjust TANF Cash Benefit Payment Standard	0.00	0	0	1,000,000	1,000,000	0.00	0	0	1,000,000	1,000,000
DP 2119 - Funding for Child Advocates in Legal Settings (RST/BIEN/OTO)	0.00	0	0	500,000	500,000	0.00	0	0	500,000	500,000
<b>Total</b>	<b>0.00</b>	<b>(\$205,761)</b>	<b>(\$1,225)</b>	<b>\$2,577,255</b>	<b>\$2,370,269</b>	<b>0.00</b>	<b>(\$211,173)</b>	<b>(\$1,455)</b>	<b>\$2,563,148</b>	<b>\$2,350,520</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 2112 - Increase TANF pass-through for child support -

The legislature adopted funding for TANF pass-through child support. It is the intent of the legislature that the maximum pass-through a TANF recipient could receive will be increased to \$200.

DP 2113 - Adjust TANF Income Eligibility Limits -

The legislature adopted an increase of \$1,000,000 in TANF federal appropriation each year of the biennium to modify the TANF eligibility income threshold to 30.0% of the current year federal poverty line (2024 and ongoing).

DP 2114 - Adjust TANF Cash Benefit Payment Standard -

The legislature adopted an increase of \$1,000,000 in TANF federal appropriation each year of the biennium to modify the TANF cash benefit payment standard to 35.0% of the current year FPL (2024 and ongoing).

DP 2119 - Funding for Child Advocates in Legal Settings (RST/BIEN/OTO) -

The legislature adopted an increase of \$500,000 in each year of the biennium for entities that advocate for children in legal settings. This appropriation is restricted to grants for entities which advocate for children in legal settings.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	58,832,327	67,876,953	9,044,626	15.37 %
Operating Expenses	14,775,163	12,572,806	(2,202,357)	(14.91)%
Grants	9,722,524	7,157,890	(2,564,634)	(26.38)%
Benefits & Claims	131,038,040	144,262,179	13,224,139	10.09 %
Transfers	1,662,793	476,182	(1,186,611)	(71.36)%
Debt Service	899,768	58,794	(840,974)	(93.47)%
<b>Total Expenditures</b>	<b>\$216,930,615</b>	<b>\$232,404,804</b>	<b>\$15,474,189</b>	<b>7.13 %</b>
General Fund	127,513,453	132,347,330	4,833,877	3.79 %
State/Other Special Rev. Funds	3,758,600	3,019,792	(738,808)	(19.66)%
Federal Spec. Rev. Funds	85,658,562	97,037,682	11,379,120	13.28 %
<b>Total Funds</b>	<b>\$216,930,615</b>	<b>\$232,404,804</b>	<b>\$15,474,189</b>	<b>7.13 %</b>
<b>Total Ongoing</b>	<b>\$216,930,615</b>	<b>\$232,404,804</b>	<b>\$15,474,189</b>	<b>7.13 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**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 (map below) that administer programs and are advised by Local Family Services Advisory Councils, which serve as the link between local communities and DPHHS. CFSD is the primary user of the statewide Child and Adult Protective Services (CAPS) system and the Montana Family Safety Information System (MFSIS).

Statutory Authority - Titles 41, 42 and 52, MCA 45 CFR, Parts 1355, 1356, 1357 and 1370.

**Program Highlights**

<b>Child and Family Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2025 biennium legislative budget for CFSD is a 7.1% increase over the CFSD appropriation for the last biennium. This includes:                             <ul style="list-style-type: none"> <li>◦ Increased provider rates for foster care, adoption, and guardianship, which account for an increase of \$11.9 million over the 2023 biennium</li> <li>◦ A transfer of 20.00 vacant FTE from the Healthcare Facilities Division to CFSD</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	429.97	429.97	449.97	449.97
Personal Services	30,243,634	30,812,178	28,020,149	33,814,165	34,062,788
Operating Expenses	5,620,186	9,087,058	5,688,105	6,235,769	6,337,037
Grants	6,752,349	6,433,066	3,289,458	3,919,541	3,238,349
Benefits & Claims	58,393,769	58,992,281	72,045,759	69,457,057	74,805,122
Transfers	1,325,320	1,424,702	238,091	238,091	238,091
Debt Service	2,803,145	870,371	29,397	29,397	29,397
<b>Total Expenditures</b>	<b>\$105,138,403</b>	<b>\$107,619,656</b>	<b>\$109,310,959</b>	<b>\$113,694,020</b>	<b>\$118,710,784</b>
General Fund	62,799,305	62,969,648	64,543,805	65,064,152	67,283,178
State/Other Special Rev. Funds	1,510,954	1,879,300	1,879,300	1,541,584	1,478,208
Federal Spec. Rev. Funds	40,828,144	42,770,708	42,887,854	47,088,284	49,949,398
<b>Total Funds</b>	<b>\$105,138,403</b>	<b>\$107,619,656</b>	<b>\$109,310,959</b>	<b>\$113,694,020</b>	<b>\$118,710,784</b>
<b>Total Ongoing</b>	<b>\$105,138,403</b>	<b>\$107,619,656</b>	<b>\$109,310,959</b>	<b>\$113,694,020</b>	<b>\$118,710,784</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Narrative**

CFSD received a budgetary increase of 7.1% as compared to the 2023 biennium budget, including a 3.8% increase in general fund. Montana has experienced rapidly rising rates of child abuse and neglect over the last decade, but it appears that victimization rates and total caseload have stabilized since the FY 2020 period. From FY 2020 to FY 2023 total CFSD caseload has been relatively stable. The number of children in foster care has fallen, and the number of children in guardianship and adoption settings has increased. The legislature approved provider rate increases for providers of foster care, guardianship, and adoption. The legislature also transferred 20.00 vacant FTE from the Healthcare Facilities Division to CFSD to fill roles as social workers and social service coordinators.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 03-Child & Family Services						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	132,347,330	0	0	132,347,330	56.86 %	
02209 Third Party Contributions-F.C.	2,900,000	0	0	2,900,000	86.41 %	
02473 Assault Intervention & Trtmnt	105,626	0	0	105,626	3.15 %	
02483 Adoption Services / SA	0	0	336,353	336,353	10.02 %	
02496 Family Preservation Conference	14,166	0	0	14,166	0.42 %	
<b>State Special Total</b>	<b>\$3,019,792</b>	<b>\$0</b>	<b>\$336,353</b>	<b>\$3,356,145</b>	<b>1.44 %</b>	
03185 Caseworker Visits	37,782	0	0	37,782	0.04 %	
03224 Access & Visitation Grt 93.597	202,566	0	0	202,566	0.21 %	
03593 03 Indirect Activity Prog 03	22,792,328	0	0	22,792,328	23.49 %	
03458 6901 - Chafee - ETV 93.599	796,562	0	0	796,562	0.82 %	
03522 93.556 - Family Preservation	1,886,687	0	0	1,886,687	1.94 %	
03526 93.643 - Child Justice	199,774	0	0	199,774	0.21 %	
03529 IV-E Guardianship	9,813,490	0	0	9,813,490	10.11 %	
03530 6901-Foster Care 93.658	22,244,735	0	0	22,244,735	22.92 %	
03531 6901-Subsidized Adopt 93.659	30,668,400	0	0	30,668,400	31.60 %	
03532 93.669 - Child Abuse	751,359	0	0	751,359	0.77 %	
03533 93.671 - Domestic Violence	987,431	0	0	987,431	1.02 %	
03536 93.674 Transition to Adlthd	2,703,688	0	0	2,703,688	2.79 %	
03109 TANF Benefits	3,952,880	0	0	3,952,880	4.07 %	
<b>Federal Special Total</b>	<b>\$97,037,682</b>	<b>\$0</b>	<b>\$0</b>	<b>\$97,037,682</b>	<b>41.69 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$232,404,804</b>	<b>\$0</b>	<b>\$336,353</b>	<b>\$232,741,157</b>		

This program receives general fund, state special revenue fund, and federal special revenue fund authority. The largest federal funds sources are matching funds for foster care, adoption, and guardianship benefits (and related indirect activity).

Statutory appropriations are made for adoption services. These revenues come from adoption services fees and fund personal services and operating expenses in CFSD.

Budget Summary by Category

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	64,543,805	64,543,805	129,087,610	97.54 %	109,310,959	109,310,959	218,621,918	94.07 %
SWPL Adjustments	3,572,578	3,781,410	7,353,988	5.56 %	4,821,694	5,110,916	9,932,610	4.27 %
PL Adjustments	(6,139,333)	(5,080,785)	(11,220,118)	(8.48)%	(6,029,023)	(3,374,948)	(9,403,971)	(4.05)%
New Proposals	3,087,102	4,038,748	7,125,850	5.38 %	5,590,390	7,663,857	13,254,247	5.70 %
<b>Total Budget</b>	<b>\$65,064,152</b>	<b>\$67,283,178</b>	<b>\$132,347,330</b>		<b>\$113,694,020</b>	<b>\$118,710,784</b>	<b>\$232,404,804</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	3,339,925	0	1,146,057	4,485,982	0.00	3,467,446	0	1,191,161	4,658,607
DP 3 - Inflation Deflation	0.00	232,653	0	103,059	335,712	0.00	313,964	0	138,345	452,309
DP 30 - Motor Pool Rate Adjustment	0.00	(11,757)	0	(5,504)	(17,261)	0.00	(11,000)	0	(5,150)	(16,150)
DP 3001 - Foster Care Caseload Adjustment	0.00	(7,712,255)	(337,716)	(5,135,990)	(13,185,961)	0.00	(8,008,017)	(337,716)	(5,252,770)	(13,598,503)
DP 3002 - Subsidized Adoption Caseload Adjustment	0.00	(1,116,873)	0	2,843,193	1,726,320	0.00	(976,290)	0	3,656,438	2,680,148
DP 3003 - Guardianship Caseload Adjustment	0.00	2,518,657	0	1,307,992	3,826,649	0.00	3,711,244	0	2,104,045	5,815,289
DP 3005 - Fund Overtime CFSD	0.00	407,660	0	104,268	511,928	0.00	428,043	0	109,481	537,524
DP 3008 - Match Appropriations with Chafee Grant Awards	0.00	0	0	1,109,302	1,109,302	0.00	0	0	1,206,744	1,206,744
DP 3996 - FMAP Adjustment CFSD Foster Care	0.00	(528,636)	0	528,636	0	0.00	(528,636)	0	528,636	0
DP 3997 - FMAP Adjustment CFSD Subsidized Adoption	0.00	246,404	0	(246,404)	0	0.00	246,404	0	(246,404)	0
DP 3998 - FMAP Adjustment CFSD Guardianship	0.00	57,467	0	(57,467)	0	0.00	57,467	0	(57,467)	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$2,566,755)</b>	<b>(\$337,716)</b>	<b>\$1,697,142</b>	<b>(\$1,207,329)</b>	<b>0.00</b>	<b>(\$1,299,375)</b>	<b>(\$337,716)</b>	<b>\$3,373,059</b>	<b>\$1,735,968</b>

\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 3001 - Foster Care Caseload Adjustment -

The legislature adopted a caseload reduction in the Child and Family Services Division. There has been a decrease in the number of eligible individuals served, utilization and acuity levels, and cost per service for foster care services.

DP 3002 - Subsidized Adoption Caseload Adjustment -

The legislature adopted an adoption caseload increase to fund the projected caseload growth in the Subsidized Adoption Program in the Child and Family Services Division.

DP 3003 - Guardianship Caseload Adjustment -

The legislature adopted a guardianship caseload increase to fund the projected caseload growth in the Subsidized Guardianship Program in the Child and Family Services Division.

DP 3005 - Fund Overtime CFSD -

The legislature adopted funding for overtime pay in the Child and Family Services Division. The increase would fund overtime pay in addition to what is funded in DP 1.

DP 3008 - Match Appropriations with Chafee Grant Awards -

The legislature adopted an increase in federal funds for existing services in the Chafee Education Training Vouchers, the Chafee Transition to Adulthood, and the Child Abuse Prevention and Treatment Act Programs in CFSD.

DP 3996 - FMAP Adjustment CFSD Foster Care -

The legislature adopted funding to maintain existing services in the Foster Care Program in the Child and Family Services Division. The biennial funding decreases general fund and includes an offsetting increase in federal funds. The total cost for the program does not change.

DP 3997 - FMAP Adjustment CFSD Subsidized Adoption -

The legislature adopted a present law change to maintain existing services for the Subsidized Adoption program in the Child and Family Services Division. The biennial funding increases general fund and includes an offsetting decrease in federal funds.

DP 3998 - FMAP Adjustment CFSD Guardianship -

The legislature adopted a present law change to maintain existing services for the Guardianship Program in the Child and Family Services Division. The biennial funding increases general fund and includes an offsetting decrease in federal funds.

**New Proposals**

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

New Proposals	Fiscal 2024					Fiscal 2025				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(80,602)	0	(35,705)	(116,307)	0.00	(108,430)	0	(47,778)	(156,208)
DP 555 - Additional Vacancy Savings	0.00	(244,860)	0	(93,151)	(338,011)	0.00	(246,201)	0	(93,626)	(339,827)
DP 1400 - HB 83	0.00	0	0	0	0	0.00	(86,250)	(63,376)	(592,459)	(742,085)
DP 1409 - SB 148	0.00	0	0	178,870	178,870	0.00	0	0	178,870	178,870
DP 3004 - Modernize Foster Care Rates in Family-like Settings	0.00	1,702,768	0	476,974	2,179,742	0.00	1,759,466	0	479,681	2,239,147
DP 3006 - FTE Transfer for CFSD	20.00	793,882	0	340,235	1,134,117	20.00	830,435	0	355,900	1,186,335
DP 3015 - Prov Rate Adj - Foster Care	0.00	382,969	0	678,182	1,061,151	0.00	749,547	0	1,339,490	2,089,037
DP 3016 - Prov Rate Adj - Adoption	0.00	347,833	0	615,959	963,792	0.00	718,475	0	1,283,962	2,002,437
DP 3017 - Prov Rate Adj - Guardianship	0.00	142,823	0	252,917	395,740	0.00	336,289	0	600,970	937,259
DP 3018 - Prov Rate Adj - Grants and Contracts	0.00	42,289	0	89,007	131,296	0.00	85,417	0	183,475	268,892
<b>Total</b>	<b>20.00</b>	<b>\$3,087,102</b>	<b>\$0</b>	<b>\$2,503,288</b>	<b>\$5,590,390</b>	<b>20.00</b>	<b>\$4,038,748</b>	<b>(\$63,376)</b>	<b>\$3,688,485</b>	<b>\$7,663,857</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1400 - HB 83 -

The legislature adopted contingency language to decrease appropriations if HB 83 was passed and approved and this decision package implements this language. This legislation transfers the Family Violence Prevention and Services Act (FVPSA) grant program and the partner and family member assault intervention and treatment fund account from the DPHHS to the Board of Crime Control.

DP 1409 - SB 148 -

The legislature adopted contingency language to increase appropriations if SB 148 was passed and approved and this decision package implements this language. This legislation requires representation for children involved with child abuse and neglect cases that are eligible for federal Title IV-E reimbursement.

DP 3004 - Modernize Foster Care Rates in Family-like Settings -

The legislature adopted funding to modernize and streamline the basic support rates in the Child and Family Services Division for family-like settings in the Foster Care System. This action is intended to establish a single rate by bundling the rates for daily room and board, transportation, and the diaper allowance.

DP 3006 - FTE Transfer for CFSD -

The legislature adopted the transfer of 20.00 FTE and associated funding from the Healthcare Facilities Division for social workers and social service coordinators to provide services in the Child and Family Services Division.

DP 3015 - Prov Rate Adj - Foster Care -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 3016 - Prov Rate Adj - Adoption -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 3017 - Prov Rate Adj - Guardianship -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 3018 - Prov Rate Adj - Grants and Contracts -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	16,345,723	15,601,468	(744,255)	(4.55)%
Operating Expenses	4,390,449	11,261,175	6,870,726	156.49 %
Grants	571,165	439,658	(131,507)	(23.02)%
Benefits & Claims	7,595,552	2,152,901	(5,442,651)	(71.66)%
Transfers	136,200	136,200	0	0.00 %
Debt Service	20,803	11,272	(9,531)	(45.82)%
<b>Total Expenditures</b>	<b>\$29,059,892</b>	<b>\$29,602,674</b>	<b>\$542,782</b>	<b>1.87 %</b>
General Fund	16,836,914	12,044,609	(4,792,305)	(28.46)%
State/Other Special Rev. Funds	1,961,844	3,117,593	1,155,749	58.91 %
Federal Spec. Rev. Funds	10,261,134	14,440,472	4,179,338	40.73 %
<b>Total Funds</b>	<b>\$29,059,892</b>	<b>\$29,602,674</b>	<b>\$542,782</b>	<b>1.87 %</b>
<b>Total Ongoing</b>	<b>\$20,307,877</b>	<b>\$29,602,674</b>	<b>\$9,294,797</b>	<b>45.77 %</b>
<b>Total OTO</b>	<b>\$8,752,015</b>	<b>\$0</b>	<b>(\$8,752,015)</b>	<b>(100.00)%</b>

**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, human resources, external relations, tribal relations, office of administrative hearings, health and human services innovation, and the state medical officer.  
 Statutory Authority - Title 2, Chapter 15, part 22 and Title 53, Chapter 19, part 3, MCA.

**Program Highlights**

<b>Director's Office Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2025 biennium legislative budget for the Director's Office is a 1.9% increase relative to the 2023 biennium. This includes:                             <ul style="list-style-type: none"> <li>◦ Adjustments for inflation and biennial funding for provider rate adjustments for non-Medicaid providers</li> <li>◦ A transfer of 4.00 FTE from the Healthcare Facilities Division to the Director's Office for legal services functions and human resources functions</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	72.25	72.25	76.25	76.25
Personal Services	8,227,490	9,156,953	7,188,770	7,776,019	7,825,449
Operating Expenses	1,129,766	2,110,011	2,280,438	5,234,832	6,026,343
Grants	314,422	351,336	219,829	219,829	219,829
Benefits & Claims	23,096	7,593,003	2,549	2,150,352	2,549
Transfers	0	68,100	68,100	68,100	68,100
Debt Service	22,242	15,167	5,636	5,636	5,636
<b>Total Expenditures</b>	<b>\$9,717,016</b>	<b>\$19,294,570</b>	<b>\$9,765,322</b>	<b>\$15,454,768</b>	<b>\$14,147,906</b>
General Fund	4,212,289	12,973,535	3,863,379	6,559,713	5,484,896
State/Other Special Rev. Funds	549,392	890,724	1,071,120	1,523,293	1,594,300
Federal Spec. Rev. Funds	4,955,335	5,430,311	4,830,823	7,371,762	7,068,710
<b>Total Funds</b>	<b>\$9,717,016</b>	<b>\$19,294,570</b>	<b>\$9,765,322</b>	<b>\$15,454,768</b>	<b>\$14,147,906</b>
<b>Total Ongoing</b>	<b>\$9,717,381</b>	<b>\$10,542,555</b>	<b>\$9,765,322</b>	<b>\$15,454,768</b>	<b>\$14,147,906</b>
<b>Total OTO</b>	<b>(\$365)</b>	<b>\$8,752,015</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Narrative**

The legislature included inflationary adjustments for the entire agency in the Director's Office (DP 3333). This DP, which increases the agency budget by \$6.6 million over the biennium, reverses the impact of DP 333, which reduced the agency budget by \$6.6 million across all programs. The legislature also included funding for non-Medicaid providers included in the provider rate studies from the 2023 biennium in the Director's Office with the expectation that the funding will be allocated to other divisions. The total funding for this purpose is \$2.1 million, and the funding is biennial.

**Funding**

The following table shows proposed agency funding for all sources 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	12,044,609	0	0	12,044,609	40.69 %
02377 02 Indirect Activity Prog 04	3,117,593	0	0	3,117,593	100.00 %
<b>State Special Total</b>	<b>\$3,117,593</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,117,593</b>	<b>10.53 %</b>
03594 03 Indirect Activity Prog 04	13,685,590	0	0	13,685,590	94.77 %
03523 93.566 - Refugee Soc. Serv	163,370	0	0	163,370	1.13 %
03571 93.566 - Off Ref Reset Adm 10	591,512	0	0	591,512	4.10 %
<b>Federal Special Total</b>	<b>\$14,440,472</b>	<b>\$0</b>	<b>\$0</b>	<b>\$14,440,472</b>	<b>48.78 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$29,602,674</b>	<b>\$0</b>	<b>\$0</b>	<b>\$29,602,674</b>	

This program receives general fund, state special revenue, and federal special revenue 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 table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	3,863,379	3,863,379	7,726,758	64.15 %	9,765,322	9,765,322	19,530,644	65.98 %
SWPL Adjustments	140,660	182,873	323,533	2.69 %	412,439	490,909	903,348	3.05 %
PL Adjustments	(291)	(271)	(562)	(0.00)%	(555)	(518)	(1,073)	(0.00)%
New Proposals	2,555,965	1,438,915	3,994,880	33.17 %	5,277,562	3,892,193	9,169,755	30.98 %
<b>Total Budget</b>	<b>\$6,559,713</b>	<b>\$5,484,896</b>	<b>\$12,044,609</b>		<b>\$15,454,768</b>	<b>\$14,147,906</b>	<b>\$29,602,674</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	63,925	36,408	159,298	259,631	0.00	94,667	39,341	176,490	310,498
	0.00	1,105	0	0	1,105	0.00	(2,534)	0	0	(2,534)
DP 3 - Inflation Deflation	0.00	75,630	12,274	63,799	151,703	0.00	90,740	14,916	77,289	182,945
DP 30 - Motor Pool Rate Adjustment	0.00	(291)	(40)	(224)	(555)	0.00	(271)	(36)	(211)	(518)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$140,369</b>	<b>\$48,642</b>	<b>\$222,873</b>	<b>\$411,884</b>	<b>0.00</b>	<b>\$182,602</b>	<b>\$54,221</b>	<b>\$253,568</b>	<b>\$490,391</b>

\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(20,404)	(3,311)	(17,212)	(40,927)	0.00	(24,669)	(4,055)	(21,012)	(49,736)
DP 555 - Additional Vacancy Savings	0.00	(33,071)	(6,412)	(40,226)	(79,709)	0.00	(33,293)	(6,457)	(40,497)	(80,247)
DP 3333 - Additional Adjustment to Inflation	0.00	1,052,627	373,112	1,417,329	2,843,068	0.00	1,340,249	441,340	1,834,159	3,615,748
DP 4333 - FTE Transfer for Director's Office Alternate	2.00	77,639	20,075	105,956	203,670	2.00	79,235	18,120	105,859	203,214
DP 4477 - FTE Transfer - Director's Office Legal Services	1.00	45,171	11,672	61,654	118,497	1.00	45,068	11,645	61,513	118,226
DP 4478 - FTE Transfer - Director's Office Human Resources	1.00	32,468	8,395	44,297	85,160	1.00	32,325	8,366	44,297	84,988
DP 15223 - Non-Med. Provider Rate Adj. for Rate Study Providers (BIEN)	0.00	1,401,535	0	746,268	2,147,803	0.00	0	0	0	0
<b>Total</b>	<b>4.00</b>	<b>\$2,555,965</b>	<b>\$403,531</b>	<b>\$2,318,066</b>	<b>\$5,277,562</b>	<b>4.00</b>	<b>\$1,438,915</b>	<b>\$468,959</b>	<b>\$1,984,319</b>	<b>\$3,892,193</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 3333 - Additional Adjustment to Inflation -

The legislature adopted an additional adjustment to inflation included in DP 3.

DP 4333 - FTE Transfer for Director's Office Alternate -

The legislature adopted the transfer of 2.00 FTE from the Healthcare Facilities Division to the Director's Office to help address agencywide legal needs and to address staffing ratios, recruitment, retention, and turnover throughout the department. Of the additional positions, 1.00 FTE will be added to the Office of Human Resources for an additional Human Resources Generalist 2 position and 1.00 FTE will be added to the Office of Legal Services for an additional Lawyer 1 position.

DP 4477 - FTE Transfer - Director's Office Legal Services -

The legislature adopted a transfer of 1.00 FTE and associated funding from the Healthcare Facilities Division to the Director's Office for legal services.

DP 4478 - FTE Transfer - Director's Office Human Resources -

The legislature adopted a transfer of 1.00 FTE and associated funding from the Healthcare Facilities Division to the Office of Human Resources in the Director's Office to address recruitment, retention, and turnover throughout the department.

DP 15223 - Non-Med. Provider Rate Adj. for Rate Study Providers (BIEN) -

The legislature adopted funding increases over the biennium for provider rate adjustments. This is a biennial appropriation.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	18,899,009	19,235,234	336,225	1.78 %
Operating Expenses	3,370,401	3,951,712	581,311	17.25 %
Equipment & Intangible Assets	35,912	42,912	7,000	19.49 %
Debt Service	342,825	35,980	(306,845)	(89.50)%
<b>Total Expenditures</b>	<b>\$22,648,147</b>	<b>\$23,265,838</b>	<b>\$617,691</b>	<b>2.73 %</b>
General Fund	6,495,903	6,677,014	181,111	2.79 %
State/Other Special Rev. Funds	730,624	726,624	(4,000)	(0.55)%
Federal Spec. Rev. Funds	15,421,620	15,862,200	440,580	2.86 %
<b>Total Funds</b>	<b>\$22,648,147</b>	<b>\$23,265,838</b>	<b>\$617,691</b>	<b>2.73 %</b>
<b>Total Ongoing</b>	<b>\$22,648,147</b>	<b>\$23,265,838</b>	<b>\$617,691</b>	<b>2.73 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The purpose of the Child Support Services Division (CSSD) is to improve the economic stability of families through the establishment and enforcement of child support and medical support orders. CSSD provides the following services:

- Locating parents
- Establishing paternity
- Establishing financial and medical support orders
- Enforcing child support orders, including medical support orders
- Modifying child support orders

The division is made up of three bureaus: Budget and Administrative Services, Field Services, and System, Program and Training. The Central Office and the Intergovernmental Regional Office are located in Helena. Four additional regional offices are located in Butte, Billings, Great Falls, and Missoula.

Statutory Authority - Title 40, Chapter 5, MCA, and are mandated by the federal government in accordance with Title IV-D of the Social Security Act, 42 USC 651 et seq., and 45 CFR, Chapter 3.

**Program Highlights**

<b>Child Support Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2025 biennium legislative budget for the CSSD increased by 2.7% when compared to the 2023 biennium budget. This growth is driven by increases in operating expenses and personal services</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	129.81	129.81	129.81	129.81
Personal Services	8,914,727	9,112,799	9,786,210	9,589,342	9,645,892
Operating Expenses	1,219,199	1,427,778	1,942,623	1,972,252	1,979,460
Equipment & Intangible Assets	0	14,456	21,456	21,456	21,456
Debt Service	547,521	324,835	17,990	17,990	17,990
<b>Total Expenditures</b>	<b>\$10,681,447</b>	<b>\$10,879,868</b>	<b>\$11,768,279</b>	<b>\$11,601,040</b>	<b>\$11,664,798</b>
General Fund	3,097,482	3,111,374	3,384,529	3,327,668	3,349,346
State/Other Special Rev. Funds	350,971	367,312	363,312	363,312	363,312
Federal Spec. Rev. Funds	7,232,994	7,401,182	8,020,438	7,910,060	7,952,140
<b>Total Funds</b>	<b>\$10,681,447</b>	<b>\$10,879,868</b>	<b>\$11,768,279</b>	<b>\$11,601,040</b>	<b>\$11,664,798</b>
<b>Total Ongoing</b>	<b>\$10,681,447</b>	<b>\$10,879,868</b>	<b>\$11,768,279</b>	<b>\$11,601,040</b>	<b>\$11,664,798</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Narrative**

The only legislative actions impacting the CSSD budget involved statewide present law adjustments for inflation/deflation and personal services, and additional adjustments to inflation/deflation and vacancy savings.

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 05-Child Support Services Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	6,677,014	0	0	6,677,014	28.70 %	
02187 Child Support State Share	726,624	0	0	726,624	100.00 %	
<b>State Special Total</b>	<b>\$726,624</b>	<b>\$0</b>	<b>\$0</b>	<b>\$726,624</b>	<b>3.12 %</b>	
03269 Child Support Incentive	2,373,886	0	0	2,373,886	14.97 %	
03570 93.563 - Child Support IVD 66%	13,488,314	0	0	13,488,314	85.03 %	
<b>Federal Special Total</b>	<b>\$15,862,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$15,862,200</b>	<b>68.18 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$23,265,838</b>	<b>\$0</b>	<b>\$0</b>	<b>\$23,265,838</b>		

This program is primarily federally funded. Title IV-D eligible expenditures are funded with 67.9% federal funds and 32.1% 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). No revenue is retained from non-TANF collections, which are simply collected and sent on to the custodial parent.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	3,384,529	3,384,529	6,769,058	101.38 %	11,768,279	11,768,279	23,536,558	101.16 %
SWPL Adjustments	(19,183)	3,514	(15,669)	(0.23)%	(56,422)	10,334	(46,088)	(0.20)%
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %
New Proposals	(37,678)	(38,697)	(76,375)	(1.14)%	(110,817)	(113,815)	(224,632)	(0.97)%
<b>Total Budget</b>	<b>\$3,327,668</b>	<b>\$3,349,346</b>	<b>\$6,677,014</b>		<b>\$11,601,040</b>	<b>\$11,664,798</b>	<b>\$23,265,838</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(32,615)	0	(63,312)	(95,927)	0.00	(13,186)	0	(25,596)	(38,782)
DP 3 - Inflation Deflation	0.00	13,432	0	26,073	39,505	0.00	16,700	0	32,416	49,116
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$19,183)</b>	<b>\$0</b>	<b>(\$37,239)</b>	<b>(\$56,422)</b>	<b>0.00</b>	<b>\$3,514</b>	<b>\$0</b>	<b>\$6,820</b>	<b>\$10,334</b>

\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(3,358)	0	(6,518)	(9,876)	0.00	(4,175)	0	(8,104)	(12,279)
DP 555 - Additional Vacancy Savings	0.00	(34,320)	0	(66,621)	(100,941)	0.00	(34,522)	0	(67,014)	(101,536)
<b>Total</b>	<b>0.00</b>	<b>(\$37,678)</b>	<b>\$0</b>	<b>(\$73,139)</b>	<b>(\$110,817)</b>	<b>0.00</b>	<b>(\$38,697)</b>	<b>\$0</b>	<b>(\$75,118)</b>	<b>(\$113,815)</b>

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

**DP 333 - Adjustment to Inflation -**

The legislature adopted an adjustment to inflation included in DP 3.

**DP 555 - Additional Vacancy Savings -**

The legislature adopted an additional 1.0% vacancy savings.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	7,973,029	8,548,281	575,252	7.21 %
Operating Expenses	19,816,070	15,538,669	(4,277,401)	(21.59)%
Equipment & Intangible Assets	0	5,100	5,100	0.00 %
Debt Service	23,159	15,852	(7,307)	(31.55)%
<b>Total Expenditures</b>	<b>\$27,812,258</b>	<b>\$24,107,902</b>	<b>(\$3,704,356)</b>	<b>(13.32)%</b>
General Fund	9,950,705	7,878,250	(2,072,455)	(20.83)%
State/Other Special Rev. Funds	2,926,616	3,112,055	185,439	6.34 %
Federal Spec. Rev. Funds	14,934,937	13,117,597	(1,817,340)	(12.17)%
<b>Total Funds</b>	<b>\$27,812,258</b>	<b>\$24,107,902</b>	<b>(\$3,704,356)</b>	<b>(13.32)%</b>
<b>Total Ongoing</b>	<b>\$27,812,258</b>	<b>\$27,939,618</b>	<b>\$127,360</b>	<b>0.46 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>(\$3,831,716)</b>	<b>(\$3,831,716)</b>	<b>100.00 %</b>

**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 Department of Public Health and Human Services.

Statutory Authority - Business and Financial Services Division - Title 17, Chapter 1, part 1, and Chapter 2, MCA, and 45 CFR Subtitle A, Part 92, Subpart C92.2, and Title 50 Chapter 15 MCA.

**Program Highlights**

<b>Business and Financial Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2025 biennium legislative budget for the BFSD's is a decrease of 13.3% from the 2023 biennium budget, impacted by:                             <ul style="list-style-type: none"> <li>◦ Increases for inflation</li> <li>◦ Decreases in statewide present law adjustments for personal services and fixed costs</li> <li>◦ Vacancy savings adjustment of 5.0%</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	54.00	54.00	57.00	57.00
Personal Services	3,648,282	3,850,683	4,122,346	4,261,788	4,286,493
Operating Expenses	10,380,332	10,787,155	9,028,915	8,064,225	7,474,444
Equipment & Intangible Assets	0	0	0	5,100	0
Debt Service	25,973	15,233	7,926	7,926	7,926
<b>Total Expenditures</b>	<b>\$14,054,587</b>	<b>\$14,653,071</b>	<b>\$13,159,187</b>	<b>\$12,339,039</b>	<b>\$11,768,863</b>
General Fund	5,161,836	5,355,082	4,595,623	4,093,823	3,784,427
State/Other Special Rev. Funds	1,223,180	1,368,707	1,557,909	1,561,882	1,550,173
Federal Spec. Rev. Funds	7,669,571	7,929,282	7,005,655	6,683,334	6,434,263
<b>Total Funds</b>	<b>\$14,054,587</b>	<b>\$14,653,071</b>	<b>\$13,159,187</b>	<b>\$12,339,039</b>	<b>\$11,768,863</b>
<b>Total Ongoing</b>	<b>\$14,054,587</b>	<b>\$14,653,071</b>	<b>\$13,159,187</b>	<b>\$14,254,897</b>	<b>\$13,684,721</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$1,915,858)</b>	<b>(\$1,915,858)</b>

**Program Narrative**

The legislature decreased the budget for BFSD by 6.2% in FY 2024 and 10.6% in FY 2025 relative to the FY 2023 base. This decrease is primarily a result of statewide present law fixed cost adjustments.

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 06-Business & Financial Services Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	7,878,250	0	0	7,878,250	32.68 %
02382 02 Indirect Activity Prog 06	3,112,055	0	0	3,112,055	100.00 %
<b>State Special Total</b>	<b>\$3,112,055</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,112,055</b>	<b>12.91 %</b>
03591 03 Indirect Activity Prog 06	13,117,597	0	0	13,117,597	100.00 %
<b>Federal Special Total</b>	<b>\$13,117,597</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,117,597</b>	<b>54.41 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$24,107,902</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,107,902</b>	

The Business and Financial Services Division (BFSD) 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 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.

BFSD functions include: accounts payable, audit coordination, cash management, contract management, facility reimbursement, financial and accounting oversight, lease management, mail handling, preparation and filing of federal financial reports, property management, purchasing of supplies and equipment, and records management. BFSD is also responsible for paying most fixed costs assessed by Department of Administration (DOA) on behalf of the department.

Many of BFSD activities are funded with indirect revenues from all fund types. The exception to this is facility reimbursement activities. General fund is used to support facility reimbursement staff who are responsible for collecting private funds, private insurance, Medicaid, and Medicare from patients receiving services at DPHHS facilities. Funds collected reimburse the general fund as well as state special funds used to support facilities such as the Montana Chemical Dependency Center (MCDC) cost recovery fund.

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	4,595,623	4,595,623	9,191,246	116.67 %	13,159,187	13,159,187	26,318,374	109.17 %
SWPL Adjustments	(575,179)	(810,288)	(1,385,467)	(17.59)%	(940,893)	(1,379,159)	(2,320,052)	(9.62)%
PL Adjustments	65,382	42,045	107,427	1.36 %	112,444	73,757	186,201	0.77 %
New Proposals	7,997	(42,953)	(34,956)	(0.44)%	8,301	(84,922)	(76,621)	(0.32)%
<b>Total Budget</b>	<b>\$4,093,823</b>	<b>\$3,784,427</b>	<b>\$7,878,250</b>		<b>\$12,339,039</b>	<b>\$11,768,863</b>	<b>\$24,107,902</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(72,242)	8,177	(53,677)	(117,742)	0.00	(59,309)	9,556	(41,270)	(91,023)
DP 2 - Fixed Costs	0.00	(679,498)	(22,315)	(457,348)	(1,159,161)	0.00	(979,732)	(34,380)	(704,732)	(1,718,844)
DP 3 - Inflation Deflation	0.00	176,561	10,723	148,726	336,010	0.00	228,753	13,106	188,849	430,708
DP 20 - SABHRS Rate Adjustment	0.00	65,391	2,190	44,886	112,467	0.00	42,053	1,476	30,249	73,778
DP 30 - Motor Pool Rate Adjustment	0.00	(9)	(2)	(12)	(23)	0.00	(8)	(1)	(12)	(21)
DP 222 - RMTD Adjustment	0.00	1,123,072	36,882	755,904	1,915,858	0.00	1,092,029	38,321	785,508	1,915,858
DP 223 - RMTD Adjustment (OTO)	0.00	(1,123,072)	(36,882)	(755,904)	(1,915,858)	0.00	(1,092,029)	(38,321)	(785,508)	(1,915,858)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$509,797)</b>	<b>(\$1,227)</b>	<b>(\$317,425)</b>	<b>(\$828,449)</b>	<b>0.00</b>	<b>(\$768,243)</b>	<b>(\$10,243)</b>	<b>(\$526,916)</b>	<b>(\$1,305,402)</b>

\*\*\*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 the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 20 - SABHRS Rate Adjustment -

The legislature adopted an increase to proposed SABHRS rates.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(135,981)	(8,258)	(114,543)	(258,782)	0.00	(180,626)	(10,349)	(149,117)	(340,092)
DP 555 - Additional Vacancy Savings	0.00	(21,383)	(2,295)	(21,183)	(44,861)	0.00	(21,511)	(2,308)	(21,302)	(45,121)
DP 6001 - FTE Request - Quality Control and Workload Transformation	3.00	165,361	15,753	130,830	311,944	3.00	159,184	15,164	125,943	300,291
<b>Total</b>	<b>3.00</b>	<b>\$7,997</b>	<b>\$5,200</b>	<b>(\$4,896)</b>	<b>\$8,301</b>	<b>3.00</b>	<b>(\$42,953)</b>	<b>\$2,507</b>	<b>(\$44,476)</b>	<b>(\$84,922)</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 6001 - FTE Request - Quality Control and Workload Transformation -

The legislature adopted a transfer of 3.00 FTE and associated funding from the Healthcare Facilities Division. These positions will contribute to oversight of accounting processes within the department.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	24,194,559	24,891,704	697,145	2.88 %
Operating Expenses	16,175,649	16,849,255	673,606	4.16 %
Equipment & Intangible Assets	383,482	313,482	(70,000)	(18.25)%
Grants	28,164,722	28,484,722	320,000	1.14 %
Benefits & Claims	6,663,708	7,530,708	867,000	13.01 %
Transfers	1,542,200	1,542,200	0	0.00 %
Debt Service	29,250	17,188	(12,062)	(41.24)%
<b>Total Expenditures</b>	<b>\$77,153,570</b>	<b>\$79,629,259</b>	<b>\$2,475,689</b>	<b>3.21 %</b>
General Fund	6,311,762	6,456,497	144,735	2.29 %
State/Other Special Rev. Funds	26,825,229	28,296,894	1,471,665	5.49 %
Federal Spec. Rev. Funds	44,016,579	44,875,868	859,289	1.95 %
<b>Total Funds</b>	<b>\$77,153,570</b>	<b>\$79,629,259</b>	<b>\$2,475,689</b>	<b>3.21 %</b>
<b>Total Ongoing</b>	<b>\$77,153,570</b>	<b>\$79,629,259</b>	<b>\$2,475,689</b>	<b>3.21 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The mission of the Public Health and Safety Division (PHSD) is to protect and improve the health of Montanans by advancing 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 300 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
- Public health emergency preparedness
- Public health system improvement
- Vital records
- Epidemiology and scientific support
- Emergency medical services and trauma services

Statutory authority for public health functions is in Title 50, MCA, including local public health activities. Rules concerning public health programs are in Title 37 of the Administrative Rules of Montana.

**Program Highlights**

<b>Public Health and Safety Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislative PHSD 2025 biennium budget is 3.2% higher than the 2023 biennium budget. This change is driven by increases in personal services, operating expenses, and benefits and claims</li> <li>• The legislature transferred 1.50 FTE and associated funding to the Department of Revenue. These FTE are associated with the state's marijuana program</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	155.25	155.25	153.75	153.75
Personal Services	12,035,919	11,575,547	12,619,012	12,403,599	12,488,105
Operating Expenses	9,502,688	8,088,992	8,086,657	8,389,265	8,459,990
Equipment & Intangible Assets	217,872	226,741	156,741	156,741	156,741
Grants	11,269,311	13,922,361	14,242,361	14,242,361	14,242,361
Benefits & Claims	1,991,493	2,898,354	3,765,354	3,765,354	3,765,354
Transfers	399,452	771,100	771,100	771,100	771,100
Debt Service	0	20,656	8,594	8,594	8,594
<b>Total Expenditures</b>	<b>\$35,416,735</b>	<b>\$37,503,751</b>	<b>\$39,649,819</b>	<b>\$39,737,014</b>	<b>\$39,892,245</b>
General Fund	3,038,530	3,082,127	3,229,635	3,217,533	3,238,964
State/Other Special Rev. Funds	11,724,649	12,505,313	14,319,916	14,136,460	14,160,434
Federal Spec. Rev. Funds	20,653,556	21,916,311	22,100,268	22,383,021	22,492,847
<b>Total Funds</b>	<b>\$35,416,735</b>	<b>\$37,503,751</b>	<b>\$39,649,819</b>	<b>\$39,737,014</b>	<b>\$39,892,245</b>
<b>Total Ongoing</b>	<b>\$35,416,735</b>	<b>\$37,503,751</b>	<b>\$39,649,819</b>	<b>\$39,737,014</b>	<b>\$39,892,245</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Narrative**

Legislative action impacting the PHSD budget included the adoption of statewide present law changes for inflation/deflation and personal services, as well as the adoption of an additional 1.0% vacancy savings. The legislature also reduced the PHSD budget by 1.50 FTE and associated personal services and operating costs as part of the implementation of HB 598 from the 2019 Session. These FTE and associated funding were transferred to the Department of Revenue as part of the marijuana program.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 07-Public Health & Safety						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	6,456,497	0	0	6,456,497	8.11 %	
02199 DHES Food & Consumer	13,928	0	0	13,928	0.05 %	
02366 Public Health Laboratory	6,620,738	0	0	6,620,738	23.40 %	
02379 02 Indirect Activity Prog 07	633,128	0	0	633,128	2.24 %	
02419 Vital Statistics	839,924	0	0	839,924	2.97 %	
02462 Food/Lodging License	2,392,866	0	0	2,392,866	8.46 %	
02512 BRFS Survey Fees	70,000	0	0	70,000	0.25 %	
02765 Insurance Policies Fees SB278	67,600	0	0	67,600	0.24 %	
02790 6901-Statewide Tobacco Sttlmnt	16,321,489	0	0	16,321,489	57.68 %	
02987 Tobacco Interest	1,337,221	0	0	1,337,221	4.73 %	
<b>State Special Total</b>	<b>\$28,296,894</b>	<b>\$0</b>	<b>\$0</b>	<b>\$28,296,894</b>	<b>35.54 %</b>	
03159 Tuberculosis Grant	394,650	0	0	394,650	0.88 %	
03274 Ryan White Act, Title II	2,048,420	0	0	2,048,420	4.56 %	
03275 Adult Viral Hepatitis Prevent	224,506	0	0	224,506	0.50 %	
03596 03 Indirect Activity Prog 07	1,988,192	0	0	1,988,192	4.43 %	
03602 BRFS Program	968,310	0	0	968,310	2.16 %	
03607 Tobacco Control Program	1,903,971	0	0	1,903,971	4.24 %	
03712 6901-Cancer Registries 93.283	624,668	0	0	624,668	1.39 %	
03788 MT Disability & Health	665,301	0	0	665,301	1.48 %	
03336 Food Inspection Program	188,184	0	0	188,184	0.42 %	
03366 EMSC SPROC	403,196	0	0	403,196	0.90 %	
03392 Colorectal Cancer Screening	1,075,702	0	0	1,075,702	2.40 %	
03402 Addressing Asthma	795,946	0	0	795,946	1.77 %	
03415 Breast and Cervical Health	3,773,833	0	0	3,773,833	8.41 %	
03540 Ryan White Treatment Rebate	1,625,701	0	0	1,625,701	3.62 %	
03551 Preventive Health Block Grant	1,958,565	0	0	1,958,565	4.36 %	
03569 ACA-ELC Non-PPHF	1,694,435	0	0	1,694,435	3.78 %	
03004 EMS Data Injury	374,920	0	0	374,920	0.84 %	
03014 MT Retail Food Academy	16,000	0	0	16,000	0.04 %	
03903 Emergency Preparedness	9,984,203	0	0	9,984,203	22.25 %	
03904 Bioterr. Hospital Preparedness	1,863,741	0	0	1,863,741	4.15 %	
03936 Vaccination Program	2,864,641	0	0	2,864,641	6.38 %	
03937 STD Program	687,573	0	0	687,573	1.53 %	
03938 Aids Fed. Cat. #13.118	2,428,354	0	0	2,428,354	5.41 %	
03969 Ryan White ADAP Shortfall	2,135,280	0	0	2,135,280	4.76 %	
03979 69010 Comprehensive Cancer Control	754,608	0	0	754,608	1.68 %	
03082 Environmental Health Program	128,751	0	0	128,751	0.29 %	
03831 Prescription Drug Overdose	270,000	0	0	270,000	0.60 %	
03431 Improve Health Diabetes Heart	3,034,217	0	0	3,034,217	6.76 %	
<b>Federal Special Total</b>	<b>\$44,875,868</b>	<b>\$0</b>	<b>\$0</b>	<b>\$44,875,868</b>	<b>56.36 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$79,629,259</b>	<b>\$0</b>	<b>\$0</b>	<b>\$79,629,259</b>		

The Public Health and Safety Division (PHSD) budget is funded with general fund, state special revenue funds, and federal funds. There are over 30 funding sources that support PHSD, with the majority being federal categorical grants that fund specific activities. The major sources of state special revenue are:

- Tobacco settlement funds and tobacco settlement trust fund interest
- Public health laboratory fees
- Licensing fees for food manufacturers or food sales establishments (5.0% of an annual license fee of \$115) and penalties for failure to renew licenses in a timely manner

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	3,229,635	3,229,635	6,459,270	100.04 %	39,649,819	39,649,819	79,299,638	99.59 %
SWPL Adjustments	10,034	32,083	42,117	0.65 %	634,180	813,311	1,447,491	1.82 %
PL Adjustments	(36)	(30)	(66)	(0.00)%	(93,099)	(93,002)	(186,101)	(0.23)%
New Proposals	(22,100)	(22,724)	(44,824)	(0.69)%	(453,886)	(477,883)	(931,769)	(1.17)%
<b>Total Budget</b>	<b>\$3,217,533</b>	<b>\$3,238,964</b>	<b>\$6,456,497</b>		<b>\$39,737,014</b>	<b>\$39,892,245</b>	<b>\$79,629,259</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments										
	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(3,966)	(34,400)	135,208	96,842	0.00	16,083	(19,982)	187,501	183,602
DP 3 - Inflation Deflation	0.00	14,000	212,899	310,439	537,338	0.00	16,000	225,875	387,834	629,709
DP 30 - Motor Pool Rate Adjustment	0.00	(36)	(139)	(1,319)	(1,494)	0.00	(30)	(126)	(1,241)	(1,397)
DP 7001 - Align Appropriation with Revenue	0.00	0	(91,605)	0	(91,605)	0.00	0	(91,605)	0	(91,605)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$9,998</b>	<b>\$86,755</b>	<b>\$444,328</b>	<b>\$541,081</b>	<b>0.00</b>	<b>\$32,053</b>	<b>\$114,162</b>	<b>\$574,094</b>	<b>\$720,309</b>

\*\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 7001 - Align Appropriation with Revenue -

The legislature approved a present law change package that aligns state special revenue authority with anticipated revenue in the Public Health and Safety Division.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 333 - Adjustment to Inflation	0.00	(3,500)	(53,225)	(77,610)	(134,335)	0.00	(4,000)	(56,469)	(96,959)	(157,428)
DP 555 - Additional Vacancy Savings	0.00	(18,600)	(29,892)	(83,965)	(132,457)	0.00	(18,724)	(30,081)	(84,556)	(133,361)
DP 1411 - SB 516	0.00	0	15,800	0	15,800	0.00	0	15,800	0	15,800
DP 7002 - Cannabis Transfer to DOR	(1.50)	0	(202,894)	0	(202,894)	(1.50)	0	(202,894)	0	(202,894)
<b>Total</b>	<b>(1.50)</b>	<b>(\$22,100)</b>	<b>(\$270,211)</b>	<b>(\$161,575)</b>	<b>(\$453,886)</b>	<b>(1.50)</b>	<b>(\$22,724)</b>	<b>(\$273,644)</b>	<b>(\$181,515)</b>	<b>(\$477,883)</b>

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

DP 99 - New Fixed Costs -

The legislature adopted appropriations of \$31,752 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1411 - SB 516 -

The legislature adopted contingency language to increase appropriations if SB 516 was passed and approved and this decision package implements this language. SB 516 generally revises laws to fertility preservation services for people diagnosed with cancer, requires insurance coverage of fertility preservation services, and creates a voluntary assessment for cancer screening efforts.

DP 7002 - Cannabis Transfer to DOR -

The legislature approved a reduction of 1.50 FTE and associated personal services and operating costs established as part of the implementation of HB 598 from the 2019 Session.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	13,467,278	14,217,901	750,623	5.57 %
Operating Expenses	3,419,016	3,677,038	258,022	7.55 %
Grants	1,459,882	1,459,882	0	0.00 %
Debt Service	11,204	5,200	(6,004)	(53.59)%
<b>Total Expenditures</b>	<b>\$18,357,380</b>	<b>\$19,360,021</b>	<b>\$1,002,641</b>	<b>5.46 %</b>
General Fund	5,445,329	5,465,470	20,141	0.37 %
State/Other Special Rev. Funds	1,562,782	1,877,408	314,626	20.13 %
Federal Spec. Rev. Funds	11,349,269	12,017,143	667,874	5.88 %
<b>Total Funds</b>	<b>\$18,357,380</b>	<b>\$19,360,021</b>	<b>\$1,002,641</b>	<b>5.46 %</b>
<b>Total Ongoing</b>	<b>\$18,357,380</b>	<b>\$19,360,021</b>	<b>\$1,002,641</b>	<b>5.46 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Office of the Inspector General (OIG), formerly the Quality Assurance Division, 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, waste, and abuse, and ensuring federal compliance.

Statutory Authority – Office of Inspector General - 42 U.S.C. 1818 and 42 U.S.C. 1919; 45 U.S.C.; Title 50, Chapter 5, parts 1 and 2; Title 50, Chapter 5, part 11; and Title 53, Chapter 2, section 501, MCA; CFR 21, CFR 49, CFR 10; P.L.

**Program Highlights**

<b>Office of the Inspector General Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2025 biennium budget for OIG increased by 5.5% when compared to the 2023 biennium primarily as a result of:                             <ul style="list-style-type: none"> <li>◦ Decreases in statewide present law adjustments for personal services</li> <li>◦ Increases in statewide present law adjustments for inflation</li> <li>◦ Vacancy savings adjustment of 5.0%</li> <li>◦ Decreases to align federal authority with anticipated revenue</li> <li>◦ Increases to make 3.00 modified FTE permanent which were originally created to meet federal Medicaid Eligibility Quality Control (MEQC) mandates</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	89.50	89.50	92.50	92.50
Personal Services	6,244,000	6,428,568	7,038,710	7,086,934	7,130,967
Operating Expenses	1,228,299	1,629,099	1,789,917	1,832,667	1,844,371
Grants	756,367	729,941	729,941	729,941	729,941
Debt Service	50,926	8,604	2,600	2,600	2,600
<b>Total Expenditures</b>	<b>\$8,279,592</b>	<b>\$8,796,212</b>	<b>\$9,561,168</b>	<b>\$9,652,142</b>	<b>\$9,707,879</b>
General Fund	2,677,693	2,709,151	2,736,178	2,726,875	2,738,595
State/Other Special Rev. Funds	200,251	505,630	1,057,152	933,511	943,897
Federal Spec. Rev. Funds	5,401,648	5,581,431	5,767,838	5,991,756	6,025,387
<b>Total Funds</b>	<b>\$8,279,592</b>	<b>\$8,796,212</b>	<b>\$9,561,168</b>	<b>\$9,652,142</b>	<b>\$9,707,879</b>
<b>Total Ongoing</b>	<b>\$8,279,592</b>	<b>\$8,796,212</b>	<b>\$9,561,168</b>	<b>\$9,652,142</b>	<b>\$9,707,879</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Narrative**

The legislature increased the budget for OIG by 1.0% in FY 2024 and 1.5% in FY 2025 relative to the FY 2023 base. The legislature adopted funding to make 3.00 modified FTE permanent in order to meet the federal Medicaid Eligibility Quality Control mandates which significantly contributed to the biennial increase.

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 08-Office of Inspector General Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	5,465,470	0	0	5,465,470	28.23 %
02034 Earmarked Alcohol Funds	161,667	0	0	161,667	8.61 %
02043 Med Provider Revalidation Fees	1,000	0	0	1,000	0.05 %
02380 02 Indirect Activity Prog 08	1,016,775	0	0	1,016,775	54.16 %
02497 6901-Lien & Estate - SLTCD	143,646	0	0	143,646	7.65 %
02585 Recovery Audit Contract	186,528	0	0	186,528	9.94 %
02760 Private Alt Adoi Res Programs	367,792	0	0	367,792	19.59 %
<b>State Special Total</b>	<b>\$1,877,408</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,877,408</b>	<b>9.70 %</b>
03303 Title 18 CLIA	238,958	0	0	238,958	1.99 %
03580 6901-93.778 - Med Adm 50%	1,524,606	0	0	1,524,606	12.69 %
03597 03 Indirect Activity Prog 08	2,864,340	0	0	2,864,340	23.84 %
03335 FDA Mammography Inspections	190,260	0	0	190,260	1.58 %
03359 Recovery Audit Program	82,668	0	0	82,668	0.69 %
03530 6901-Foster Care 93.658	157,233	0	0	157,233	1.31 %
03934 Title 19	1,313,557	0	0	1,313,557	10.93 %
03935 Title 18	3,996,507	0	0	3,996,507	33.26 %
03960 Rural Hospital Flexibility Prog	1,649,014	0	0	1,649,014	13.72 %
<b>Federal Special Total</b>	<b>\$12,017,143</b>	<b>\$0</b>	<b>\$0</b>	<b>\$12,017,143</b>	<b>62.07 %</b>
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>
<b>Total All Funds</b>	<b>\$19,360,021</b>	<b>\$0</b>	<b>\$0</b>	<b>\$19,360,021</b>	

The Office of Inspector General (OIG) budget is supported by general fund, state special revenue funds, and federal funds. General fund is used for a wide range of administrative functions including:

- State match for eligible Medicaid costs
- Title IV-E (foster care)
- Federal discretionary childcare funds
- Community residential facilities
- Program compliance

State special revenues used by OIG include:

- Alcohol taxes allocated to OIG are used to fund staff and operational costs for the Chemical Dependency Licensure Program
- Lien and estate funds are used to support services to pursue recoveries for Medicaid costs, mainly for nursing home services
- Recovery audit contract funds are used to support audits performed by the program to identify waste, fraud, or abuse in Medicaid

Federal special revenue funds come from a variety of federal sources and support activities pertaining to certifications, licensure, and program compliance. Some of these sources support multiple functions.

Two of the larger federal funds in the division are Title 18 and Title 19, which fund quality assurance certifications. Title 18 covers skilled nursing facilities (SNF) and long-term care (LTC) facilities. Title 19 covers the certification of home health providers. Federal Medicaid and Medicare funds are used to support multiple activities including certification of nursing homes and home health services, a Department of Justice fraud surveillance contract, federal match for the Recovery Audit Program, the nurse aide registry, and more. Clinical laboratory improvement amendments (CLIA) support reviews of laboratories that wish to qualify for federal funding. Rural hospital flexibility grants are used to help local hospitals maintain their critical access hospital (CAH) status.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	2,736,178	2,736,178	5,472,356	100.13 %	9,561,168	9,561,168	19,122,336	98.77 %
SWPL Adjustments	(78,565)	(66,736)	(145,301)	(2.66)%	(34,801)	22,798	(12,003)	(0.06)%
PL Adjustments	(818)	(766)	(1,584)	(0.03)%	(17,135)	(16,885)	(34,020)	(0.18)%
New Proposals	70,080	69,919	139,999	2.56 %	142,910	140,798	283,708	1.47 %
<b>Total Budget</b>	<b>\$2,726,875</b>	<b>\$2,738,595</b>	<b>\$5,465,470</b>		<b>\$9,652,142</b>	<b>\$9,707,879</b>	<b>\$19,360,021</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(94,018)	(126,644)	123,098	(97,564)	0.00	(85,859)	(117,852)	148,473	(55,238)
DP 3 - Inflation Deflation	0.00	15,453	7,436	39,874	62,763	0.00	19,123	9,514	49,399	78,036
DP 30 - Motor Pool Rate Adjustment	0.00	(818)	(717)	(2,351)	(3,886)	0.00	(766)	(671)	(2,199)	(3,636)
DP 8002 - Align Appropriation with Revenue	0.00	0	0	(13,249)	(13,249)	0.00	0	0	(13,249)	(13,249)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$79,383)</b>	<b>(\$119,925)</b>	<b>\$147,372</b>	<b>(\$51,936)</b>	<b>0.00</b>	<b>(\$67,502)</b>	<b>(\$109,009)</b>	<b>\$182,424</b>	<b>\$5,913</b>

\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 8002 - Align Appropriation with Revenue -

The legislature adopted a present law adjustment to align federal authority with anticipated revenue in OIG.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(3,863)	(1,859)	(9,969)	(15,691)	0.00	(4,781)	(2,379)	(12,350)	(19,510)
DP 555 - Additional Vacancy Savings	0.00	(18,014)	(14,459)	(42,226)	(74,699)	0.00	(18,126)	(14,556)	(42,481)	(75,163)
DP 1412 - HB 218	0.00	0	3,406	0	3,406	0.00	0	3,406	0	3,406
DP 8001 - FTE Quality Control Federal Mandate	3.00	91,957	9,196	128,741	229,894	3.00	92,826	9,283	129,956	232,065
<b>Total</b>	<b>3.00</b>	<b>\$70,080</b>	<b>(\$3,716)</b>	<b>\$76,546</b>	<b>\$142,910</b>	<b>3.00</b>	<b>\$69,919</b>	<b>(\$4,246)</b>	<b>\$75,125</b>	<b>\$140,798</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1412 - HB 218 -

The legislature adopted contingency language to increase appropriations if HB 218 was passed and approved and this decision package implements this language. This legislation generally revises laws related to private alternative adolescent residential or outdoor programs, provides additional requirements for licensure, and increases the frequency of on-sight inspections by the DPHHS.

DP 8001 - FTE Quality Control Federal Mandate -

The legislature adopted funding to make permanent 3.00 modified FTE, created to meet the federal Medicaid Eligibility Quality Control (MEQC) mandates.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	12,527,607	13,699,291	1,171,684	9.35 %
Operating Expenses	114,405,745	135,173,419	20,767,674	18.15 %
Equipment & Intangible Assets	170,000	170,000	0	0.00 %
Grants	12,000	0	(12,000)	(100.00)%
Debt Service	71,989	10,000	(61,989)	(86.11)%
<b>Total Expenditures</b>	<b>\$127,187,341</b>	<b>\$149,052,710</b>	<b>\$21,865,369</b>	<b>17.19 %</b>
General Fund	43,866,261	50,156,945	6,290,684	14.34 %
State/Other Special Rev. Funds	4,506,164	4,591,048	84,884	1.88 %
Federal Spec. Rev. Funds	78,814,916	94,304,717	15,489,801	19.65 %
<b>Total Funds</b>	<b>\$127,187,341</b>	<b>\$149,052,710</b>	<b>\$21,865,369</b>	<b>17.19 %</b>
<b>Total Ongoing</b>	<b>\$127,187,341</b>	<b>\$149,052,710</b>	<b>\$21,865,369</b>	<b>17.19 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The overall mission of the Technology Service Division (TSD) is to use and improve information technology to protect the health, well-being, and self-reliance of all Montanans. TSD services include programming, help desk functions, database support, web development, enterprise architecture, security, project management, health and data analytics, and network management.

Statutory Authority - Technology Services Division - Title 17 and Title 40, MCA, and Title IV of the Social Security Act, Section 06, P.L. 96-265.

Program Highlights

<b>Technology Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The TSD budget includes an increase of 17.2% from the 2023 biennium to the 2025 biennium primarily due to an increase in operating expenses, impacted by:                             <ul style="list-style-type: none"> <li>◦ Increases in statewide present law adjustments for fixed costs totaling \$4.9 million all funds</li> <li>◦ Vacancy savings adjustment of 5.0%</li> <li>◦ Increases in authority to maintain existing services in the Montana Program for Automating and Transforming Healthcare (MPATH) totaling \$5.3 million all funds</li> <li>◦ A transfer of 2.00 FTE in FY 2024 and 3.00 FTE in FY 2025 and associated funding from Healthcare Facilities Division (HFD) to support MPATH</li> <li>◦ A transfer of 4.00 FTE from HFD in FY 2024 and FY 2025 to provide data analytics support totaling \$630,000 all funds</li> </ul> </li> </ul>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	68.00	68.00	74.00	75.00
Personal Services	6,232,467	6,116,124	6,411,483	6,772,538	6,926,753
Operating Expenses	53,660,387	54,569,871	59,835,874	66,508,783	68,664,636
Equipment & Intangible Assets	0	85,000	85,000	85,000	85,000
Grants	8,500	12,000	0	0	0
Debt Service	377,010	66,989	5,000	5,000	5,000
<b>Total Expenditures</b>	<b>\$60,278,364</b>	<b>\$60,849,984</b>	<b>\$66,337,357</b>	<b>\$73,371,321</b>	<b>\$75,681,389</b>
General Fund	21,629,437	21,648,809	22,217,452	24,760,151	25,396,794
State/Other Special Rev. Funds	2,388,329	2,456,165	2,049,999	2,288,343	2,302,705
Federal Spec. Rev. Funds	36,260,598	36,745,010	42,069,906	46,322,827	47,981,890
<b>Total Funds</b>	<b>\$60,278,364</b>	<b>\$60,849,984</b>	<b>\$66,337,357</b>	<b>\$73,371,321</b>	<b>\$75,681,389</b>
<b>Total Ongoing</b>	<b>\$60,278,364</b>	<b>\$60,849,984</b>	<b>\$66,337,357</b>	<b>\$73,371,321</b>	<b>\$75,681,389</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Program Narrative

The legislature increased the budget for TSD by 10.6% in FY 2024 and 14.1% in FY 2025 relative to the FY 2023 base. This increase is mainly a result of statewide present law increases for fixed costs and inflation as well as present law adjustments of \$5.3 million over the biennium for MPATH operations. TSD also received transfers of 6.00 total FTE in FY 2024 and 7.00 total FTE in FY 2025 and associated funding from HFD.

Funding

The following table shows proposed agency funding for all sources 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	50,156,945	0	0	50,156,945	33.65 %	
02381 02 Indirect Activity Prog 09	4,591,048	0	0	4,591,048	100.00 %	
<b>State Special Total</b>	<b>\$4,591,048</b>	<b>\$0</b>	<b>\$0</b>	<b>\$4,591,048</b>	<b>3.08 %</b>	
03598 03 Indirect Activity Prog 09	72,252,057	0	0	72,252,057	76.62 %	
03974 Medicaid Exp HELP Act Admin	22,052,660	0	0	22,052,660	23.38 %	
<b>Federal Special Total</b>	<b>\$94,304,717</b>	<b>\$0</b>	<b>\$0</b>	<b>\$94,304,717</b>	<b>63.27 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$149,052,710</b>	<b>\$0</b>	<b>\$0</b>	<b>\$149,052,710</b>		

The Technology Services Division (TSD) receives most of its federal funds and all of its state special revenue 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 table summarizes the total budget by base, present law adjustments, and new proposals. For a description of these categories, please see the glossary.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	22,217,452	22,217,452	44,434,904	88.59 %	66,337,357	66,337,357	132,674,714	89.01 %
SWPL Adjustments	2,277,598	2,576,402	4,854,000	9.68 %	5,929,840	6,861,472	12,791,312	8.58 %
PL Adjustments	495,642	934,900	1,430,542	2.85 %	1,799,499	3,463,639	5,263,138	3.53 %
New Proposals	(230,541)	(331,960)	(562,501)	(1.12)%	(695,375)	(981,079)	(1,676,454)	(1.12)%
<b>Total Budget</b>	<b>\$24,760,151</b>	<b>\$25,396,794</b>	<b>\$50,156,945</b>		<b>\$73,371,321</b>	<b>\$75,681,389</b>	<b>\$149,052,710</b>	

Present Law Adjustments

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----				-----Fiscal 2025-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(87,573)	(29,905)	44,305	(73,173)	0.00	(68,375)	(26,417)	68,689	(26,103)
DP 2 - Fixed Costs	0.00	1,124,022	164,392	1,196,603	2,485,017	0.00	1,092,946	159,847	1,163,519	2,416,312
DP 3 - Inflation Deflation	0.00	1,241,149	121,947	2,154,900	3,517,996	0.00	1,551,831	149,682	2,769,750	4,471,263
DP 30 - Motor Pool Rate Adjustment	0.00	(160)	(27)	(146)	(333)	0.00	(150)	(25)	(137)	(312)
DP 9000 - MPATH Operations	0.00	495,802	0	1,304,030	1,799,832	0.00	935,050	0	2,528,901	3,463,951
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,773,240</b>	<b>\$256,407</b>	<b>\$4,699,692</b>	<b>\$7,729,339</b>	<b>0.00</b>	<b>\$3,511,302</b>	<b>\$283,087</b>	<b>\$6,530,722</b>	<b>\$10,325,111</b>

\*\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides 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: other services, supplies and materials, communications, in-state state motor pool, motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 9000 - MPATH Operations -

The legislature adopted authority to maintain existing services in MPATH. The increase would fund MPATH Customer Care operations and financial service shortfalls.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	67,914	0	67,915	135,829	0.00	67,914	0	67,915	135,829
DP 333 - Adjustment to Inflation	0.00	(453,430)	(44,551)	(787,251)	(1,285,232)	0.00	(575,536)	(55,513)	(1,027,232)	(1,658,281)
DP 555 - Additional Vacancy Savings	0.00	(29,882)	(5,652)	(36,208)	(71,742)	0.00	(30,344)	(5,688)	(37,256)	(73,288)
DP 9001 - MPATH FTE	2.00	56,297	0	148,071	204,368	3.00	82,724	0	223,733	306,457
DP 9009 - TSD Data Analysis FTE Request	2.00	64,280	16,070	80,351	160,701	2.00	61,641	15,410	77,051	154,102
DP 9333 - TSD FTE - outcome meas./value based pay./perf.-based contr.	2.00	64,280	16,070	80,351	160,701	2.00	61,641	15,410	77,051	154,102
<b>Total</b>	<b>6.00</b>	<b>(\$230,541)</b>	<b>(\$18,063)</b>	<b>(\$446,771)</b>	<b>(\$695,375)</b>	<b>7.00</b>	<b>(\$331,960)</b>	<b>(\$30,381)</b>	<b>(\$618,738)</b>	<b>(\$981,079)</b>

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

DP 99 - New Fixed Costs -

The legislature adopted appropriations for the agency to provide funding for a new fixed cost for the Chief Data Office. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 9001 - MPATH FTE -

The legislature adopted the transfer of 2.00 FTE in FY 2024 and 3.00 FTE in FY 2025 from the Healthcare Facilities Division (HFD) to provide support for MPATH operations. These FTE will be primarily responsible for module maintenance and changes to system operations, allowing existing FTE to focus on design, development, and implementation activities within MPATH.

DP 9009 - TSD Data Analysis FTE Request -

The legislature adopted a transfer of 2.00 FTE from the HFD to provide data analytics support to the department. These additional FTE will be added to the Office of Health Data and Analytics in Division Administration Compliance and Systems Services.

DP 9333 - TSD FTE - outcome meas./value based pay./perf.-based contr. -

The legislature adopted a transfer of 2.00 FTE from the HFD to provide data analytics support to the department. These are additional Research Analyst 1 positions which will be added to the Office of Health Data and Analytics in Division Administration Compliance and Systems Services for the specified purpose of performing analysis in outcome measurements, value-based payments, and performance-based contracting.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	15,090,623	16,726,176	1,635,553	10.84 %
Operating Expenses	8,996,596	9,692,570	695,974	7.74 %
Grants	16,261,056	15,757,028	(504,028)	(3.10)%
Benefits & Claims	898,593,663	1,052,764,998	154,171,335	17.16 %
Transfers	9,672,449	0	(9,672,449)	(100.00)%
Debt Service	50,407	3,728	(46,679)	(92.60)%
<b>Total Expenditures</b>	<b>\$948,664,794</b>	<b>\$1,094,944,500</b>	<b>\$146,279,706</b>	<b>15.42 %</b>
General Fund	207,828,097	270,734,535	62,906,438	30.27 %
State/Other Special Rev. Funds	50,135,470	79,136,153	29,000,683	57.84 %
Federal Spec. Rev. Funds	690,701,227	745,073,812	54,372,585	7.87 %
<b>Total Funds</b>	<b>\$948,664,794</b>	<b>\$1,094,944,500</b>	<b>\$146,279,706</b>	<b>15.42 %</b>
<b>Total Ongoing</b>	<b>\$948,664,794</b>	<b>\$1,094,944,500</b>	<b>\$146,279,706</b>	<b>15.42 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Behavioral Health and Developmental Disabilities Division (BHDDD) administers a wide range of services to fulfill its mission of facilitating the efficient delivery of effective services to adults and children with behavioral health challenges and/or developmental disabilities. BHDDD's work is guided by a goal of providing Montanans with the support to live full lives within their communities. BHDDD consists of four bureaus and two programs: Prevention Bureau, Mental Health Services Bureau, Children's Mental Health Bureau, Operations Bureau, Suicide Prevention Program, and Developmental Disabilities Program.

## Program Highlights

**Behavioral Health and Developmental Disabilities Division  
Major Budget Highlights**

- BHDDD's 2025 biennium budget includes an increase of 15.4% or \$146.2 million, primarily for benefits and claims, affected by:
  - Increases in statewide present law adjustments for personal services and inflation
  - Vacancy savings adjustment of 5.0%
  - Medicaid caseload adjustments totaling a decrease of \$49.2 million in FY 2024 and \$32.8 million in FY 2025. General fund obligations will decrease by \$11.2 million and \$8.7 million in FY 2024 and FY 2025 respectively
  - A decrease in the Federal Medical Assistance Percentage resulting in an increase of state funding obligations by \$3.5 million in FY 2024 and \$2.2 million in FY 2025. General fund obligations would increase by \$2.6 million in FY 2024 and \$2.6 million in FY 2025
  - Provider Rate Adjustments totaling \$43.9 million in FY 2024 and \$61.6 million in FY 2025. General fund obligations were increase by \$13.7 million in FY 2024 and \$18.9 million in FY 2025
  - This decrease is primarily a result of the insurance premium holiday paid to the Risk Management and Tort Defense Division proprietary fund
  - The Comprehensive School and Community Treatment program was transferred to the Office of Public Instruction to BHDDD amounting to more than \$18.4 million all funds over the biennium
    - This includes 1.00 FTE and associated funding in FY 2025 to administer the program

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	104.00	104.00	105.00	105.00
Personal Services	7,781,888	7,408,153	7,682,470	8,341,396	8,384,780
Operating Expenses	3,073,111	4,321,065	4,675,531	4,824,238	4,868,332
Grants	11,888,159	10,207,028	6,054,028	7,878,514	7,878,514
Benefits & Claims	365,856,390	393,313,068	505,280,595	509,123,136	543,641,862
Transfers	9,672,448	9,672,449	0	0	0
Debt Service	318,919	48,543	1,864	1,864	1,864
<b>Total Expenditures</b>	<b>\$398,590,915</b>	<b>\$424,970,306</b>	<b>\$523,694,488</b>	<b>\$530,169,148</b>	<b>\$564,775,352</b>
General Fund	81,306,586	81,880,855	125,947,242	131,554,799	139,179,736
State/Other Special Rev. Funds	16,835,177	22,374,220	27,761,250	38,429,329	40,706,824
Federal Spec. Rev. Funds	300,449,152	320,715,231	369,985,996	360,185,020	384,888,792
<b>Total Funds</b>	<b>\$398,590,915</b>	<b>\$424,970,306</b>	<b>\$523,694,488</b>	<b>\$530,169,148</b>	<b>\$564,775,352</b>
<b>Total Ongoing</b>	<b>\$398,590,915</b>	<b>\$424,970,306</b>	<b>\$523,694,488</b>	<b>\$530,169,148</b>	<b>\$564,775,352</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Narrative**

The legislature increased the budget for BHDDD by 1.3% in FY 2024 and 7.9% in FY 2025 relative to the FY 2023 base. This increase is fueled mainly by provider rate adjustments totaling \$105.5 million over the biennium. In addition, the state obligations were increased for Medicaid based on the projection of the continued decline of Federal Medical Assistance Percentage. This led to an increased obligation of \$6.1 million of state funds over the biennium. These increases were partially offset by expected caseload reductions for traditional Medicaid and Medicaid expansion based on enrollment and utilization projections for the next biennium.

**69010 - Department of Public Health & Human Services      10-Behavioral Hth & Dev Disabilities**

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 10-Behavioral Hth & Dev Disabilities Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	270,734,535	0	0	270,734,535	24.62 %	
02034 Earmarked Alcohol Funds	7,389,398	0	4,860,884	12,250,282	14.58 %	
02338 CSCT OPI State Match	18,259,926	0	0	18,259,926	21.74 %	
02597 Healthy Montana Kids Plan	2,152,586	0	0	2,152,586	2.56 %	
02772 Tobacco Hlth and Medicaid Init	36,380,376	0	0	36,380,376	43.31 %	
02987 Tobacco Interest	2,495,618	0	0	2,495,618	2.97 %	
02064 HEART-Healing RECOVERY TRTMT	12,254,650	0	0	12,254,650	14.59 %	
02517 02 Indirect Activity Prog 10	203,599	0	0	203,599	0.24 %	
<b>State Special Total</b>	<b>\$79,136,153</b>	<b>\$0</b>	<b>\$4,860,884</b>	<b>\$83,997,037</b>	<b>7.64 %</b>	
03171 Data Infrastructure Developmnt	307,532	0	0	307,532	0.04 %	
03579 93.667 - SSBG - Benefits	3,540,449	0	0	3,540,449	0.48 %	
03580 6901-93.778 - Med Adm 50%	9,578,275	0	0	9,578,275	1.29 %	
03583 93.778 - Med Ben FMAP	520,432,472	0	0	520,432,472	69.85 %	
03599 03 Indirect Activity Prog 10	1,121,969	0	0	1,121,969	0.15 %	
03505 93.150 - Mntal Hlth - Homeless	621,157	0	0	621,157	0.08 %	
03507 93.958 - Mntal Hlth - Blk Grt	6,036,540	0	0	6,036,540	0.81 %	
03508 93.959 - ADAD - Blk Grt 100%	15,029,247	0	0	15,029,247	2.02 %	
03975 Medicaid Exp HELP Act Benefit	188,406,171	0	0	188,406,171	25.29 %	
<b>Federal Special Total</b>	<b>\$745,073,812</b>	<b>\$0</b>	<b>\$0</b>	<b>\$745,073,812</b>	<b>67.75 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$1,094,944,500</b>	<b>\$0</b>	<b>\$4,860,884</b>	<b>\$1,099,805,384</b>		

Funding for BHDDD is a combination of general funds, state special revenue funds, and federal funds.

The majority of BHDDD’s funding is federal funds for Medicaid. BHDDD also receives and administers non-competitive federal block grants, which are applied for annually and must be approved, conditional on demonstration of statutory and regulatory compliance, to receive the formula-based funding.

State special revenue funds come from the Tobacco Health and Medicaid Initiative fund. This fund source is directed to Medicaid waivers. The earmarked alcohol funds are tax revenues from alcohol consumption taxes. These funds are given to the Department of Public Health and Human Services for state programs that target prevention and treatment related directly to the use or abuse of these products. The majority of funds go to the Prevention Bureau or the Montana Chemical Dependency Center. The rest of state special revenues come from Healthy Montana Kids (HMK) and the tobacco interest. The bulk of general funds in BHDDD fund the state portion of Medicaid and Medicaid expansion benefits administered by the division including waivers, targeted case management, adult and child mental health services, case management services, suicide prevention efforts, and chemical dependency care.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	125,947,242	125,947,242	251,894,484	93.04 %	523,694,488	523,694,488	1,047,388,976	95.66 %
SWPL Adjustments	505,360	555,890	1,061,250	0.39 %	856,018	961,912	1,817,930	0.17 %
PL Adjustments	(8,609,450)	(6,094,739)	(14,704,189)	(5.43)%	(47,141,332)	(30,815,964)	(77,957,296)	(7.12)%
New Proposals	13,711,647	18,771,343	32,482,990	12.00 %	52,759,974	70,934,916	123,694,890	11.30 %
<b>Total Budget</b>	<b>\$131,554,799</b>	<b>\$139,179,736</b>	<b>\$270,734,535</b>		<b>\$530,169,148</b>	<b>\$564,775,352</b>	<b>\$1,094,944,500</b>	

**69010 - Department of Public Health & Human Services      10-Behavioral Hth & Dev Disabilities**

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	406,229	(247,289)	499,716	658,656	0.00	425,488	(245,300)	522,016	702,204
DP 3 - Inflation Deflation	0.00	99,131	10,712	87,519	197,362	0.00	130,402	14,208	115,098	259,708
DP 30 - Motor Pool Rate Adjustment	0.00	(874)	0	(1,241)	(2,115)	0.00	(818)	0	(1,161)	(1,979)
DP 10002 - SABG Restore Base Benefits Services BHDDD	0.00	0	0	595,114	595,114	0.00	0	0	595,114	595,114
DP 10003 - MHBG Restore Base Benefits Services BHDDD	0.00	0	0	1,416,209	1,416,209	0.00	0	0	1,416,209	1,416,209
DP 10171 - Traditional Medicaid Legislative Caseload BHDDD	0.00	(1,941,404)	(640,564)	(4,730,525)	(7,312,493)	0.00	(2,108,669)	(652,554)	(5,151,752)	(7,912,975)
DP 10172 - Medicaid Expansion Legislative Caseload BHDDD	0.00	(175,509)	(34,997)	(1,859,810)	(2,070,316)	0.00	(180,651)	(34,997)	(1,906,091)	(2,121,739)
DP 10891 - Medicaid Expansion Core Services AMH BHDDD	0.00	1,647,215	0	14,824,935	16,472,150	0.00	1,818,546	0	16,366,917	18,185,463
DP 10892 - Medicaid Waiver Expansion Services BHDDD	0.00	11,867	0	106,806	118,673	0.00	12,436	0	111,923	124,359
DP 10990 - Medicaid Waiver Services AMH BHDDD	0.00	(274,097)	(1,207,367)	(2,623,452)	(4,104,916)	0.00	(274,097)	(629,548)	(1,614,876)	(2,518,521)
DP 10991 - Medicaid Core Services DSD BHDDD	0.00	(4,491,657)	0	(7,954,055)	(12,445,712)	0.00	(2,091,788)	0	(3,738,167)	(5,829,955)
DP 10992 - Medicaid Waiver Services DSD BHDDD	0.00	(5,106,184)	0	(9,042,290)	(14,148,474)	0.00	(4,002,375)	0	(7,152,516)	(11,154,891)
DP 10993 - Medicaid Federal Services DSD BHDDD	0.00	0	0	(28,637,191)	(28,637,191)	0.00	0	0	(27,086,097)	(27,086,097)
DP 10994 - Medicaid Federal Services AMH BHDDD	0.00	0	0	208,526	208,526	0.00	0	0	208,526	208,526
DP 10995 - Medicaid Waiver FMAP Adjustment AMH BHDDD	0.00	0	311,914	(311,914)	0	0.00	0	241,596	(241,596)	0
DP 10996 - Medicaid Waiver FMAP Adjustment DSD BHDDD	0.00	1,694,224	0	(1,694,224)	0	0.00	1,377,152	0	(1,377,152)	0
DP 10997 - Medicaid Core FMAP Adjustment AMH BHDDD	0.00	(212,433)	597,846	(385,413)	0	0.00	313,144	(590,235)	277,091	0
DP 10998 - Medicaid Core FMAP Adjustment DSD BHDDD	0.00	1,152,226	0	(1,152,226)	0	0.00	907,808	0	(907,808)	0
DP 10999 - Medicaid Core Services AMH BHDDD	0.00	(646,178)	560,041	(152,537)	(238,674)	0.00	(291,133)	728,315	781,273	1,218,455
DP 17111 - Traditional Medicaid Caseload Update	0.00	(266,646)	1,350,018	1,924,515	3,007,887	0.00	(1,574,294)	3,031,763	2,604,598	4,062,067
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$8,104,090)</b>	<b>\$700,314</b>	<b>(\$38,881,538)</b>	<b>(\$46,285,314)</b>	<b>0.00</b>	<b>(\$5,538,849)</b>	<b>\$1,863,248</b>	<b>(\$26,178,451)</b>	<b>(\$29,854,052)</b>

\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

**69010 - Department of Public Health & Human Services      10-Behavioral Hth & Dev Disabilities**

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DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 10002 - SABG Restore Base Benefits Services BHDDD -

The legislature adopted authority to maintain existing services for the Substance Abuse Block Grant.

DP 10003 - MHBG Restore Base Benefits Services BHDDD -

The legislature adopted authority to maintain existing services for the Mental Health Block Grant Program.

DP 10171 - Traditional Medicaid Legislative Caseload BHDDD -

The legislature adopted funding changes for total caseload for traditional Medicaid.

DP 10172 - Medicaid Expansion Legislative Caseload BHDDD -

The legislature adopted funding changes for total caseload for Medicaid expansion.

DP 10891 - Medicaid Expansion Core Services AMH BHDDD -

The legislature adopted funding for caseload growth based on estimated eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 10892 - Medicaid Waiver Expansion Services BHDDD -

The legislature adopted funding for caseload growth based on estimated eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 10990 - Medicaid Waiver Services AMH BHDDD -

The legislature adopted funding for caseload changes based on estimated eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 10991 - Medicaid Core Services DSD BHDDD -

The legislature adopted funding for caseload changes based on estimated eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 10992 - Medicaid Waiver Services DSD BHDDD -

The legislature adopted funding for caseload changes based on estimated eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 10993 - Medicaid Federal Services DSD BHDDD -

The legislature adopted funding for caseload changes based on estimated eligible individuals, utilization, acuity levels, and cost per service for medical care.

**69010 - Department of Public Health & Human Services      10-Behavioral Hth & Dev Disabilities**

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DP 10994 - Medicaid Federal Services AMH BHDDD -

The legislature adopted funding for caseload growth based on estimated eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 10995 - Medicaid Waiver FMAP Adjustment AMH BHDDD -

The legislature adopted an adjustment in the state/federal funding mix to maintain existing services for the Adult Mental Health Waiver Program based on new federal matching rates.

DP 10996 - Medicaid Waiver FMAP Adjustment DSD BHDDD -

The legislature adopted a change package to maintain existing services for the Developmental Disabilities Waiver Program in the Behavioral Health and Developmental Disabilities Division. The biennial funding increases general fund by \$3,071,376 and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10997 - Medicaid Core FMAP Adjustment AMH BHDDD -

The legislature adopted an adjustment in the state/federal funding mix to maintain existing services for the Adult Mental Health Program based on new federal matching rates.

DP 10998 - Medicaid Core FMAP Adjustment DSD BHDDD -

The legislature adopted an adjustment in the state/federal funding mix to maintain existing services for the Children's Mental Health Program based on new federal matching rates.

DP 10999 - Medicaid Core Services AMH BHDDD -

The legislature adopted an adjustment for caseload changes based on estimated eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 17111 - Traditional Medicaid Caseload Update -

The legislature adopted funding for caseload adjustments for traditional Medicaid. This included an increase in general funds, state special revenue funds, and federal funds.

**New Proposals**

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 333 - Adjustment to Inflation	0.00	(24,783)	(2,678)	(21,880)	(49,341)	0.00	(32,601)	(3,552)	(28,775)	(64,928)
DP 555 - Additional Vacancy Savings	0.00	(41,304)	(2,359)	(44,142)	(87,805)	0.00	(41,506)	(2,380)	(44,375)	(88,261)
DP 1401 - HB 147	0.00	20,011	0	43,288	63,299	0.00	6,000	0	18,000	24,000
DP 10004 - School Based Medical Services CSCT Admin	1.00	45,438	8,851,077	45,438	8,941,953	1.00	44,183	9,408,849	44,184	9,497,216
DP 10015 - Prov Rate Adj - Medicaid Core	0.00	779,858	11,715	1,401,758	2,193,331	0.00	2,214,267	45,871	4,039,019	6,299,157
DP 10016 - Prov Rate Adj - Medicaid Waiver	0.00	1,195,606	229,218	2,523,152	3,947,976	0.00	4,301,617	749,062	9,025,906	14,076,585
DP 10017 - Prov Rate Adj - Medicaid Federal	0.00	0	0	988,375	988,375	0.00	0	0	2,016,285	2,016,285
DP 10018 - Prov Rate Adj - Division Administration and Support	0.00	23,108	0	113,058	136,166	0.00	47,902	0	247,699	295,601
DP 10019 - Prov Rate Adj - Treatment	0.00	34,627	0	0	34,627	0.00	71,970	0	0	71,970
DP 10020 - Prov Rate Adj - Supplemental Grants and Services	0.00	0	0	1,729	1,729	0.00	0	0	3,558	3,558
DP 10021 - Prov Rate Adj - Medicaid Expansion	0.00	48,358	0	435,220	483,578	0.00	133,573	0	1,202,155	1,335,728
DP 15222 - Medicaid Provider Rate Adjustment for Rate Study Providers	0.00	8,829,341	880,792	18,076,157	27,786,290	0.00	8,824,353	884,476	18,250,838	27,959,667
DP 15224 - Medicaid Prov. Rate Increase for Studied Providers (RST)	0.00	2,801,387	0	5,518,409	8,319,796	0.00	3,201,585	0	6,306,753	9,508,338
<b>Total</b>	<b>1.00</b>	<b>\$13,711,647</b>	<b>\$9,967,765</b>	<b>\$29,080,562</b>	<b>\$52,759,974</b>	<b>1.00</b>	<b>\$18,771,343</b>	<b>\$11,082,326</b>	<b>\$41,081,247</b>	<b>\$70,934,916</b>

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

DP 99 - New Fixed Costs -

The legislature adopted appropriations of \$30,012 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1401 - HB 147 -

The legislature adopted contingency language to increase appropriations if HB 147 was passed and approved and this decision package implements this language. This legislation provides for an enhanced Medicaid reimbursement for providers of Psychiatric Residential Treatment Facility (PRTF) services to increase access to in-state care for high-risk children with multiagency needs.

DP 10004 - School Based Medical Services CSCT Admin -

The legislature adopted funding and 1.00 FTE to administer the Comprehensive School and Community Treatment Program (CSCT) in the Behavioral Health and Developmental Disorders Division. HB 671 from the 2021 Session moved the administration of the CSCT Program to the Office of Public Instruction for the 2023 biennium on a one-time basis.

DP 10015 - Prov Rate Adj - Medicaid Core -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustments.

DP 10016 - Prov Rate Adj - Medicaid Waiver -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustments.

DP 10017 - Prov Rate Adj - Medicaid Federal -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustments.

DP 10018 - Prov Rate Adj - Division Administration and Support -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustments.

DP 10019 - Prov Rate Adj - Treatment -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustments.

DP 10020 - Prov Rate Adj - Supplemental Grants and Services -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustments.

DP 10021 - Prov Rate Adj - Medicaid Expansion -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this decision package as their adjustment is already included in the Medicaid caseload adjustments.

DP 15222 - Medicaid Provider Rate Adjustment for Rate Study Providers -

The legislature adopted funding increases over the biennium for provider rate adjustments.

DP 15224 - Medicaid Prov. Rate Increase for Studied Providers (RST) -

The legislature adopted additional funding for Medicaid providers included in the 2023 biennium rate studies. The funding is restricted to expenditures on benefits and claims.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	6,836,139	6,538,325	(297,814)	(4.36)%
Operating Expenses	31,943,865	31,036,078	(907,787)	(2.84)%
Benefits & Claims	2,979,263,275	3,537,719,008	558,455,733	18.74 %
Transfers	2,044,964	0	(2,044,964)	(100.00)%
Debt Service	8,553	5,748	(2,805)	(32.80)%
<b>Total Expenditures</b>	<b>\$3,020,096,796</b>	<b>\$3,575,299,159</b>	<b>\$555,202,363</b>	<b>18.38 %</b>
General Fund	388,369,505	504,592,996	116,223,491	29.93 %
State/Other Special Rev. Funds	266,092,007	280,671,555	14,579,548	5.48 %
Federal Spec. Rev. Funds	2,365,635,284	2,790,034,608	424,399,324	17.94 %
<b>Total Funds</b>	<b>\$3,020,096,796</b>	<b>\$3,575,299,159</b>	<b>\$555,202,363</b>	<b>18.38 %</b>
<b>Total Ongoing</b>	<b>\$3,018,695,761</b>	<b>\$3,575,299,159</b>	<b>\$556,603,398</b>	<b>18.44 %</b>
<b>Total OTO</b>	<b>\$1,401,035</b>	<b>\$0</b>	<b>(\$1,401,035)</b>	<b>(100.00)%</b>

**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), the Montana Medicaid Expansion Program, and Big Sky Rx.

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, and mental health providers. The division develops tools, measurements, and reports necessary to allow 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 families and individuals.

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, also known as CHIP, is a voluntary state/federal partnership that reimburses for medical services for children at or below 261.0% of the federal poverty level (about \$72,400 for a family of four).

The Montana Medicaid Expansion Program is administered by the division to provide Medicaid coverage to Montanans whose income is below 138.0% of the federal poverty level (about \$38,300 for a family of four). Big Sky Rx is a state funded program that helps Montanans at or below 200.0% 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.

Program Highlights

<b>Health Resources Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The HRD 2025 biennium budget for HRD increased by 18.4% or \$555.2 million higher than the 2023 biennium budget. The legislature:                             <ul style="list-style-type: none"> <li>◦ Adopted a legislative caseload adjustment for Medicaid</li> <li>◦ Adopted provider rate increases for both Medicaid and non-Medicaid providers</li> <li>◦ Increased state funding for Medicaid and CHIP to account for FMAP changes</li> <li>◦ Adopted a policy of 12-month postpartum Medicaid and CHIP coverage</li> </ul> </li> </ul>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	41.62	41.62	42.12	42.12
Personal Services	2,940,670	3,320,439	3,515,700	3,261,950	3,276,375
Operating Expenses	14,756,086	15,777,810	16,166,055	15,417,639	15,618,439
Benefits & Claims	1,493,462,020	1,502,795,364	1,476,467,911	1,741,031,264	1,796,687,744
Transfers	2,044,964	2,044,964	0	0	0
Debt Service	0	5,679	2,874	2,874	2,874
<b>Total Expenditures</b>	<b>\$1,513,203,740</b>	<b>\$1,523,944,256</b>	<b>\$1,496,152,540</b>	<b>\$1,759,713,727</b>	<b>\$1,815,585,432</b>
General Fund	179,837,124	180,089,420	208,280,085	251,970,019	252,622,977
State/Other Special Rev. Funds	135,742,649	137,159,416	128,932,591	134,354,309	146,317,246
Federal Spec. Rev. Funds	1,197,623,967	1,206,695,420	1,158,939,864	1,373,389,399	1,416,645,209
<b>Total Funds</b>	<b>\$1,513,203,740</b>	<b>\$1,523,944,256</b>	<b>\$1,496,152,540</b>	<b>\$1,759,713,727</b>	<b>\$1,815,585,432</b>
<b>Total Ongoing</b>	<b>\$1,511,802,705</b>	<b>\$1,522,543,221</b>	<b>\$1,496,152,540</b>	<b>\$1,759,713,727</b>	<b>\$1,815,585,432</b>
<b>Total OTO</b>	<b>\$1,401,035</b>	<b>\$1,401,035</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Program Narrative

The legislature performed a number of significant actions that impact the Health Resources Division budget. The total budget for HRD increased by 18.4%, or \$555.2 million, relative to the 2023 biennium budget. Provider rates for both Medicaid and non-Medicaid providers were increased by a total of \$95.8 million over the 2025 biennium. The HRD Medicaid budget was increased by \$488.2 million over the biennium to account for projected caseload changes. Of this total, \$352.5 million is designated for Medicaid expansion, while the remainder of \$135.7 million is for traditional Medicaid. The caseload budget for CHIP was reduced by \$13.2 million over the 2025 biennium to account for anticipated reduced caseload for CHIP. The legislature also adopted increased funding of \$9.2 million in HRD to extend the coverage of postpartum women enrolled in Montana’s Medicaid and Children’s Health Insurance Program (CHIP) from 60 days to 12 months under Sections 9812 and 9822 of the American Rescue Plan Act of 2021 (ARPA).

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 11-Health Resources Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	504,592,996	0	0	504,592,996	13.40 %	
02053 Medicaid IGT's	241,540	0	0	241,540	0.09 %	
02142 Medicaid Third Party Revenue	1,521,924	0	0	1,521,924	0.54 %	
02311 02 Indirect Activity Prog 11	287,104	0	0	287,104	0.10 %	
02597 Healthy Montana Kids Plan	78,990,304	0	0	78,990,304	28.14 %	
02772 Tobacco Hlth and Medicaid Init	12,007,956	0	0	12,007,956	4.28 %	
02789 6901-CHIP/MCHA Tobacco Sett Fd	9,975,037	0	0	9,975,037	3.55 %	
02987 Tobacco Interest	5,665,944	0	0	5,665,944	2.02 %	
02989 69010-Hospital Utilization Fee	116,260,530	0	0	116,260,530	41.42 %	
02067 Montana HELP Act	55,721,216	0	0	55,721,216	19.85 %	
<b>State Special Total</b>	<b>\$280,671,555</b>	<b>\$0</b>	<b>\$0</b>	<b>\$280,671,555</b>	<b>7.46 %</b>	
03580 6901-93.778 - Med Adm 50%	12,458,643	0	0	12,458,643	0.42 %	
03582 93.778 - Med Ben 100%	0	0	189,112,462	189,112,462	6.35 %	
03583 93.778 - Med Ben FMAP	853,624,122	0	2	853,624,124	28.65 %	
03611 03 Indirect Activity Prog 11	1,462,817	0	0	1,462,817	0.05 %	
03426 CHIP Program Fed	179,260,933	0	0	179,260,933	6.02 %	
03974 Medicaid Exp HELP Act Admin	2,208,441	0	0	2,208,441	0.07 %	
03975 Medicaid Exp HELP Act Benefit	1,552,906,958	0	0	1,552,906,958	52.13 %	
03977 Med Exp HELP Act Indian Health	188,112,694	0	0	188,112,694	6.31 %	
<b>Federal Special Total</b>	<b>\$2,790,034,608</b>	<b>\$0</b>	<b>\$189,112,464</b>	<b>\$2,979,147,072</b>	<b>79.14 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$3,575,299,159</b>	<b>\$0</b>	<b>\$189,112,464</b>	<b>\$3,764,411,623</b>		

The 2025 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.

State special revenue includes several sources of revenue. State special revenue is applied towards the state match for Medicaid and CHIP, and fully funds the Big Sky Rx program in the 2025 biennium. Federal funds include Medicaid and CHIP funds. Medicaid is an entitlement fund source, meaning that the federal government will match all eligible expenditures at a certain rate. This rate, known as the Federal Medical Assistance Percentage (FMAP), is determined by comparing the average per capita income of a state to the national average per capita income. The FMAP for Medicaid expansion is 90.0%, meaning that the federal government reimburses the state for 90.0% of the expenditures incurred under this program.

Refer to the state special revenue fund balance table in the DPHHS Agency Summary for detail on the major state special funds used for DPHHS programs. HRD functions supported by state special revenue sources and the major sources of funds are:

State Medicaid match

- Hospital utilization fee (\$70 per day assessed for each day of an inpatient stay)
- Outpatient hospital tax
- 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 funds also support the HRD budget. Federal funding sources include:

- Federal Medicaid matching funds: some at a 50.0% match (Medicaid program administration), some at 100.0% (Indian Health Services statutory expenditures), some at 90.0% (Medicaid expansion), and some at the FMAP rate discussed above (about 64.0% depending on the year)
- Federal CHIP matching funds: about 11.0 percentage points higher than the standard FMAP rate

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	208,280,085	208,280,085	416,560,170	82.55 %	1,496,152,540	1,496,152,540	2,992,305,080	83.69 %
SWPL Adjustments	140,400	177,671	318,071	0.06 %	518,908	741,735	1,260,643	0.04 %
PL Adjustments	37,050,041	32,669,935	69,719,976	13.82 %	225,844,239	249,182,229	475,026,468	13.29 %
New Proposals	6,499,493	11,495,286	17,994,779	3.57 %	37,198,040	69,508,928	106,706,968	2.98 %
<b>Total Budget</b>	<b>\$251,970,019</b>	<b>\$252,622,977</b>	<b>\$504,592,996</b>		<b>\$1,759,713,727</b>	<b>\$1,815,585,432</b>	<b>\$3,575,299,159</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	34,069	(358,793)	221,378	(103,346)	0.00	36,454	(351,968)	229,462	(86,052)
DP 3 - Inflation Deflation	0.00	106,331	213,808	302,115	622,254	0.00	141,217	284,548	402,022	827,787
DP 30 - Motor Pool Rate Adjustment	0.00	(9)	(27)	(33)	(69)	0.00	(8)	(24)	(32)	(64)
DP 11171 - Traditional Medicaid Legislative Caseload HRD	0.00	(4,048,047)	(554,436)	(8,428,570)	(13,031,053)	0.00	(4,007,167)	(551,209)	(8,848,089)	(13,406,465)
DP 11172 - Medicaid Expansion Legislative Caseload HRD	0.00	(655,388)	(1,099,830)	(17,620,677)	(19,375,895)	0.00	(668,618)	(1,099,830)	(17,835,812)	(19,604,260)
DP 11444 - HMK FMAP Correction	0.00	166,676	0	(166,676)	0	0.00	(5,809,865)	0	5,809,865	0
DP 11891 - Expansion Core Services HRD	0.00	13,376,348	0	120,387,130	133,763,478	0.00	13,463,218	0	121,168,964	134,632,182
DP 11893 - Expansion Federal Services HRD IHS	0.00	0	0	33,657,888	33,657,888	0.00	0	0	34,632,680	34,632,680
DP 11894 - Expansion Other Services HRD	0.00	208,826	0	0	208,826	0.00	208,826	0	0	208,826
DP 11896 - Expansion Core FMAP Adjustment HRD	0.00	647,657	0	(647,657)	0	0.00	647,657	0	(647,657)	0
DP 11897 - Expansion Supplemental Payments HRD HUF	0.00	0	2,718,812	24,469,311	27,188,123	0.00	0	2,718,812	24,469,311	27,188,123
DP 11990 - HMK Caseload HRD	0.00	0	(2,146,335)	(6,397,992)	(8,544,327)	0.00	0	(1,164,771)	(3,472,058)	(4,636,829)
DP 11991 - Medicaid Core Services HRD	0.00	17,798,732	583,452	32,402,068	50,784,252	0.00	11,982,038	11,083,452	41,221,069	64,286,559
DP 11992 - Medicaid Core FMAP Adj for Supplemental	0.00	0	676,068	(676,068)	0	0.00	0	532,660	(532,660)	0
DP 11994 - Medicaid Other Services HRD	0.00	10,804,572	0	0	10,804,572	0.00	11,951,526	0	0	11,951,526
DP 11995 - Medicaid Federal Services HRD Schools	0.00	0	0	979,774	979,774	0.00	0	0	1,199,372	1,199,372
DP 11996 - FMAP Adjustment HRD	0.00	(405,074)	0	405,074	0	0.00	(1,407,929)	0	1,407,929	0
DP 11997 - Medicaid Supplemental Payments HRD	0.00	0	3,076,023	5,447,178	8,523,201	0.00	0	3,058,125	5,465,076	8,523,201
DP 11998 - FMAP Adjustment HRD HMK	0.00	654,801	0	(654,801)	0	0.00	6,464,666	0	(6,464,666)	0
DP 17111 - Traditional Medicaid Caseload Update	0.00	(1,499,053)	1,828,090	556,432	885,469	0.00	(154,409)	1,817,454	2,544,333	4,207,378
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$37,190,441</b>	<b>\$4,936,832</b>	<b>\$184,235,874</b>	<b>\$226,363,147</b>	<b>0.00</b>	<b>\$32,847,606</b>	<b>\$16,327,249</b>	<b>\$200,749,109</b>	<b>\$249,923,964</b>

\*\*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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 11171 - Traditional Medicaid Legislative Caseload HRD -

The legislature adopted funding changes for total caseload for traditional Medicaid.

DP 11172 - Medicaid Expansion Legislative Caseload HRD -

The legislature adopted funding changes for total caseload for Medicaid expansion.

DP 11444 - HMK FMAP Correction -

The legislature adopted funding for Healthy Montana Kids (HMK Federal Medical Assistance Percentage (FMAP funding adjustments).

DP 11891 - Expansion Core Services HRD -

The legislature adopted funding for caseload growth in the Health Resources Division. This request adjusts for increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 11893 - Expansion Federal Services HRD IHS -

The legislature adopted funding for caseload growth in the Health Resources Division. This request adjusts for the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 11894 - Expansion Other Services HRD -

The legislature adopted funding for existing services for Medicaid Expansion in the Health Resources Division.

DP 11896 - Expansion Core FMAP Adjustment HRD -

The legislature adopted funding for existing services for the Medicaid Expansion Program in the Health Resources Division. The biennial funding increases general fund by \$1.3 million and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 11897 - Expansion Supplemental Payments HRD HUF -

The legislature adopted funding for Medicaid supplemental payments to hospitals in the Health Resources Division.

DP 11990 - HMK Caseload HRD -

The legislature adopted funding changes for a caseload change in CHIP in the Health Resources Division.

DP 11991 - Medicaid Core Services HRD -

The legislature adopted funding for caseload growth in the Health Resource Division to adjust for the increase in the number of eligible individuals, utilization, acuity levels, and cost per services for medical care.

DP 11992 - Medicaid Core FMAP Adj for Supplemental -

The legislature adopted funding for existing services for Medicaid supplemental payments (HUF) in the Health Resources Division. The biennial funding increases state special revenue funds by \$1.2 million and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 11994 - Medicaid Other Services HRD -

The legislature adopted funding for existing services for the Medicaid Clawback and Quarterly Rebate Offset Amount (QROA) Programs in the Health Resource Division.

DP 11995 - Medicaid Federal Services HRD Schools -

The legislature adopted funding for existing services in the Medicaid School Based Services Program in the Health Resources Division.

DP 11996 - FMAP Adjustment HRD -

The legislature adopted funding for existing services for the Medicaid Program in the Health Resources Division. The biennial funding decreases general fund by \$1.8 million and includes an offsetting increase in federal funds. The total cost for the program does not change.

DP 11997 - Medicaid Supplemental Payments HRD -

The legislature adopted funding for Medicaid supplemental payments to hospitals in the Health Resources Division.

DP 11998 - FMAP Adjustment HRD HMK -

The legislature adopted funding for existing services for the Healthy Montana Kids Program (CHIP) in the Health Resources Division. The biennial funding increases general fund by \$7,119,467 and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 17111 - Traditional Medicaid Caseload Update -

The legislature adopted funding for caseload adjustments for traditional Medicaid. This included a decrease in general funds and an increase in state special revenue funds, and federal funds.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(26,583)	(53,452)	(75,529)	(155,564)	0.00	(35,304)	(71,137)	(100,506)	(206,947)
DP 555 - Additional Vacancy Savings	0.00	(4,974)	(13,504)	(17,068)	(35,546)	0.00	(4,998)	(13,575)	(17,152)	(35,725)
DP 1402 - HB 449	0.00	90,345	0	159,988	250,333	0.00	179,639	0	321,027	500,666
DP 1403 - HB 544	0.00	183,340	0	493,598	676,938	0.00	189,094	0	506,625	695,719
DP 1404 - HB 655	0.00	8,147	0	21,529	29,676	0.00	9,080	0	24,166	33,246
DP 1407 - HB 862	0.00	(283,969)	0	0	(283,969)	0.00	(306,164)	0	0	(306,164)
DP 1411 - SB 516	0.50	46,969	0	129,827	176,796	0.50	79,078	0	250,068	329,146
DP 1515 - Exempt In-Patient Hosp from Prov Rate Adjustment - Trad. Med	0.00	(1,085,542)	0	(1,926,756)	(3,012,298)	0.00	(2,217,762)	0	(3,927,326)	(6,145,088)
DP 1516 - Exempt In-Patient Hosp from Prov Rate Adjustment - Expansion	0.00	(359,581)	0	(3,236,233)	(3,595,814)	0.00	(733,546)	0	(6,601,915)	(7,335,461)
DP 1517 - Med. Provider Rate Incr. for Inpatient Non-Crit. Access Hosp	0.00	1,445,123	0	5,162,989	6,608,112	0.00	2,951,308	0	10,529,241	13,480,549
DP 11010 - Extend Postpartum Coverage to 12 Months	0.00	1,379,240	0	3,138,905	4,518,145	0.00	1,434,822	0	3,265,400	4,700,222
DP 11015 - Prov Rate Adj - Med Core HRD	0.00	3,343,458	0	5,920,764	9,264,222	0.00	6,920,311	0	12,367,066	19,287,377
DP 11016 - Prov Rate Adj - Healthy Montana Kids	0.00	330,626	551,842	3,476,477	4,358,945	0.00	684,279	1,142,118	7,195,078	9,021,475
DP 11018 - Prov Rate Adj - Expansion Federal	0.00	0	0	3,685,525	3,685,525	0.00	0	0	7,514,225	7,514,225
DP 11019 - Prov Rate Adj - Expansion Core	0.00	910,308	0	8,192,769	9,103,077	0.00	1,481,179	0	13,330,615	14,811,794
DP 11020 - Prov Rate Adj - Med Federal HRD	0.00	0	0	4,045,657	4,045,657	0.00	0	0	8,280,071	8,280,071
DP 15222 - Medicaid Provider Rate Adjustment for Rate Study Providers	0.00	406,325	0	812,199	1,218,524	0.00	731,401	0	3,757,816	4,489,217
DP 15224 - Medicaid Prov. Rate Increase for Studied Providers (RST)	0.00	116,261	0	229,020	345,281	0.00	132,869	0	261,737	394,606
<b>Total</b>	<b>0.50</b>	<b>\$6,499,493</b>	<b>\$484,886</b>	<b>\$30,213,661</b>	<b>\$37,198,040</b>	<b>0.50</b>	<b>\$11,495,286</b>	<b>\$1,057,406</b>	<b>\$56,956,236</b>	<b>\$69,508,928</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1402 - HB 449 -

The legislature adopted contingency language to increase appropriations if HB 449 was passed and approved and this decision package implements this language. HB 449 establishes licensure of pediatric complex care assistants to aid in providing nursing-related services for individuals under 21 and allows Medicaid coverage for these services effective July 1, 2023.

DP 1403 - HB 544 -

The legislature adopted contingency language to increase appropriations if HB 544 was passed and approved and this decision package implements this language. HB 544 allows DPHHS to provide Medicaid coverage for abortions only if performed by a physician and only under certain circumstances.

DP 1404 - HB 655 -

The legislature adopted contingency language to increase appropriations if HB 655 was passed and approved and this decision package implements this language. HB 655 allows services for low-risk home births attended by direct-agency midwives to be reimbursed under the Montana Medicaid Program.

DP 1407 - HB 862 -

The legislature adopted contingency language to decrease appropriations if HB 862 was passed and approved and this decision package implements this language. HB 862 limits public funding of abortions except in limited circumstances consistent with the Hyde amendment, which limits federal funding of abortion.

DP 1411 - SB 516 -

The legislature adopted contingency language to increase appropriations if SB 516 was passed and approved and this decision package implements this language. SB 516 generally revises laws to fertility preservation services for people diagnosed with cancer, requires insurance coverage of fertility preservation services, and creates a voluntary assessment for cancer screening efforts.

DP 1515 - Exempt In-Patient Hosp from Prov Rate Adjustment - Trad. Med -

The legislature adopted an exemption for in-patient hospitals from the legislatively increased Medicaid provider rates.

DP 1516 - Exempt In-Patient Hosp from Prov Rate Adjustment - Expansion -

The legislature adopted an exemption for in-patient hospitals from the legislatively increased Medicaid provider rates.

DP 1517 - Med. Provider Rate Incr. for Inpatient Non-Crit. Access Hosp -

The legislature adopted funding for Medicaid provider rate increases for inpatient non-critical access hospital services with accompanying contingent language. Total funding is \$4.4 million general fund and \$15.7 million federal special funds.

DP 11010 - Extend Postpartum Coverage to 12 Months -

The legislature adopted funding in the Health Resources Division to extend the coverage of postpartum women enrolled in Montana's Medicaid and Children's Health Insurance Program (CHIP) from 60 days to 12 months under Sections 9812 and 9822 of the American Rescue Plan Act of 2021 (ARPA).

DP 11015 - Prov Rate Adj - Med Core HRD -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 11016 - Prov Rate Adj - Healthy Montana Kids -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 11018 - Prov Rate Adj - Expansion Federal -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 11019 - Prov Rate Adj - Expansion Core -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 11020 - Prov Rate Adj - Med Federal HRD -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 15222 - Medicaid Provider Rate Adjustment for Rate Study Providers -

The legislature adopted funding increases over the biennium for provider rate adjustments.

DP 15224 - Medicaid Prov. Rate Increase for Studied Providers (RST) -

The legislature adopted additional funding for Medicaid providers included in the 2023 biennium rate studies. The funding is restricted to expenditures on benefits and claims.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	810,972	770,185	(40,787)	(5.03)%
Operating Expenses	7,570,513	9,435,735	1,865,222	24.64 %
Debt Service	12,198	0	(12,198)	(100.00)%
<b>Total Expenditures</b>	<b>\$8,393,683</b>	<b>\$10,205,920</b>	<b>\$1,812,237</b>	<b>21.59 %</b>
General Fund	2,263,129	2,572,587	309,458	13.67 %
State/Other Special Rev. Funds	48,328	56,167	7,839	16.22 %
Federal Spec. Rev. Funds	6,082,226	7,577,166	1,494,940	24.58 %
<b>Total Funds</b>	<b>\$8,393,683</b>	<b>\$10,205,920</b>	<b>\$1,812,237</b>	<b>21.59 %</b>
<b>Total Ongoing</b>	<b>\$8,393,683</b>	<b>\$10,205,920</b>	<b>\$1,812,237</b>	<b>21.59 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Medicaid & Health Services Management (MHSM) Division is led by the Medicaid and Health Services Executive Director. MHSM works in conjunction with the state Medicaid director and division administrators by providing oversight and guidance on management of the Medicaid programs. This division includes the Medicaid and Health Services Executive Director, the Medicaid and Children's Health Insurance Program (CHIP) State Plan Amendment & Waiver Coordinator, and the Medicaid Chief Financial Officer.

**Program Highlights**

<b>Medicaid and Health Services Management Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The 2025 biennium legislative budget for the MHSM division increased by 21.6% relative to the 2023 biennium budget driven by increases in operating expenses associated with inflation and higher costs of Quality Improvement Organization (QIO) contracts for Medicaid utilization review</li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	3.00	3.00	3.00	3.00
Personal Services	287,608	353,061	457,911	384,423	385,762
Operating Expenses	3,387,587	3,451,763	4,118,750	4,691,043	4,744,692
Grants	31,388	0	0	0	0
Debt Service	12,200	12,198	0	0	0
<b>Total Expenditures</b>	<b>\$3,718,783</b>	<b>\$3,817,022</b>	<b>\$4,576,661</b>	<b>\$5,075,466</b>	<b>\$5,130,454</b>
General Fund	1,034,980	1,052,850	1,210,279	1,275,051	1,297,536
State/Other Special Rev. Funds	21,175	22,650	25,678	27,189	28,978
Federal Spec. Rev. Funds	2,662,628	2,741,522	3,340,704	3,773,226	3,803,940
<b>Total Funds</b>	<b>\$3,718,783</b>	<b>\$3,817,022</b>	<b>\$4,576,661</b>	<b>\$5,075,466</b>	<b>\$5,130,454</b>
<b>Total Ongoing</b>	<b>\$3,718,783</b>	<b>\$3,817,022</b>	<b>\$4,576,661</b>	<b>\$5,075,466</b>	<b>\$5,130,454</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Program Narrative**

The largest change in the MHSM budget involves an increase in the cost of the DPHHS contract with QIOs for Medicaid utilization review. This contract is housed in MSHM as it covers all of the state's Medicaid program, which exists in several other DPHHS divisions.

Beyond this change, the only legislative actions impacting the MHSM budget involved statewide present law adjustments for inflation/deflation and personal services, and additional adjustments to inflation/deflation and vacancy savings.

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 12-Medicaid & Health Svcs Mngmt Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,572,587	0	0	2,572,587	25.21 %	
02220 02 Indirect Activity Prog 12	56,167	0	0	56,167	100.00 %	
<b>State Special Total</b>	<b>\$56,167</b>	<b>\$0</b>	<b>\$0</b>	<b>\$56,167</b>	<b>0.55 %</b>	
03305 03 Indirect Activity Prog 12	5,238,918	0	0	5,238,918	69.14 %	
03580 6901-93.778 - Med Adm 50%	155,978	0	0	155,978	2.06 %	
03974 Medicaid Exp HELP Act Admin	2,182,270	0	0	2,182,270	28.80 %	
<b>Federal Special Total</b>	<b>\$7,577,166</b>	<b>\$0</b>	<b>\$0</b>	<b>\$7,577,166</b>	<b>74.24 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$10,205,920</b>	<b>\$0</b>	<b>\$0</b>	<b>\$10,205,920</b>		

The Medicaid and Health Services Management Division (MHSM) receives general fund, state special revenue, and federal special revenue authority. The majority of MHSM funding is federal authority from Medicaid administration (50.0% federal match) or indirect activity from the Cost Allocation Plan (CAP). General fund is used for Medicaid administration. Federal funds for Medicaid expansion administration, Medicaid administration, and federal indirect activities are tied to utilization review/Quality Improvement Organization (QIO) contracts which serve the Medicaid programs across the agency.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	1,210,279	1,210,279	2,420,558	94.09 %	4,576,661	4,576,661	9,153,322	89.69 %
SWPL Adjustments	63,342	93,165	156,507	6.08 %	145,964	218,848	364,812	3.57 %
PL Adjustments	24,972	24,973	49,945	1.94 %	410,739	410,740	821,479	8.05 %
New Proposals	(23,542)	(30,881)	(54,423)	(2.12)%	(57,898)	(75,795)	(133,693)	(1.31)%
<b>Total Budget</b>	<b>\$1,275,051</b>	<b>\$1,297,536</b>	<b>\$2,572,587</b>		<b>\$5,075,466</b>	<b>\$5,130,454</b>	<b>\$10,205,920</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(24,999)	(3,472)	(40,971)	(69,442)	0.00	(24,512)	(3,404)	(40,172)	(68,088)
DP 3 - Inflation Deflation	0.00	88,341	6,915	120,150	215,406	0.00	117,677	9,211	160,048	286,936
DP 30 - Motor Pool Rate Adjustment	0.00	(5)	(1)	(7)	(13)	0.00	(4)	(1)	(7)	(12)
DP 12995 - Medicaid Administration UR MHSB	0.00	24,977	0	385,775	410,752	0.00	24,977	0	385,775	410,752
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$88,314</b>	<b>\$3,442</b>	<b>\$464,947</b>	<b>\$556,703</b>	<b>0.00</b>	<b>\$118,138</b>	<b>\$5,806</b>	<b>\$505,644</b>	<b>\$629,588</b>

\*\*\*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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 12995 - Medicaid Administration UR MHSB -

The legislature adopted funding to maintain existing services for Medicaid administration in MHSM. DPHHS contracts with Quality Improvement Organizations (QIO) for both pre-service and post service utilization review (UR).

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(22,085)	(1,729)	(30,038)	(53,852)	0.00	(29,419)	(2,303)	(40,012)	(71,734)
DP 555 - Additional Vacancy Savings	0.00	(1,457)	(202)	(2,387)	(4,046)	0.00	(1,462)	(203)	(2,396)	(4,061)
<b>Total</b>	<b>0.00</b>	<b>(\$23,542)</b>	<b>(\$1,931)</b>	<b>(\$32,425)</b>	<b>(\$57,898)</b>	<b>0.00</b>	<b>(\$30,881)</b>	<b>(\$2,506)</b>	<b>(\$42,408)</b>	<b>(\$75,795)</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	1,692,551	1,617,605	(74,946)	(4.43)%
Operating Expenses	717,960	1,148,933	430,973	60.03 %
<b>Total Expenditures</b>	<b>\$2,410,511</b>	<b>\$2,766,538</b>	<b>\$356,027</b>	<b>14.77 %</b>
General Fund	670,909	468,680	(202,229)	(30.14)%
State/Other Special Rev. Funds	685,009	1,244,050	559,041	81.61 %
Federal Spec. Rev. Funds	1,054,593	1,053,808	(785)	(0.07)%
<b>Total Funds</b>	<b>\$2,410,511</b>	<b>\$2,766,538</b>	<b>\$356,027</b>	<b>14.77 %</b>
<b>Total Ongoing</b>	<b>\$2,410,511</b>	<b>\$2,766,538</b>	<b>\$356,027</b>	<b>14.77 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**Program Description**

The Operations Services Division (OSD) is responsible for oversight, management and support of the Operations Services Branch of the Department of Public Health and Human Services. The Operations Services Branch provides leadership for the implementation and operation of the department’s programs and services for Montanans through the provision of budgetary, financial, and information management oversight.

Statutory Authority - Management and Fair Hearings - Title 17, Chapter 1, part 1 and Chapter 2, MCA.

**Program Highlights**

<b>Operations Services Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The OSD 2025 biennium legislative budget is an increase of 14.8% from the 2023 biennium budget, which overall is an 12.3% decrease in FY 2024 and a 11.4% decrease in FY 2025 compared to the FY 2023 base. This includes:                             <ul style="list-style-type: none"> <li>◦ Decreases in statewide present law adjustments for personal services</li> <li>◦ Increases in statewide present law adjustments for inflation</li> <li>◦ Vacancy savings adjustment of 5.0%</li> </ul> </li> </ul>

**Program Actuals and Budget Comparison**

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison						
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025	
FTE	0.00	7.60	7.60	7.60	7.60	7.60
Personal Services	755,437	666,463	1,026,088	805,419		812,186
Operating Expenses	24,623	175,303	542,657	570,740		578,193
Debt Service	(651)	0	0	0		0
<b>Total Expenditures</b>	<b>\$779,409</b>	<b>\$841,766</b>	<b>\$1,568,745</b>	<b>\$1,376,159</b>		<b>\$1,390,379</b>
General Fund	337,537	352,526	318,383	230,578		238,102
State/Other Special Rev. Funds	23,549	55,580	629,429	621,254		622,796
Federal Spec. Rev. Funds	418,323	433,660	620,933	524,327		529,481
<b>Total Funds</b>	<b>\$779,409</b>	<b>\$841,766</b>	<b>\$1,568,745</b>	<b>\$1,376,159</b>		<b>\$1,390,379</b>
<b>Total Ongoing</b>	<b>\$779,409</b>	<b>\$841,766</b>	<b>\$1,568,745</b>	<b>\$1,376,159</b>		<b>\$1,390,379</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>

**Program Narrative**

The legislature decreased the budget for OSD by 12.3% in FY 2024 and 11.4% in FY 2025 relative to the FY 2023 base.

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 16-Operations Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	468,680	0	0	468,680	16.94 %	
02221 02 Indirect Activity Prog 16	1,244,050	0	0	1,244,050	100.00 %	
<b>State Special Total</b>	<b>\$1,244,050</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,244,050</b>	<b>44.97 %</b>	
03304 03 Indirect Activity Prog 16	1,053,808	0	0	1,053,808	100.00 %	
<b>Federal Special Total</b>	<b>\$1,053,808</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,053,808</b>	<b>38.09 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$2,766,538</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,766,538</b>		

The Operations Services Division (OSD) 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 benefiting or serving other programs in the department. General funds are used to meet the match requirement for federally funded activities. The largest funding source is the indirect activity from state special revenue funding.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	318,383	318,383	636,766	135.86 %	1,568,745	1,568,745	3,137,490	113.41 %
SWPL Adjustments	(77,456)	(68,439)	(145,895)	(31.13)%	(174,726)	(157,951)	(332,677)	(12.03)%
PL Adjustments	(9)	(8)	(17)	(0.00)%	(15)	(14)	(29)	(0.00)%
New Proposals	(10,340)	(11,834)	(22,174)	(4.73)%	(17,845)	(20,401)	(38,246)	(1.38)%
<b>Total Budget</b>	<b>\$230,578</b>	<b>\$238,102</b>	<b>\$468,680</b>		<b>\$1,376,159</b>	<b>\$1,390,379</b>	<b>\$2,766,538</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(99,378)	(12,319)	(100,494)	(212,191)	0.00	(96,175)	(11,922)	(97,255)	(205,352)
DP 3 - Inflation Deflation	0.00	21,922	5,773	9,770	37,465	0.00	27,736	7,303	12,362	47,401
DP 30 - Motor Pool Rate Adjustment	0.00	(9)	(2)	(4)	(15)	0.00	(8)	(2)	(4)	(14)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$77,465)</b>	<b>(\$6,548)</b>	<b>(\$90,728)</b>	<b>(\$174,741)</b>	<b>0.00</b>	<b>(\$68,447)</b>	<b>(\$4,621)</b>	<b>(\$84,897)</b>	<b>(\$157,965)</b>

\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

**New Proposals**

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

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(5,481)	(1,443)	(2,443)	(9,367)	0.00	(6,934)	(1,826)	(3,091)	(11,851)
DP 555 - Additional Vacancy Savings	0.00	(4,859)	(184)	(3,435)	(8,478)	0.00	(4,900)	(186)	(3,464)	(8,550)
<b>Total</b>	<b>0.00</b>	<b>(\$10,340)</b>	<b>(\$1,627)</b>	<b>(\$5,878)</b>	<b>(\$17,845)</b>	<b>0.00</b>	<b>(\$11,834)</b>	<b>(\$2,012)</b>	<b>(\$6,555)</b>	<b>(\$20,401)</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	10,884,324	10,755,404	(128,920)	(1.18)%
Operating Expenses	4,684,466	5,102,240	417,774	8.92 %
Grants	28,653,032	28,628,036	(24,996)	(0.09)%
Benefits & Claims	558,862,652	746,767,863	187,905,211	33.62 %
Transfers	6,862,495	65,000	(6,797,495)	(99.05)%
Debt Service	6,154	3,268	(2,886)	(46.90)%
<b>Total Expenditures</b>	<b>\$609,953,123</b>	<b>\$791,321,811</b>	<b>\$181,368,688</b>	<b>29.73 %</b>
General Fund	130,518,409	208,322,952	77,804,543	59.61 %
State/Other Special Rev. Funds	66,527,920	64,815,436	(1,712,484)	(2.57)%
Federal Spec. Rev. Funds	412,906,794	518,183,423	105,276,629	25.50 %
<b>Total Funds</b>	<b>\$609,953,123</b>	<b>\$791,321,811</b>	<b>\$181,368,688</b>	<b>29.73 %</b>
<b>Total Ongoing</b>	<b>\$609,953,123</b>	<b>\$791,321,811</b>	<b>\$181,368,688</b>	<b>29.73 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>

**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 disabilities. In addition, the division provides education and support regarding aging and long-term care issues to Montanans of all ages. The division makes services available through four major programs:

- The Office on Aging manages the Older Americans Act which contracts through ten Area Agencies on Aging to provide meals, transportation, public education, information, and assistance. The Long-Term Care Ombudsman program provides resident centered advocacy in Montana long-term care facilities. Other services include Medicare counseling, legal development and life span respite
- The Medicaid Community Services develops and manages programs to pay for in-home care, the Big Sky Waiver, home health and hospice. The Medicaid residential facility section pays for care to Medicaid-eligible individuals in 65 Montana nursing homes as well as manages the assisted living benefit under the Big Sky Waiver
- The Adult Protective Services Program (APS) investigates abuse, neglect, and exploitation of Montanans over the age of 60, individuals over 18 with mental health or developmental disabilities. The guardianship unit provides oversight of the wards of the state placed with APS by the court system. The bureau also provides public education and training on the topics of abuse, neglect, exploitation, and reporting
- The State Supplemental Payments Program pays for a portion of the room and board costs for Supplemental Security Income (SSI) eligible individuals residing in designated residential care facilities

Statutory References: Aging Services, 52-3-201 et seq., MCA, (Protection Services Act for Aged Persons or Disabled Adults), 52-3-501 et seq., MCA, (Montana Older Americans Act), 52-3-801 et seq., MCA, (Montana Elder and Developmentally Disabled Abuse Prevention Act); P.L.89-75 (Federal Older Americans Act), P.L. 93-66 Section 212, P.L. 93-233 (authorizes states to supplement the Supplemental Security Income Amendments to the (SSI) Payments Program Social Security Act); Medicaid, Title 53, Chapter 6, MCA; Title 19, Social Security Act 42 USC 1396 et. seq. (establishes and authorizes Medicaid Program).

Program Highlights

<b>Senior and Long-Term Care Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The legislative budget for SLTC is a 29.7% increase, or \$181.4 million increase, relative to the SLTC appropriation for the 2023 biennium. The legislature:                             <ul style="list-style-type: none"> <li>◦ Increased provider rates for both Medicaid and non-Medicaid providers by a total of \$153.7 million over the 2025 biennium</li> <li>◦ Reduced total caseload funding by \$8.9 million over the 2025 biennium; mostly to account for lower projected Medicaid caseload expenditures, though the caseload budget for the Ombudsman was increased by \$499,980 over the biennium</li> <li>◦ Increased state funding for Medicaid by \$4.5 million over the 2025 biennium in order to account for a lower Montana FMAP</li> </ul> </li> </ul>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	74.75	74.75	74.75	74.75
Personal Services	5,039,651	5,216,445	5,667,879	5,360,589	5,394,815
Operating Expenses	2,159,997	2,654,048	2,030,418	2,559,992	2,542,248
Grants	13,769,077	14,339,014	14,314,018	14,314,018	14,314,018
Benefits & Claims	254,639,446	257,635,491	301,227,161	355,482,157	391,285,706
Transfers	6,797,494	6,829,995	32,500	32,500	32,500
Debt Service	234,543	4,520	1,634	1,634	1,634
<b>Total Expenditures</b>	<b>\$282,640,208</b>	<b>\$286,679,513</b>	<b>\$323,273,610</b>	<b>\$377,750,890</b>	<b>\$413,570,921</b>
General Fund	52,198,476	52,477,676	78,040,733	98,467,466	109,855,486
State/Other Special Rev. Funds	31,096,728	33,172,761	33,355,159	32,412,264	32,403,172
Federal Spec. Rev. Funds	199,345,004	201,029,076	211,877,718	246,871,160	271,312,263
<b>Total Funds</b>	<b>\$282,640,208</b>	<b>\$286,679,513</b>	<b>\$323,273,610</b>	<b>\$377,750,890</b>	<b>\$413,570,921</b>
<b>Total Ongoing</b>	<b>\$282,640,208</b>	<b>\$286,679,513</b>	<b>\$323,273,610</b>	<b>\$377,750,890</b>	<b>\$413,570,921</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Program Narrative

The legislature performed a number of significant actions that impacted the SLTC budget. The total budget for SLTC increased by 29.7%, or \$181.4 million, relative to the 2023 biennium budget. Provider rates for both Medicaid and non-Medicaid providers were increased by a total of \$153.7 million over the 2025 biennium. The SLTC Medicaid budget was decreased by \$9.4 over the biennium to account for projected caseload changes. Of this total, an increase of \$6.3 million is associated with Medicaid expansion, while the remaining decrease of \$15.7 million is associated with traditional Medicaid. A fund switch was adopted for Medicaid core nursing home services which increases state special revenue I-149 funds (Tobacco Health and Medicaid Initiatives fund) and decreases state special revenue nursing home utilization funds by \$2,850,305 in FY 2024 and \$3,087,305 in FY 2025. This fund switch anticipates lower nursing home utilization revenues in the upcoming biennium.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 22-Senior & Long Term Care Svcs Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	208,322,952	0	0	208,322,952	26.33 %	
02053 Medicaid IGT's	4,507,648	0	0	4,507,648	6.95 %	
02260 Cigarette Tax Revenue	326,697	0	0	326,697	0.50 %	
02497 6901-Lien & Estate - SLTCD	2,337,214	0	0	2,337,214	3.61 %	
02772 Tobacco Hlth and Medicaid Init	28,370,424	0	0	28,370,424	43.77 %	
02783 6901-Traumatic Brain Injury Dn	32,216	0	0	32,216	0.05 %	
02987 Tobacco Interest	2,224,760	0	0	2,224,760	3.43 %	
02990 69010-Nursing Home Utilization	25,520,307	0	0	25,520,307	39.37 %	
02367 Older Montanans Trust Distrib	1,496,170	0	0	1,496,170	2.31 %	
<b>State Special Total</b>	<b>\$64,815,436</b>	<b>\$0</b>	<b>\$0</b>	<b>\$64,815,436</b>	<b>8.19 %</b>	
03579 93.667 - SSBG - Benefits	725,684	0	0	725,684	0.14 %	
03580 6901-93.778 - Med Adm 50%	3,065,505	0	0	3,065,505	0.59 %	
03583 93.778 - Med Ben FMAP	462,810,284	0	0	462,810,284	89.31 %	
03666 Aging - Caregiver III-E	2,136,940	0	0	2,136,940	0.41 %	
03350 Aging-SHIP-ACL	1,001,590	0	0	1,001,590	0.19 %	
03456 69010-AOA Aging One-Stop Shop	2	0	0	2	0.00 %	
03512 MFP Demonstration Grant	2,866,776	0	0	2,866,776	0.55 %	
03514 10.570 - Elderly Feeding 100%	2,090,053	0	0	2,090,053	0.40 %	
03515 93.041 - Elder Abuse Prev 100%	49,132	0	0	49,132	0.01 %	
03516 93.042 - Ombudsman Activity 10	214,060	0	0	214,060	0.04 %	
03517 93.043 - Preventive Hlth 100%	265,360	0	0	265,360	0.05 %	
03518 93.044 - Aging Sup S & Train 1	4,529,588	0	0	4,529,588	0.87 %	
03519 93.045 - Aging Meals 100%	5,458,050	0	0	5,458,050	1.05 %	
03073 Aging - Farmers Market	197,696	0	0	197,696	0.04 %	
03074 Aging - Nutrition Services HDM	2,874,894	0	0	2,874,894	0.55 %	
03116 Nursing Home Civil Penalties	960,000	0	0	960,000	0.19 %	
03975 Medicaid Exp HELP Act Benefit	28,937,809	0	0	28,937,809	5.58 %	
<b>Federal Special Total</b>	<b>\$518,183,423</b>	<b>\$0</b>	<b>\$0</b>	<b>\$518,183,423</b>	<b>65.48 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$791,321,811</b>	<b>\$0</b>	<b>\$0</b>	<b>\$791,321,811</b>		

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

General fund expenditures can increase due to:

- Provider rate increases for Medicaid and aging services
- An increased number of Medicaid enrollees
- Higher costs of care for Medicaid enrollees
- Direct care worker wage increases
- Higher state Medicaid matching costs due to the reduction in the federal match rate (FMAP)

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)

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

**Budget Summary by Category**

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

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	78,040,733	78,040,733	156,081,466	74.92 %	323,273,610	323,273,610	646,547,220	81.70 %
SWPL Adjustments	(10,092)	31,445	21,353	0.01 %	(97,035)	(34,505)	(131,540)	(0.02)%
PL Adjustments	(835,965)	2,502,387	1,666,422	0.80 %	(9,958,975)	1,202,972	(8,756,003)	(1.11)%
New Proposals	21,272,790	29,280,921	50,553,711	24.27 %	64,533,290	89,128,844	153,662,134	19.42 %
<b>Total Budget</b>	<b>\$98,467,466</b>	<b>\$109,855,486</b>	<b>\$208,322,952</b>		<b>\$377,750,890</b>	<b>\$413,570,921</b>	<b>\$791,321,811</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(62,355)	(41,190)	(101,496)	(205,041)	0.00	(37,756)	(40,905)	(91,794)	(170,455)
DP 3 - Inflation Deflation	0.00	52,263	1,608	54,135	108,006	0.00	69,201	2,143	64,606	135,950
DP 30 - Motor Pool Rate Adjustment	0.00	(4,159)	(48)	(404)	(4,611)	0.00	(2,825)	(45)	(1,443)	(4,313)
DP 17222 - Medicaid Expansion Caseload Update	0.00	87,127	0	871,264	958,391	0.00	86,615	0	866,154	952,769
DP 22003 - Ombudsman Caseload	0.00	0	124,995	124,995	249,990	0.00	0	124,995	124,995	249,990
DP 22006 - Increase Capacity of CMP Grant Program	0.00	0	0	79,841	79,841	0.00	0	0	79,841	79,841
DP 22100 - Med Core CFC Caseload SLTC	0.00	172,729	0	401,313	574,042	0.00	496,046	0	1,170,775	1,666,821
DP 22101 - FMAP Adjustment CFC SLTC	0.00	132,565	0	(132,565)	0	0.00	(5,021)	0	5,021	0
DP 22171 - Traditional Medicaid Legislative Caseload SLTC	0.00	(1,373,844)	(649,446)	(3,797,881)	(5,821,171)	0.00	(1,595,397)	(649,247)	(4,256,044)	(6,500,688)
DP 22172 - Medicaid Expansion Legislative Caseload SLTC	0.00	(20,212)	0	(231,547)	(251,759)	0.00	(21,937)	0	(250,860)	(272,797)
DP 22891 - Expansion Core Caseload SLTC	0.00	14,606	0	131,456	146,062	0.00	29,008	0	261,072	290,080
DP 22892 - Expansion CFC Core Caseload SLTC	0.00	91,377	0	2,193,042	2,284,419	0.00	86,910	0	2,085,836	2,172,746
DP 22991 - Med Core Caseload SLTC	0.00	(2,109,738)	0	(3,736,031)	(5,845,769)	0.00	1,213,900	0	2,169,322	3,383,222
DP 22992 - FMAP Adjustment Med Core SLTC	0.00	1,690,522	0	(1,690,522)	0	0.00	1,356,059	0	(1,356,059)	0
DP 22993 - Med Federal Caseload SLTC	0.00	0	0	(474,765)	(474,765)	0.00	0	0	(474,765)	(474,765)
DP 22994 - Med Other IGT Caseload SLTC	0.00	0	(476,752)	(844,256)	(1,321,008)	0.00	0	(473,978)	(847,030)	(1,321,008)
DP 22995 - FMAP Adjustment IGT SLTC	0.00	0	98,340	(98,340)	0	0.00	0	85,586	(85,586)	0
DP 22996 - Med Waiver Caseload SLTC	0.00	(192,229)	0	(340,408)	(532,637)	0.00	352,009	0	629,065	981,074
DP 22997 - FMAP Adjustment Med Waiver SLTC	0.00	181,388	0	(181,388)	0	0.00	61,105	0	(61,105)	0
DP 22998 - FMAP Adjustment Med Other DCW HCHCW SLTC	0.00	338,218	0	(338,218)	0	0.00	308,686	0	(308,686)	0
DP 22999 - FMAP Adjustment Med Other CFC DCW HCHCW SLTC	0.00	155,685	0	(155,685)	0	0.00	137,229	0	(137,229)	0
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>(\$846,057)</b>	<b>(\$942,493)</b>	<b>(\$8,267,460)</b>	<b>(\$10,056,010)</b>	<b>0.00</b>	<b>\$2,533,832</b>	<b>(\$951,451)</b>	<b>(\$413,914)</b>	<b>\$1,168,467</b>

\*\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 17222 - Medicaid Expansion Caseload Update -

The legislature adopted funding for caseload adjustments for Medicaid expansion. This includes an increase in general funds and federal funds.

DP 22003 - Ombudsman Caseload -

The legislature adopted funding for existing services for the Long-Term Care Ombudsman Program in the Senior and Long-Term Care Division.

DP 22006 - Increase Capacity of CMP Grant Program -

The legislature adopted funding for existing services for the Civil Monetary Penalty (CMP) Program in the Senior and Long-Term Care Division.

DP 22100 - Med Core CFC Caseload SLTC -

The legislature adopted funding for caseload growth in the Community First Choice Program in the Senior and Long-Term Care Division. This request covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 22101 - FMAP Adjustment CFC SLTC -

The legislature adopted funding for existing services for the Community First Choice (CFC) Program in the Senior and Long-Term Care Division. The biennial funding increases general fund by \$127,544 and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 22171 - Traditional Medicaid Legislative Caseload SLTC -

The legislature adopted funding changes for total caseload for traditional Medicaid.

DP 22172 - Medicaid Expansion Legislative Caseload SLTC -

The legislature adopted funding changes for total caseload for Medicaid expansion.

DP 22891 - Expansion Core Caseload SLTC -

The legislature adopted funding for caseload growth in the Senior and Long-Term Care Division. This request covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 22892 - Expansion CFC Core Caseload SLTC -

The legislature adopted funding for caseload growth in the Expansion Community First Choice (CFC) Program in the Senior and Long-Term Care Division. This request covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 22991 - Med Core Caseload SLTC -

The legislature adopted funding changes for a caseload reduction in the Senior and Long-Term Care Division. These changes adjust for reductions in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 22992 - FMAP Adjustment Med Core SLTC -

The legislature adopted funding for existing services for the Senior and Long-Term Care Division. The biennial funding increases general fund by \$3.0 million and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 22993 - Med Federal Caseload SLTC -

The legislature adopted funding changes for a caseload reduction in the Senior and Long-Term Care Division. These changes adjust for reductions in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 22994 - Med Other IGT Caseload SLTC -

The legislature adopted funding changes for a caseload reduction for the Medicaid IGT Program in the Senior and Long-Term Care Division, including the changes in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 22995 - FMAP Adjustment IGT SLTC -

The legislature adopted funding for existing services for the Intergovernmental Transfer (IGT) Program in the Senior and Long-Term Care Division. The biennial funding increases state special funds by \$183,926 and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 22996 - Med Waiver Caseload SLTC -

The legislature adopted funding for caseload growth in the Home and Community Based Waiver Program (Big Sky Waiver) in the Senior and Long-Term Care Division. This request covers the increase in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care.

DP 22997 - FMAP Adjustment Med Waiver SLTC -

The legislature adopted funding for existing services for the Home and Community Based Waiver Program (Big Sky Waiver) in the Senior and Long-Term Division. The biennial funding increases general funds by \$242,493 and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 22998 - FMAP Adjustment Med Other DCW HCHCW SLTC -

The legislature adopted funding for existing services for the Direct Care Wage and Healthcare for the Healthcare Workers Program in the Senior and Long-Term Care Division. The biennial funding increases general funds by \$646,904 and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 22999 - FMAP Adjustment Med Other CFC DCW HCHCW SLTC -

The legislature adopted funding for existing services for the Community First Choice (CFC) Direct Care Wage and Health Care for Health Care Workers (HCHCW) Program in the Senior and Long-Term Care Division. The biennial funding increases general fund by \$292,914 and includes an offsetting decrease in federal funds. The total cost for the program does not change.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(13,066)	(402)	(13,534)	(27,002)	0.00	(17,300)	(536)	(16,152)	(33,988)
DP 555 - Additional Vacancy Savings	0.00	(39,933)	0	(16,966)	(56,899)	0.00	(43,707)	0	(13,552)	(57,259)
DP 1408 - HB 922	0.00	0	0	78,000	78,000	0.00	0	0	39,000	39,000
DP 15222 - Medicaid Provider Rate Adjustment for Rate Study Providers	0.00	14,269,802	0	28,969,343	43,239,145	0.00	13,959,825	0	28,469,973	42,429,798
DP 15224 - Medicaid Prov. Rate Increase for Studied Providers (RST)	0.00	4,082,353	0	8,041,764	12,124,117	0.00	4,665,546	0	9,190,587	13,856,133
DP 22001 - MED Core Nursing Home Refinance	0.00	0	0	0	0	0.00	0	0	0	0
DP 22015 - Prov Rate Adj - Medicaid Core	0.00	2,334,427	0	4,539,460	6,873,887	0.00	8,621,828	0	16,915,407	25,537,235
DP 22016 - Prov Rate Adj - Medicaid Waiver	0.00	466,129	0	840,196	1,306,325	0.00	1,705,495	0	3,077,804	4,783,299
DP 22017 - Prov Rate Adj - Aging Services	0.00	139,841	0	419,520	559,361	0.00	279,679	0	839,042	1,118,721
DP 22018 - Prov Rate Adj - Medicaid Expansion Core	0.00	26,325	0	237,230	263,555	0.00	85,592	0	771,246	856,838
DP 22019 - Prov Rate Adj - Medicaid Expansion Core CFC	0.00	6,912	0	165,889	172,801	0.00	23,963	0	575,104	599,067
<b>Total</b>	<b>0.00</b>	<b>\$21,272,790</b>	<b>(\$402)</b>	<b>\$43,260,902</b>	<b>\$64,533,290</b>	<b>0.00</b>	<b>\$29,280,921</b>	<b>(\$536)</b>	<b>\$59,848,459</b>	<b>\$89,128,844</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1408 - HB 922 -

The legislature adopted contingency language to increase appropriations if HB 922 was passed and approved and this decision package implements this language. HB 922 requires the DPHHS to develop and implement a plan to support the Olmstead decision by ensuring that services and support for Montanans with disabilities are, to the greatest extent possible, provided in the community rather than an institutional setting.

DP 15222 - Medicaid Provider Rate Adjustment for Rate Study Providers -

The legislature adopted funding increases over the biennium for provider rate.

DP 15224 - Medicaid Prov. Rate Increase for Studied Providers (RST) -

The legislature adopted additional funding for Medicaid providers included in the 2023 biennium rate studies. The funding is restricted to expenditures on benefits and claims.

DP 22001 - MED Core Nursing Home Refinance -

The legislature adopted a funding change for Medicaid core nursing homes caseload in the Senior and Long-Term Care Division. This fund switch will increase state special revenue I-149 funds (Tobacco Health and Medicaid Initiatives fund) and decrease state special revenue (nursing home utilization) funds by \$2,850,305 in FY 2024 and \$3,087,305 in FY 2025. The total cost for the program does not change.

DP 22015 - Prov Rate Adj - Medicaid Core -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 22016 - Prov Rate Adj - Medicaid Waiver -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 22017 - Prov Rate Adj - Aging Services -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 22018 - Prov Rate Adj - Medicaid Expansion Core -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

DP 22019 - Prov Rate Adj - Medicaid Expansion Core CFC -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the increase is a portion of the study's rate proposals. The increase for providers not included in the provider rate study is 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this DP as their adjustment is already included in the Medicaid caseload change packages.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	10,346,953	10,068,289	(278,664)	(2.69)%
Operating Expenses	6,736,866	7,830,301	1,093,435	16.23 %
Equipment & Intangible Assets	180,000	150,000	(30,000)	(16.67)%
Grants	41,908,061	49,329,866	7,421,805	17.71 %
Benefits & Claims	108,634,938	104,424,750	(4,210,188)	(3.88)%
Transfers	18,750	10,000	(8,750)	(46.67)%
Debt Service	78,429	4,378	(74,051)	(94.42)%
<b>Total Expenditures</b>	<b>\$167,903,997</b>	<b>\$171,817,584</b>	<b>\$3,913,587</b>	<b>2.33 %</b>
General Fund	22,965,861	25,381,153	2,415,292	10.52 %
State/Other Special Rev. Funds	8,583,720	8,814,421	230,701	2.69 %
Federal Spec. Rev. Funds	136,354,416	137,622,010	1,267,594	0.93 %
<b>Total Funds</b>	<b>\$167,903,997</b>	<b>\$171,817,584</b>	<b>\$3,913,587</b>	<b>2.33 %</b>
<b>Total Ongoing</b>	<b>\$167,903,997</b>	<b>\$170,317,584</b>	<b>\$2,413,587</b>	<b>1.44 %</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$1,500,000</b>	<b>\$1,500,000</b>	<b>100.00 %</b>

**Program Description**

The Early Childhood and Family Support Division (ECFSD) is comprised of three bureaus:

- Early Childhood Services Bureau
- Family and Community Health Bureau
- Fiscal and Operations Bureau

In addition to the three bureaus, this division includes the No Kid Hungry Project, Prevention and Early Intervention Team, and the Children’s Trust fund.

The Early Childhood and Family Support Division partners with local community-based organizations, businesses, and clinics across the state.

The Early Childhood Services Bureau (ECSB) manages the funds which pay for childcare for Temporary Assistance for Needy Families (TANF) participants, child protective services childcare, working caretaker relatives, and low-income working families. In addition, the ECSB team licenses childcare facilities across the state and provides training and technical assistance through community partners. Other programs within ECSB include the Child and Adult Care Food Program which provides reimbursement to childcare providers and Head Starts for the cost of meals served to eligible children and adults, the Head Start Collaboration Grant, and the Montana Milestones Program which works with community partners to support children 0-3 with developmental delays.

The Family and Community Health Bureau (FCHB) provides a variety of programs targeted at improving the lives of women, infants, children, adolescents, and families. This includes universal newborn screenings and other support for parents and children through the Maternal Child Health Block Grant. Nutrition and breastfeeding support and education is provided across the state through the Women, Infants, and Children Supplemental Nutrition Program (WIC). In addition, FCHB supports children with special health care needs through parent mentoring, financial assistance, and technical assistance. Other programs include the Healthy Montana Families Program that provides home visiting services.

The Fiscal and Operations Bureau coordinates, analyzes, implements, and monitors the division budget; purchases supplies and equipment; assists with grant reporting and contracts; manages the division’s data systems, and provides internal control oversight for the division.

Program Highlights

<b>Early Childhood and Family Support Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The ECFSD’s 2025 biennium legislative budget is an increase of 2.3% or \$3.9 million over the previous biennium. This includes:                             <ul style="list-style-type: none"> <li>◦ Increases in statewide present law adjustments for personal services and inflation</li> <li>◦ Vacancy savings adjustment of 5.0%</li> <li>◦ An additional \$1.5 million over the biennium for Home Visiting programs</li> <li>◦ Increases in authority for provider rate adjustments totaling \$803,000</li> </ul> </li> </ul>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	60.24	60.24	60.24	60.24
Personal Services	6,045,171	5,488,420	4,858,533	5,021,310	5,046,979
Operating Expenses	4,326,639	2,988,411	3,748,455	3,899,169	3,931,132
Equipment & Intangible Assets	25,960	105,000	75,000	75,000	75,000
Grants	18,686,594	17,243,128	24,664,933	24,664,933	24,664,933
Benefits & Claims	52,933,600	57,743,451	50,891,487	51,825,095	52,599,655
Transfers	8,750	13,750	5,000	5,000	5,000
Debt Service	370,435	76,240	2,189	2,189	2,189
<b>Total Expenditures</b>	<b>\$82,397,149</b>	<b>\$83,658,400</b>	<b>\$84,245,597</b>	<b>\$85,492,696</b>	<b>\$86,324,888</b>
General Fund	10,772,485	10,908,711	12,057,150	12,563,394	12,817,759
State/Other Special Rev. Funds	3,504,140	4,289,497	4,294,223	4,346,162	4,468,259
Federal Spec. Rev. Funds	68,120,524	68,460,192	67,894,224	68,583,140	69,038,870
<b>Total Funds</b>	<b>\$82,397,149</b>	<b>\$83,658,400</b>	<b>\$84,245,597</b>	<b>\$85,492,696</b>	<b>\$86,324,888</b>
<b>Total Ongoing</b>	<b>\$82,397,149</b>	<b>\$83,658,400</b>	<b>\$84,245,597</b>	<b>\$84,992,696</b>	<b>\$85,324,888</b>
<b>Total OTO</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$500,000</b>	<b>\$1,000,000</b>

Program Narrative

The legislature increased the budget for ECFSD by 1.5% in FY 2024 and 2.5% in FY 2025 relative to the FY 2023 base. Additional funding for Home Visiting amounting to \$1.5 million all funds over the biennium significantly contributed to the budgetary increase. Other increases include \$803,000 general fund to raise provider rates within the Early Childhood Services Bureau as well as statewide present law adjustments for personal services and inflation which total \$792,000 over the biennium.

Funding

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 25-Early Childhood & Fam Support						
Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	25,381,153	0	0	25,381,153	14.42 %	
02089 Child Abuse & Neglect Program	315,028	0	0	315,028	3.57 %	
02698 69010-Prevention&Stabilization	1,660,616	0	0	1,660,616	18.84 %	
02765 Insurance Policies Fees SB278	2,581,790	0	0	2,581,790	29.29 %	
02772 Tobacco Hlth and Medicaid Init	51,338	0	0	51,338	0.58 %	
02773 Childrens Special Health Svc.	727,530	0	0	727,530	8.25 %	
02790 6901-Statewide Tobacco Sttlmnt	1,148,098	0	0	1,148,098	13.03 %	
02987 Tobacco Interest	1,931,030	0	0	1,931,030	21.91 %	
02076 PRAMS Suvay Fees	9,388	0	0	9,388	0.11 %	
02225 02 Indirect Activity Prog 25	389,603	0	0	389,603	4.42 %	
<b>State Special Total</b>	<b>\$8,814,421</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,814,421</b>	<b>5.01 %</b>	
03146 10.577 WIC BF Peer Counseling	446,580	0	0	446,580	0.31 %	
03236 Child Nutrition	22,893,952	0	0	22,893,952	16.14 %	
03246 WIC Admin	11,015,685	0	0	11,015,685	7.77 %	
03250 Child Care Mandatory/MOE	3,597,650	0	0	3,597,650	2.54 %	
03252 Child Care Matching	11,040,374	0	0	11,040,374	7.78 %	
03273 Primary Care Services	267,278	0	0	267,278	0.19 %	
03579 93.667 - SSBG - Benefits	6,371,346	0	0	6,371,346	4.49 %	
03677 6901-CACFP 10.558 & 10.560	1,858,526	0	0	1,858,526	1.31 %	
03690 6901-Rape Prev & Educ 93.126	713,404	0	0	713,404	0.50 %	
03713 6901-WIC Farmer Market 10.572	104,388	0	0	104,388	0.07 %	
03362 Data Integration	130,120	0	0	130,120	0.09 %	
03530 6901-Foster Care 93.658	2,149,146	0	0	2,149,146	1.52 %	
03534 93.672 - Child Abuse Challenge	493,660	0	0	493,660	0.35 %	
03539 93.600 Headstart	259,962	0	0	259,962	0.18 %	
03541 State Loan Repayment Program	300,228	0	0	300,228	0.21 %	
03556 84.181 - Part H - Early Interv	3,275,902	0	0	3,275,902	2.31 %	
03026 Family Planning Title X	0	0	4,214,938	4,214,938	2.97 %	
03027 WIC (Women,Infants & Children)	13,948,800	0	0	13,948,800	9.83 %	
03031 Maternal & Child Health	4,100,628	0	0	4,100,628	2.89 %	
03057 Newborn Hearing Screening	504,334	0	0	504,334	0.36 %	
03096 Discretionary Child Care	48,640,426	0	0	48,640,426	34.29 %	
03823 Oral Health Workforce	684,692	0	0	684,692	0.48 %	
03827 Personal Resp Education Prgm	401,346	0	0	401,346	0.28 %	
03206 MIECHV - Service Delivery	1,553,770	0	0	1,553,770	1.10 %	
03417 PRAMS Pregnancy Risk Assesment	314,260	0	0	314,260	0.22 %	
03625 03 Indirect Activity Prog 25	2,555,553	0	0	2,555,553	1.80 %	
<b>Federal Special Total</b>	<b>\$137,622,010</b>	<b>\$0</b>	<b>\$4,214,938</b>	<b>\$141,836,948</b>	<b>80.57 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$171,817,584</b>	<b>\$0</b>	<b>\$4,214,938</b>	<b>\$176,032,522</b>		

The Early Childhood and Family Support Division (ECFSD) receives general fund, state special revenue fund, and federal special revenue fund authority. The major sources of state special revenue are:

- Tobacco settlement funds and tobacco settlement trust fund interest - For additional information see the state special revenue fund balance table in the DPHHS Agency Summary
- Insurance policies fees - \$1.00 annually for each Montana resident insured under any individual or group disability or health insurance policy

The major sources of federal funding include the discretionary child care fund, the child nutrition fund, and the WIC (Women, Infants, and Children) fund.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	12,057,150	12,057,150	24,114,300	95.01 %	84,245,597	84,245,597	168,491,194	98.06 %
SWPL Adjustments	102,184	82,024	184,208	0.73 %	417,757	486,236	903,993	0.53 %
PL Adjustments	(3)	(3)	(6)	0.00 %	(878)	(820)	(1,698)	(0.00)%
New Proposals	404,063	678,588	1,082,651	4.27 %	830,220	1,593,875	2,424,095	1.41 %
<b>Total Budget</b>	<b>\$12,563,394</b>	<b>\$12,817,759</b>	<b>\$25,381,153</b>		<b>\$85,492,696</b>	<b>\$86,324,888</b>	<b>\$171,817,584</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	101,973	(70,866)	184,526	215,633	0.00	81,760	(73,784)	233,597	241,573
DP 3 - Inflation Deflation	0.00	211	99	201,814	202,124	0.00	264	135	244,264	244,663
DP 30 - Motor Pool Rate Adjustment	0.00	(3)	(1)	(874)	(878)	0.00	(3)	(1)	(816)	(820)
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$102,181</b>	<b>(\$70,768)</b>	<b>\$385,466</b>	<b>\$416,879</b>	<b>0.00</b>	<b>\$82,021</b>	<b>(\$73,650)</b>	<b>\$477,045</b>	<b>\$485,416</b>

\*\*"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 the present law personal services budget for expected changes, management decisions, and budget modifications.

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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 99 - New Fixed Costs	0.00	0	0	0	0	0.00	0	0	0	0
DP 333 - Adjustment to Inflation	0.00	(53)	(25)	(50,454)	(50,532)	0.00	(66)	(34)	(61,066)	(61,166)
DP 555 - Additional Vacancy Savings	0.00	(4,292)	(2,268)	(46,296)	(52,856)	0.00	(4,314)	(2,280)	(46,533)	(53,127)
DP 1405 - HB 619	0.00	0	0	25,200	25,200	0.00	0	0	25,200	25,200
DP 1406 - HB 648	0.00	144,408	0	0	144,408	0.00	144,408	0	0	144,408
DP 25015 - Prov Rate Adj - Early Childhood Services Bureau	0.00	264,000	0	0	264,000	0.00	538,560	0	0	538,560
DP 25311 - Appropriate tobacco settlement SSR for Home Visiting (OTO)	0.00	0	125,000	375,000	500,000	0.00	0	250,000	750,000	1,000,000
<b>Total</b>	<b>0.00</b>	<b>\$404,063</b>	<b>\$122,707</b>	<b>\$303,450</b>	<b>\$830,220</b>	<b>0.00</b>	<b>\$678,588</b>	<b>\$247,686</b>	<b>\$667,601</b>	<b>\$1,593,875</b>

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

DP 99 - New Fixed Costs -

The legislature adopted appropriations of \$8,190 for the agency to provide funding for a new fixed cost for the State Management Training Center. This appropriation is offset by a reduction to the existing training budget in the agency. The rates charged for this service are approved in the section of the budget that provides the services.

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1405 - HB 619 -

The legislature adopted contingency language to increase appropriations if HB 619 was passed and approved and this decision package implements this language. HB 619 directs the DPHHS to collaborate with the Office of Public Instruction to select language development milestones and to develop and distribute a resource for parents to use to monitor language acquisition of deaf and hard-of-hearing children.

DP 1406 - HB 648 -

The legislature adopted contingency language to increase appropriations if HB 648 was passed and approved and this decision package implements this language. HB 648 adjusted rules for the Best Beginnings Scholarship program. Those adjustments include an increased income eligibility threshold to 185.0% of the federal poverty line, decreased copayment requirements to 9.0% of a family's monthly income, and instituted payments based on a child's enrollment slot.

DP 25015 - Prov Rate Adj - Early Childhood Services Bureau -

The legislature adopted funding increases for provider rate adjustments. For provider types that were included in the 2023 biennium provider rate study, the requested increase is a portion of the study's rate proposals. The requested increase for providers not included in the provider rate study is estimated at 4.0% in FY 2024 and an additional 4.0% in FY 2025. Those providers eligible for the statutory increases in 53-6-125, MCA, are not captured in this proposal as their adjustment is already included in the Medicaid caseload change packages. This change package is funded with 100.0% general funds.

DP 25311 - Appropriate tobacco settlement SSR for Home Visiting (OTO) -

The legislature adopted that the state special revenue appropriation from the statewide tobacco settlement fund on a one-time-only basis. This appropriation draws down increased matching federal funds.

**Program Budget Comparison**

The following table compares the 2023 biennium appropriated budget and the adopted budget for the 2025 biennium by type of expenditure and source of funding.

Program Budget Comparison				
Budget Item	Appropriated Budget 22-23	Legislative Budget 24-25	Biennium Change	Biennium % Change
Personal Services	121,249,071	147,202,157	25,953,086	21.40 %
Operating Expenses	75,025,040	114,549,882	39,524,842	52.68 %
Equipment & Intangible Assets	355,906	347,106	(8,800)	(2.47)%
Benefits & Claims	429,998	179,998	(250,000)	(58.14)%
Transfers	567,326	45,000	(522,326)	(92.07)%
Debt Service	417,215	394,664	(22,551)	(5.41)%
<b>Total Expenditures</b>	<b>\$198,044,556</b>	<b>\$262,718,807</b>	<b>\$64,674,251</b>	<b>32.66 %</b>
General Fund	141,530,688	187,369,838	45,839,150	32.39 %
State/Other Special Rev. Funds	37,631,336	41,084,253	3,452,917	9.18 %
Federal Spec. Rev. Funds	18,882,532	34,264,716	15,382,184	81.46 %
<b>Total Funds</b>	<b>\$198,044,556</b>	<b>\$262,718,807</b>	<b>\$64,674,251</b>	<b>32.66 %</b>
<b>Total Ongoing</b>	<b>\$190,042,556</b>	<b>\$208,723,303</b>	<b>\$18,680,747</b>	<b>9.83 %</b>
<b>Total OTO</b>	<b>\$8,002,000</b>	<b>\$53,995,504</b>	<b>\$45,993,504</b>	<b>574.78 %</b>

**Program Description**

The Healthcare Facilities Division (HFD) currently operates seven healthcare facilities. They include the following: Montana State Hospital (MSH), Montana Mental Health Nursing Care Center (MMHNCC), Montana Chemical Dependency Center (MCDC), Montana Veteran’s Home (MVH), Southwest Montana Veteran’s Home (SWMVH), Eastern Montana Veteran’s Home (EMVH) and the Intensive Behavior Center (IBC). HFD is responsible for the implementation of the department’s strategic goal of creating a health system consisting of the state-run healthcare facilities to best serve the citizens of Montana living with mental illness, intellectual or developmental disabilities, and aging related health conditions, including veterans and those with substance use disorders.

Program Highlights

<b>Healthcare Facilities Division Major Budget Highlights</b>
<ul style="list-style-type: none"> <li>• The HFD budget includes an overall increase of 32.7% when compared to the 2023 biennium budget. The ongoing budget is an increase of 9.2%. The 2025 biennium includes:                             <ul style="list-style-type: none"> <li>◦ 42.00 FTE are transferred out of the Healthcare Facilities Division to other DPHHS divisions reducing the personal services budget by \$4.2 million, which is offset by a personal services statewide present law increase of \$8.1 million</li> <li>◦ \$50.0 million of restricted and one-time-only general fund in order to fund staffing at state-owned facilities, primarily the Montana State Hospital (MSH) and the Intensive Behavior Center (IBC)</li> <li>◦ \$6.1 million of restricted, one-time-only, and biennial general fund in order to fund CMS recertification efforts at MSH and ensure CMS compliance at the Montana Mental Health Nursing Care Center (MMHNCC)</li> </ul> </li> </ul>

Program Actuals and Budget Comparison

The following table compares FY 2022 actual expenditures, FY 2022 and FY 2023 appropriations, and the adopted budget for FY 2024 and FY 2025 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2022	Approp. Fiscal 2022	Approp. Fiscal 2023	Legislative Fiscal 2024	Legislative Fiscal 2025
FTE	0.00	914.46	914.46	873.36	873.36
Personal Services	47,059,975	57,903,902	63,345,169	70,989,167	76,212,990
Operating Expenses	54,618,090	45,889,339	29,135,701	66,860,075	47,689,807
Equipment & Intangible Assets	83,947	182,353	173,553	173,553	173,553
Benefits & Claims	(9)	339,999	89,999	89,999	89,999
Transfers	8,500	544,826	22,500	22,500	22,500
Debt Service	2,093,138	219,883	197,332	197,332	197,332
<b>Total Expenditures</b>	<b>\$103,863,641</b>	<b>\$105,080,302</b>	<b>\$92,964,254</b>	<b>\$138,332,626</b>	<b>\$124,386,181</b>
General Fund	78,144,979	78,234,481	63,296,207	101,027,512	86,342,326
State/Other Special Rev. Funds	17,770,632	18,505,853	19,125,483	20,475,153	20,609,100
Federal Spec. Rev. Funds	7,948,030	8,339,968	10,542,564	16,829,961	17,434,755
<b>Total Funds</b>	<b>\$103,863,641</b>	<b>\$105,080,302</b>	<b>\$92,964,254</b>	<b>\$138,332,626</b>	<b>\$124,386,181</b>
<b>Total Ongoing</b>	<b>\$95,861,639</b>	<b>\$97,078,302</b>	<b>\$92,964,254</b>	<b>\$103,277,624</b>	<b>\$105,445,679</b>
<b>Total OTO</b>	<b>\$8,002,002</b>	<b>\$8,002,000</b>	<b>\$0</b>	<b>\$35,055,002</b>	<b>\$18,940,502</b>

**Program Narrative**

The legislature performed a number of significant actions that impacted the HFD budget. The total budget for HFD increased by 32.7%, or \$64.7 million, relative to the 2023 biennium budget. The HFD budget includes one-time-only and restricted general fund of \$30.0 million in FY 2024 and \$20.0 million in FY 2025 to operate state owned facilities, primarily the MSH and IBC. This funding can be used for both state employees and contracted labor at the facilities. The appropriation for personal services increased by \$8.1 million relative to the 2023 biennium.

The HFD budget includes biennial increases of \$1.9 million to fund overtime at the facilities, and an increase of \$11.3 million for federal per diem payments at the state's three veteran homes. The legislature also approved the addition of an infection control nurse FTE at MVH at a cost of \$197,899 over the biennium, as well as \$1.0 million for training facility staff. Finally, 42.00 vacant FTE were transferred out of HFD to other DPHHS divisions. This reduced the budget for HFD by \$4.2 million.

**Funding**

The following table shows proposed agency funding for all sources of authority.

Department of Public Health & Human Services, 33-Healthcare Facilities Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	187,369,838	0	0	187,369,838	70.38 %	
02023 Private Ins. Medicaid Reim.-Ve	12,861,011	0	0	12,861,011	28.84 %	
02032 Vets-I&I Lease	35,782	0	0	35,782	0.08 %	
02034 Earmarked Alcohol Funds	9,453,851	0	0	9,453,851	21.20 %	
02035 IBC Vocational	2,552	0	0	2,552	0.01 %	
02260 Cigarette Tax Revenue	11,507,835	0	0	11,507,835	25.81 %	
02384 02 Indirect Activity Prog 33	582,341	0	0	582,341	1.31 %	
02394 Montana State Hospital Rev Acc	0	0	3,505,000	3,505,000	7.86 %	
02598 MCDC Cost Recovery	5,865,710	0	0	5,865,710	13.15 %	
02691 6901-MSH/DOC Maint Agreement	280,162	0	0	280,162	0.63 %	
02959 EMVH Clinic Rent	104,737	0	0	104,737	0.23 %	
02987 Tobacco Interest	390,272	0	0	390,272	0.88 %	
<b>State Special Total</b>	<b>\$41,084,253</b>	<b>\$0</b>	<b>\$3,505,000</b>	<b>\$44,589,253</b>	<b>16.75 %</b>	
03601 03 Indirect Activity Prog 33	402,739	0	0	402,739	1.18 %	
03501 64.014 - Vets St. Domic Care 1	763,988	0	0	763,988	2.23 %	
03005 EMVH V-A Nursing Reimbursement	8,509,088	0	0	8,509,088	24.83 %	
03112 Vets-V.A. Reimb	11,763,430	0	0	11,763,430	34.33 %	
03976 SWMVH Vets VA reimbursement	12,825,471	0	0	12,825,471	37.43 %	
<b>Federal Special Total</b>	<b>\$34,264,716</b>	<b>\$0</b>	<b>\$0</b>	<b>\$34,264,716</b>	<b>12.87 %</b>	
<b>Proprietary Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.00 %</b>	
<b>Total All Funds</b>	<b>\$262,718,807</b>	<b>\$0</b>	<b>\$3,505,000</b>	<b>\$266,223,807</b>		

The 2025 biennium Healthcare Facilities Division (HFD) HB 2 budget is funded by general fund, state special revenue, and federal funds.

General fund pays for administration and facility costs, including personal services and operating expenses such as contracted labor.

State special revenue in HFD includes several sources of revenue:

- 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
- Earmarked Alcohol funds support the MCDC in Butte

Federal funds also support the 2025 biennium budget. Federal funds in the budget are associated with the three veterans' homes.

**Budget Summary by Category**

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

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget	Budget Fiscal 2024	Budget Fiscal 2025	Biennium Fiscal 24-25	Percent of Budget
2023 Base Budget	63,296,207	63,296,207	126,592,414	67.56 %	92,964,254	92,964,254	185,928,508	70.77 %
SWPL Adjustments	3,186,724	3,591,672	6,778,396	3.62 %	4,800,773	5,484,540	10,285,313	3.92 %
PL Adjustments	913,869	914,115	1,827,984	0.98 %	6,697,115	7,217,255	13,914,370	5.30 %
New Proposals	33,630,712	18,540,332	52,171,044	27.84 %	33,870,484	18,720,132	52,590,616	20.02 %
<b>Total Budget</b>	<b>\$101,027,512</b>	<b>\$86,342,326</b>	<b>\$187,369,838</b>		<b>\$138,332,626</b>	<b>\$124,386,181</b>	<b>\$262,718,807</b>	

**Present Law Adjustments**

The "Present Law" Adjustments table shows the changes from the base appropriation to the adopted budget. "Statewide Present Law" adjustments (DP 1, DP 2, DP 3) are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies.

Present Law Adjustments	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	3,086,979	503,866	309,478	3,900,323	0.00	3,310,056	561,953	338,416	4,210,425
DP 2 - Fixed Costs	0.00	(791,381)	(204,851)	(63,266)	(1,059,498)	0.00	(791,381)	(204,851)	(63,266)	(1,059,498)
DP 3 - Inflation Deflation	0.00	891,126	705,723	363,099	1,959,948	0.00	1,072,997	805,274	455,342	2,333,613
DP 30 - Motor Pool Rate Adjustment	0.00	(3,813)	(690)	0	(4,503)	0.00	(3,567)	(646)	0	(4,213)
DP 222 - RMTD Adjustment	0.00	791,381	204,851	63,266	1,059,498	0.00	791,381	204,851	63,266	1,059,498
DP 223 - RMTD Adjustment (OTO)	0.00	(791,381)	(204,851)	(63,266)	(1,059,498)	0.00	(791,381)	(204,851)	(63,266)	(1,059,498)
DP 33001 - Fund Overtime MSH	0.00	565,552	0	0	565,552	0.00	565,552	0	0	565,552
DP 33002 - MVH Per Diem Request HFD	0.00	0	0	8,521	8,521	0.00	0	0	47,914	47,914
DP 33003 - EMVH Per Diem Request HFD	0.00	0	0	276,890	276,890	0.00	0	0	450,256	450,256
DP 33004 - Fund Overtime-MVH HFD	0.00	0	197,947	197,947	395,894	0.00	0	204,655	204,655	409,310
DP 33014 - SWMVH Per Diem Request HFD	0.00	0	0	5,102,631	5,102,631	0.00	0	0	5,396,306	5,396,306
DP 33015 - Intensive Behavioral Center Budget Restoration	0.00	352,130	0	0	352,130	0.00	352,130	0	0	352,130
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$4,100,593</b>	<b>\$1,201,995</b>	<b>\$6,195,300</b>	<b>\$11,497,888</b>	<b>0.00</b>	<b>\$4,505,787</b>	<b>\$1,366,385</b>	<b>\$6,829,623</b>	<b>\$12,701,795</b>

\*\*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 the present law personal services budget for expected changes, management decisions, and budget modifications.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget for fixed costs assessed by other agencies within state government for the services they provide. Examples include: warrant writer, motor pool, information technology services, etc. The rates charged for these services are approved in the section of the budget that provides 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: other services, supplies and materials, communications, in-state motor pool and motor pool leased vehicles, and repair and maintenance.

DP 30 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to proposed motor pool rates.

DP 222 - RMTD Adjustment -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package eliminates the reduction included in DP 2. This change is necessary to designate the reduction as one-time-only in the budgeting system.

DP 223 - RMTD Adjustment (OTO) -

The legislature adopted an adjustment to the insurance premiums paid to the Risk Management and Tort Defense Division proprietary fund. This decision package designates the reduction as one-time-only.

DP 33001 - Fund Overtime MSH -

The legislature adopted funding for overtime for the Montana State Hospital Program in the Healthcare Facility Division. The increase will fully fund overtime to maintain required staffing levels at MSH in addition to what is funded in SWPL 1.

DP 33002 - MVH Per Diem Request HFD -

The legislature adopted funding for an increase in the Veterans Administration per diem rates at the Montana Veterans' Home in the Healthcare Facilities Division. This is based on the number of nursing facility days of care and is adjusted on the first of October each year.

DP 33003 - EMVH Per Diem Request HFD -

The legislature adopted funding for an increase in the Veterans Administration per diem rates at the Eastern Montana Veterans' Home in the Healthcare Facilities Division. This is based on the number of nursing facility days of care and is adjusted on the first of October each year.

DP 33004 - Fund Overtime-MVH HFD -

The legislature adopted funding for overtime for the Montana Veterans Home in the Healthcare Facility Division. The increase will fully fund overtime to maintain required staffing levels at MVH in addition to what is funded in SWPL 1.

DP 33014 - SWMVH Per Diem Request HFD -

The legislature adopted funding for an increase in the Veterans Administration per diem rates at the Southwest Montana Veterans' Home in the Healthcare Facilities Division. This is based on the number of nursing facility days of care and is adjusted on the first of October each year.

DP 33015 - Intensive Behavioral Center Budget Restoration -

The legislature adopted funding for the Intensive Behavioral Center (IBC) budget in the Healthcare Facilities Division.

**New Proposals**

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

New Proposals	-----Fiscal 2024-----					-----Fiscal 2025-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 333 - Adjustment to Inflation	0.00	(241,930)	(191,595)	(98,577)	(532,102)	0.00	(294,044)	(220,677)	(124,782)	(639,503)
DP 555 - Additional Vacancy Savings	0.00	(239,335)	(60,353)	(10,799)	(310,487)	0.00	(240,410)	(60,683)	(10,859)	(311,952)
DP 1413 - HB 29	0.00	91,397	0	0	91,397	0.00	1,174,544	0	0	1,174,544
DP 33005 - Montana Veterans Home Infection Control Nurse FTE	0.90	0	24,263	76,833	101,096	0.90	0	23,232	73,569	96,801
DP 33013 - HFD Training Programs	0.00	0	375,360	124,640	500,000	0.00	0	375,360	124,640	500,000
DP 33050 - Facility Ops - Contract and State Staff (RST/OTO)	0.00	30,000,000	0	0	30,000,000	0.00	20,000,000	0	0	20,000,000
DP 33051 - Facility Ops - CMS Compliance and Recert. (RST/BIEN/OTO)	0.00	6,114,500	0	0	6,114,500	0.00	0	0	0	0
DP 33333 - Transfer of Existing FTE from HFD	(42.00)	(2,093,920)	0	0	(2,093,920)	(42.00)	(2,099,758)	0	0	(2,099,758)
<b>Total</b>	<b>(41.10)</b>	<b>\$33,630,712</b>	<b>\$147,675</b>	<b>\$92,097</b>	<b>\$33,870,484</b>	<b>(41.10)</b>	<b>\$18,540,332</b>	<b>\$117,232</b>	<b>\$62,568</b>	<b>\$18,720,132</b>

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

DP 333 - Adjustment to Inflation -

The legislature adopted an adjustment to inflation included in DP 3.

DP 555 - Additional Vacancy Savings -

The legislature adopted an additional 1.0% vacancy savings.

DP 1413 - HB 29 -

The legislature adopted contingency language to increase appropriations if HB 29 was passed and approved and this decision package implements this language. This bill requires the relocation of individuals with "primary diagnosis" of Alzheimer's, dementia, or traumatic brain injury to locations outside of the Montana State Hospital who require 24 hour a day care to community-based services.

DP 33005 - Montana Veterans Home Infection Control Nurse FTE -

The legislature adopted the transfer of 0.90 FTE from the Montana State Hospital for an infection control nurse position in the Montana Veterans Home in Columbia Falls.

DP 33013 - HFD Training Programs -

The legislature adopted funding for a division-wide training program to support state-run healthcare facilities. Historically, training has been managed within each facility. Increased need for uniform and specialized curriculum at key points in the onboarding process resulted in this funding change to operate a learning management system to track training compliance. This change will also establish funding to hire contractors to provide onsite and/or virtual training.

DP 33050 - Facility Ops - Contract and State Staff (RST/OTO) -

The legislature adopted one-time-only, restricted funding to support the operation of state-run facilities.

DP 33051 - Facility Ops - CMS Compliance and Recert. (RST/BIEN/OTO) -

The legislature adopted one-time-only, restricted, and biennial funding to support Centers for Medicare and Medicaid Services (CMS) recertification at the Montana State Hospital and CMS compliance at the Montana Mental Health Nursing Care Center.

DP 33333 - Transfer of Existing FTE from HFD -

The legislature adopted a transfer of 42.00 FTE from the Montana State Hospital and the Intensive Behavior Center in the Healthcare Facilities Division, to the Disability Employment and Transitions Division, the Child and Family Services Division, the Director's Office Division, the Business and Financial Services Division, the Office of the Inspector General Division, the Technology Services Division, and the Montana Veterans' Home in the Healthcare Facilities Division. Due to the extended position vacancies and staffing issues at the Montana State Hospital and the Intensive Behavior Center, these FTE are not needed in the Healthcare Facilities Division for the 2025 biennium.