

Agency Base Budget Comparison

The following table compares the base budget with the expenditures adopted by the legislature for the upcoming biennium by type of expenditure and source of funding.

Agency Base Budget Comparison					
Budget Item	Base Budget	Adopted Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	2,831.92	2,752.62	2,752.62	(79.30)	(1.4%)
General Fund	745,722,273	818,084,878	868,276,638	194,916,970	13.1%
State/Other Special Rev. Funds	275,051,083	297,652,797	304,866,012	52,416,643	9.5%
Federal Spec. Rev. Funds	2,602,793,078	2,428,400,746	2,561,455,641	(215,729,769)	(4.1%)
Total Funds	3,623,566,434	3,544,138,421	3,734,598,291	31,603,844	0.4%
Personal Services	241,554,183	244,537,005	251,758,936	13,187,575	2.7%
Operating Expenses	184,474,809	247,907,911	249,484,216	128,442,509	34.8%
Equipment & Intangible Assets	426,370	423,820	423,820	(5,100)	(0.6%)
Grants	90,667,724	108,816,252	108,400,891	35,881,695	19.8%
Benefits & Claims	3,094,450,620	2,930,588,755	3,112,665,747	(145,646,738)	(2.4%)
Transfers	3,604,708	3,602,664	3,602,665	(4,087)	(0.1%)
Debt Service	8,388,020	8,262,014	8,262,016	(252,010)	(1.5%)
Total Expenditures	3,623,566,434	3,544,138,421	3,734,598,291	31,603,844	0.4%
Total Ongoing	3,623,566,434	3,490,580,922	3,655,122,211	(101,429,735)	(1.4%)
Total One-Time-Only		53,557,499	79,476,080	133,033,579	0.0%

Agency Description

The mission of the Department of Public Health and Human Services (DPHHS) is to improve and protect the health, well-being, and self-reliance of all Montanans.

Please refer to the agency profile at <https://www.legmt.gov/lfd/committees/section-b/agency-profile-department-of-public-health-human-services/> for additional information about the agency's organization structure, historical expenditures, goals and objectives, and recent studies and audits.

Agency Highlights

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

- The 2027 biennium HB 2 ongoing budget is 0.4% higher than the FY 2025 base budget. The budget totals \$7,278.7 million ongoing and one-time-only funds. The budget includes a biennial general fund increase of 13.1%, or \$194.9 million, due in part to:
 - Federal Medical Assistance Percentage (FMAP) adjustments, mostly for Medicaid, increase general fund by \$86.7 million over the biennium. The FMAP determines the state and federal shares of Medicaid financing
 - One-time-only authority of \$39.0 million in general fund over the biennium for the operation of state-owned facilities, including the Montana State Hospital (MSH) and \$19.0 million in ongoing general fund increases for facility wage standardization, increases, and hiring efforts
 - Provider rate increases for both Medicaid and non-Medicaid providers totaling \$52.2 million general fund, \$1.4 million state special revenue funds, and \$93.4 million matching federal funds
 - Increases for information technology amount to \$19.8 million general fund across the biennium. These costs include increases for information technology maintenance and operations as well as rate increases for information technology services through the Statewide Information Technology Services Division (SITSD)
 - Caseload adjustments for foster care, guardianship, and adoption account for a \$14.4 million increase in general fund over the biennium
- Medicaid expansion funding was continued in HB 2. The budget for Medicaid expansion benefits totals \$1,975.5 million in all funds over the 2027 biennium including \$68.5 million general fund and \$114.6 million state special revenue funds
- Appropriations for nine recommendations based on the work of the Behavioral Health System for Future Generations (BHSFG) Commission. In FY 2026, this amounts to \$12.1 million state special revenue funds from the account established in HB 872 of the 2023 Legislative Session. In FY 2027, this amounts to \$22.0 million state special revenue funds
- Additional funds from the account established in HB 872 of the 2023 Legislative Session totaling \$24.8 million over the biennium have been appropriated to increase bed capacity at psychiatric residential treatment facilities, community crisis centers, and the MSH. In addition, \$10.2 million was appropriated to continue operation of MSH Grasslands
- A total reduction of 79.30 HB 2 regular PB in both years of the biennium. This includes a reduction of 101.30 PB in various programs and the addition of 22.00 PB across the agency

Agency Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the expenditures adopted for FY 2026 and FY 2027 by type of expenditure and source of funding.

Agency Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	218,275,467	229,385,387	241,554,183	244,537,005	251,758,936
Operating Expenses	183,782,454	203,086,341	184,474,809	247,907,911	249,484,216
Equipment & Intangible Assets	439,528	819,039	426,370	423,820	423,820
Grants	103,371,086	103,696,113	90,667,724	108,816,252	108,400,891
Benefits & Claims	2,684,889,375	2,903,555,936	3,094,450,620	2,930,588,755	3,112,665,747
Transfers	4,427,993	6,628,961	3,604,708	3,602,664	3,602,665
Debt Service	12,919,338	9,186,466	8,388,020	8,262,014	8,262,016
Total Expenditures	\$3,208,105,241	\$3,456,358,243	\$3,623,566,434	\$3,544,138,421	\$3,734,598,291
General Fund	677,322,103	694,073,411	745,722,273	818,084,878	868,276,638
State/Other Special Rev. Funds	236,587,039	258,441,365	275,051,083	297,652,797	304,866,012
Federal Spec. Rev. Funds	2,294,196,099	2,503,843,467	2,602,793,078	2,428,400,746	2,561,455,641
Total Funds	\$3,208,105,241	\$3,456,358,243	\$3,623,566,434	\$3,544,138,421	\$3,734,598,291
Total Ongoing	\$3,208,105,241	\$3,456,358,243	\$3,623,566,434	\$3,490,580,922	\$3,655,122,211
Total OTO	\$0	\$0	\$0	\$53,557,499	\$79,476,080

Summary of Legislative Action*Medicaid*

The HB 2 legislative budget for Medicaid benefits and claims total \$5,001.0 million over the biennium, which is 4.0% lower than the 2025 base budget. This includes Medicaid expansion which is funded through HB 2 but does not include Indian Health Services (IHS) traditional Medicaid expenditures as these are statutory. Medicaid expenditures are made in the Behavioral Health and Developmental Disabilities Division (BHDD), Health Resources Division (HRD), and Senior and Long-Term Care Division (SLTC).

2027 Biennium HB 2 Medicaid Appropriation Benefits and Claims (In Millions)			
Traditional Medicaid			
	<u>FY 2026</u>	<u>FY 2027</u>	<u>Beinnium Total</u>
Beh. Hlth. and Dev. Dis. Division	\$ 407.1	\$ 475.7	\$ 882.8
Health Resources Division	701.3	731.9	1,433.2
Senior and Long Term Care Div.	343.6	365.9	709.5
Total	\$ 1,452.0	\$ 1,573.5	\$ 3,025.5
Medicaid Expansion			
	<u>FY 2026</u>	<u>FY 2027</u>	<u>Beinnium Total</u>
Beh. Hlth. and Dev. Dis. Division	\$ 92.6	\$ 111.2	\$ 203.8
Health Resources Division	859.6	881.0	1,740.6
Senior and Long Term Care Div.	14.5	16.6	31.1
Total	\$ 966.7	\$ 1,008.8	\$ 1,975.5
	<u>FY 2026</u>	<u>FY 2027</u>	<u>Total</u>
Grand Total: All Medicaid	\$ 2,418.7	\$ 2,582.3	\$ 5,001.0

Provider Rates

The legislative budget also includes various provider rate increases across the agency. A 3.0% blanket provider rate increase was passed for providers across DPHHS. This increase impacted seven different divisions, including all three Medicaid divisions totaling \$47.4 million general fund and \$140.9 million all funds.

In addition to this widespread increase, the legislature also adopted additional targeted increases which included additional authority requested by the executive for Part C Services totaling \$4.3 million all funds and additional authority totaling \$1.8 million general fund to increase provider rates for vocational rehabilitation and blind service providers in Disability Employment and Transitions Division (DETD).

Institutions

The legislative budget for the Health Care Facilities Division totals \$299.9 million over the 2027 biennium. Of this total, \$73.3 million is one-time-only. The legislature approved one-time-only authority for operating expenses at state facilities, including contract labor, for \$29.5 million general fund over the 2027 biennium; one-time-only authority to repurpose the D-Wing of the Montana Mental Health Nursing Care Center (MMHNCC) makes up \$9.6 million general fund authority over the biennium; and one-time-only authority for additional beds at MSH makes up \$21.0 million of state special revenue authority over the biennium. HB 936 contains a provision that authorizes BHSFG funds for this purpose. The legislature also approved funding to retain MSH Grasslands as a subacute facility at \$10.2 million state special revenue funds over the biennium.

In addition to DP 1, the legislature approved personal services increases of \$11.5 million over the biennium for the Montana State Hospital, as well as funding for wage increases and wage standardization at other state facilities at \$3.2 million over the biennium.

Behavioral Health System for Future Generations (BHSFG)

The 68th Legislature passed HB 872, creating the Behavioral Health System for Future Generations (BHSFG) state special revenue fund. The fund was created to address gaps and improve the statewide behavioral health and developmental disabilities systems. A nine-member commission of legislators and governor-appointed members met 15 times between the passage of the bill and the 2025 Legislative Session. The commission studied short and long-term initiatives that might address statewide systemic deficiencies.

In its final report the commission brought 22 recommendations forward, 10 of which were submitted to the legislature through the executive request process. Nine of these recommendations were fully funded and one was partially funded, for a total of \$34.1 million state special revenue funds over the biennium and \$40.4 million federal special revenue funds over the biennium.

The legislature also adopted funding from the BHSFG state special revenue fund for additional bed capacity at psychiatric residential treatment facilities, community crisis centers, and the Montana State Hospital totaling \$24.8 million. DPHHS also received \$10.2 million from the same fund to continue use of the Montana State Hospital Grasslands facility.

In addition to the HB 2 budget, HB 863 appropriated \$7.4 million of state special revenue authority for community-based court-ordered forensic fitness evaluations to help alleviate waitlists at the Montana State Hospital.

Personal Services

The HB 2 legislative budget includes \$496.3 million of personal services. This is an increase of \$13.2 million over the 2025 biennium, or an increase of 2.7%. DPHHS continued to see high vacancy rates, though improvements have been made in the Healthcare Facilities Division, which has historically driven the department's high vacancy rates. This session the legislature removed 97.30 PB from the Healthcare Facilities Division (HFD) resulting in \$13.5 million less general fund over the biennium that was offset by \$15.0 million in personal services funding added to the division without additional positions. In the Technology Services Division, 3.00 PB were removed as part of information technology security consolidation efforts. The legislature also added PB in various other divisions including:

- 5.00 PB in the Disability Employment and Transitions Division for the Montana Telecommunications Access Program (MTAP), the independent living skills for blind and low vision program, and vocational rehabilitation counselors for individuals with severe and disabling mental illnesses or co-occurring illnesses
- 1.00 PB in the Human and Community Services Division for the Summer Electronic Benefits Transfer program administration
- 1.00 PB in the Children and Family Services Division for post adoption case management
- 2.00 PB in the Business and Financial Services Division for additional procurement officers
- 2.00 PB in the Behavioral Health and Developmental Disabilities for program specialists to administer the certified community behavioral health clinics program
- 1.00 PB in the Medicaid and Health Services Management Division for an additional complex care coordinator
- 3.00 PB in the Senior and Long-Term Care Division for Adult Protective Services
- 7.00 PB fulfilling various functions in the Early Childhood and Family Support Division that were originally funded through budget amendments which the legislature brought into HB 2

The legislature also approved just under \$935,000 of one-time-only personal services authority across the biennium for 5.00 modified PB to assist with medically needy determinations in HCSD.

Funding

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

Total Department of Public Health & Human Services Funding by Source of Authority 2027 Biennium Budget						
Funds	HB2 Ongoing	HB2 OTO	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,646,394,009	39,967,507			1,686,361,516	22.6%
02989 69010-Hospital Utilization Fee	114,977,171				114,977,171	1.5%
02597 Healthy Montana Kids Plan	103,662,998				103,662,998	1.4%
02181 BHSFG	18,396,535	54,004,851			72,401,386	1.0%
02067 Montana HELP Act	55,721,216				55,721,216	0.7%
02772 Tobacco Hlth and Medicaid Init	48,140,706				48,140,706	0.6%
Other State Special Revenue	203,015,332	4,600,000		5,200,024	212,815,356	2.8%
State Special Revenue Total	543,913,958	58,604,851	-	5,200,024	607,718,833	8.1%
03583 93.778 - Med Ben FMAP	1,805,296,528	22,246,828		2	1,827,543,358	24.5%
03975 Medicaid Exp HELP Act Benefit	1,603,385,165	13,336,979			1,616,722,144	21.6%
03678 6901-Food Stamp Benefits	345,133,644				345,133,644	4.6%
03582 93.778 - Med Ben 100%				189,118,862	189,118,862	2.5%
03977 Med Exp HELP Act Indian Health	175,763,023				175,763,023	2.4%
Other Federal Special Revenue	1,023,517,796	1,176,424			1,024,694,220	13.7%
Federal Special Revenue Total	4,953,096,156	36,760,231	-	189,118,864	5,178,975,251	69.3%
Proprietary Fund Total	-	-	-	-	-	0.0%
Total of All Funds	7,143,404,123	135,332,589	-	194,318,888	7,473,055,600	
Percent of All Sources of Authority	95.6%	1.8%	0.0%	2.6%		

HB 2 Appropriations

DPHHS is primarily funded through HB 2 with general fund, state special funds, and federal funds. The majority of funding in this agency is federal funding for the various social assistance programs that DPHHS administers including traditional Medicaid, Medicaid expansion, and the Children's Health Insurance Program (CHIP). The state resources in this agency are in large part used as a state match to draw down the federal funds in these various health and social assistance programs.

Statutory Appropriations

In the 2025 Legislative Session, the legislature rejected a proposal by the executive to bring the Supplemental Nutrition Assistance Program (SNAP) into a statutory appropriation. The federal statutory appropriations in the table above are almost entirely for the Indian Health Services traditional Medicaid program. The state special revenue statutory appropriations are largely associated with the statutory alcohol tax program.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Department of Public Health & Human Services 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	745,722,273	275,051,083	2,602,793,078	3,623,566,434	102.2%	745,722,273	275,051,083	2,602,793,078	3,623,566,434	97.0%
Statewide PL										
Personal Services	1,367,432	(456,432)	(1,225,791)	(314,791)	(0.0%)	1,568,429	(427,401)	(980,036)	160,992	0.0%
Fixed Costs	3,080,106	(170,232)	2,297,770	5,207,644	0.1%	2,624,696	(212,395)	1,990,401	4,402,702	0.1%
Inflation Deflation	(43,809)	(1,202)	(15,900)	(60,911)	(0.0%)	(29,604)	(812)	(10,746)	(41,162)	(0.0%)
Total Statewide PL	4,403,729	(627,866)	1,056,079	4,831,942	0.1%	4,163,521	(640,608)	999,619	4,522,532	0.1%
Present Law (PL)	18,568,979	(5,977,243)	(225,804,807)	(213,213,071)	(6.0%)	53,222,516	(5,374,669)	(166,828,939)	(118,981,092)	(3.2%)
New Proposals	49,389,897	29,206,823	50,356,396	128,953,116	3.6%	65,168,328	35,830,206	124,491,883	225,490,417	6.0%
Total HB 2 Adjustments	72,362,605	22,601,714	(174,392,332)	(79,428,013)	(2.2%)	122,554,365	29,814,929	(41,337,437)	111,031,857	3.0%
Total Budget	818,084,878	297,652,797	2,428,400,746	3,544,138,421		868,276,638	304,866,012	2,561,455,641	3,734,598,291	

Other Legislation

HB 56 – This legislation establishes a 5.75% uniform assessment fee on ambulance providers and creates a state special revenue account in which to deposit those fees. The money in this account is to provide funding for increases in Medicaid payments to emergency ambulance services up to the average commercial rate for the service as well as provide for other administrative obligations related to the distribution of money in this account. There is no appropriation to DPHHS in this bill. The legislation includes a termination date of June 30, 2033.

HB 245 – This legislation revises the workforce development provisions of the Health and Economic Livelihood Partnership Act (Montana's Medicaid expansion program) and repeals the termination date.

HB 419 – This legislation establishes a standardized cost reporting process for certain Medicaid service providers and establishes general and federal fund appropriations for those purposes.

HB 643 – This legislation provides an appropriation of \$6.0 million from the BHSFG state special revenue account to reimburse counties for the cost of holding in confinement individuals who are awaiting evaluation or have been committed to the custody of the director of DPHHS and are awaiting placement in facilities. The reimbursement rate is 135.0% of the daily per inmate rate of an operator of a private correctional facility in Montana with a population of more than 500 inmates that contracts with the Department of Corrections. This appropriation is one-time-only and the legislation has a sunset date of June 30, 2027.

HB 687 – This legislation extends the age range of Medicaid expansion community engagement requirements in statute from individuals no more than 55 years of age to individuals who are no more than 62 years of age. There is no appropriation in the bill nor change in authority included in HB 2 for the purposes of this bill.

HB 863 – This legislation appropriated \$7.4 million state special revenue from the behavioral health systems for future generations (BHSFG) fund to continue funding for community-based court-ordered evaluations. Funding for these evaluations were originally started as a near-term initiative proposed and approved by the BHSFG Commission in the 2025 interim and the authority in this legislation provides continued authority for the same purposes.

HB 936 – This legislation authorizes transfers and other necessary measures to implement HB 2 Section B. Along with establishing additional reporting requirements, this legislation expands the uses for the BHSFG state special revenue fund and establishes a long-term sustainability committee to analyze and propose mechanisms to provide sustainable funding for the objectives of HB 872 from the 2023 Legislative Session.

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 2025	Executive Budget Fiscal 2026	Legislative Budget Fiscal 2026	Leg — Exec. Difference Fiscal 2026	Executive Budget Fiscal 2027	Legislative Budget Fiscal 2027	Leg — Exec. Difference Fiscal 2027	Biennium Difference Fiscal 26-27
Personal Services	241,554,183	240,768,980	244,537,005	3,768,025	242,123,653	251,758,936	9,635,283	13,403,308
Operating Expenses	184,474,809	257,778,649	247,907,911	(9,870,738)	266,112,824	249,484,216	(16,628,608)	(26,499,346)
Equipment & Intangible Assets	426,370	426,370	423,820	(2,550)	426,370	423,820	(2,550)	(5,100)
Grants	90,667,724	93,849,835	108,816,252	14,966,417	93,956,145	108,400,891	14,444,746	29,411,163
Benefits & Claims	3,094,450,620	2,815,094,822	2,930,588,755	115,493,933	2,973,911,996	3,112,665,747	138,753,751	254,247,684
Transfers	3,604,708	3,604,708	3,602,664	(2,044)	3,604,708	3,602,665	(2,043)	(4,087)
Debt Service	8,388,020	8,388,020	8,262,014	(126,006)	8,388,020	8,262,016	(126,004)	(252,010)
Total Costs	\$3,623,566,434	\$3,419,911,384	\$3,544,138,421	\$124,227,037	\$3,588,523,716	\$3,734,598,291	\$146,074,575	\$270,301,612
General Fund	745,722,273	835,572,797	818,084,878	(17,487,919)	877,011,698	868,276,638	(8,735,060)	(26,222,979)
State/other Special Rev. Funds	275,051,083	292,038,766	297,652,797	5,614,031	285,911,636	304,866,012	18,954,376	24,568,407
Federal Spec. Rev. Funds	2,602,793,078	2,292,299,821	2,428,400,746	136,100,925	2,425,600,382	2,561,455,641	135,855,259	271,956,184
Total Funds	\$3,623,566,434	\$3,419,911,384	\$3,544,138,421	\$124,227,037	\$3,588,523,716	\$3,734,598,291	\$146,074,575	\$270,301,612
Total Ongoing	\$3,623,566,434	\$3,384,861,146	\$3,490,580,922	\$105,719,776	\$3,553,245,908	\$3,655,122,211	\$101,876,303	\$207,596,079
Total OTO	\$0	\$35,050,238	\$53,557,499	\$18,507,261	\$35,277,808	\$79,476,080	\$44,198,272	\$62,705,533

The legislative budget is \$270.3 million total funds higher than the executive request over the biennium. The majority of this difference is due to the legislature not adopting the executive proposal to move the Supplemental Nutrition Program (SNAP) from HB 2 to a statutory appropriation. The SNAP appropriation over the 2027 biennium is \$345.1 million.

- The legislative budget includes 2,752.62 PB, 7.00 fewer than the executive request. The legislature did accept the executive proposal to remove 97.30 PB from the Healthcare Facilities Division but did not approve an additional 12.00 PB in the Human and Community Services Division. Instead, this was partially funded with 1.00 PB added, and one-time-only authority was adopted for 5.00 modified PB. For further detail about personal services changes, please see the "Personal Services" discussion above
- The legislative budget is \$26.2 million general fund lower than the executive request over the 2027 biennium. In FY2026, the legislative budget is \$17.5 million general fund lower than the original executive request. In FY2027, the legislative budget is \$8.7 million general fund lower than the original executive request. This difference is due to a net decrease of \$35.0 million general fund for Montana State Hospital operations in the adopted legislative budget as compared to the original executive request. The legislature reduced the operating expense request by \$50.0 million general fund over the biennium which was partially offset by an increase of \$15.0 million in personal services authority. Though not the main driver, the legislature also adopted a lower caseload adjustment for Medicaid and Medicaid expansion than the executive requested. However, these lower caseloads are offset by the legislative adoption of provider rate increases for non-Medicaid and Medicaid providers that added \$53.9 million general fund to the agency budget. These rates go beyond the executive proposal for provider rate increases, which totaled \$3.0 million general fund and only included an increase for Part C services
- The legislative budget is \$24.6 million state special revenue funds higher than the executive request over the 2027 biennium. This difference is driven by the legislative adoption of higher appropriations for expenditures utilizing the behavioral health systems for future generations fund as compared to the proposals in the original executive budget request

- The legislative budget is \$272.0 million federal funds higher than the executive request over the 2027 biennium. This difference is mainly due to the legislature not adopting the executive proposal to move the Supplemental Nutrition Program (SNAP) from HB 2 to a statutory appropriation, which would have lowered the federal funds in HB 2 by \$345.1 million over the 2027 biennium. The subcommittee also brought federal authority into HB 2 that has historically been funded through the budget amendment process

Language

The line-item BHSFG 22. Certified Community Behavioral Health Clinics (Restricted/Biennial/OTO) is void if a bill containing provisions for the implementation of the certified community behavioral health clinic (CCBHC) model is not passed and approved.

The line-item Student Loan Repayment Program (Restricted/Biennial/OTO) is restricted to a student loan repayment program for nurses, licensed practical nurses, and psychiatrists at the Montana State Hospital or other state-run facilities. It is the intent of the Legislature that these funds be prioritized for positions at the Montana State Hospital.

The line-item Increase Psychiatric Residential Treatment Facility Bed Capacity (Restricted/OTO) is restricted to grants for increasing psychiatric residential treatment facility bed capacity across the state of Montana with the intention of prioritizing the youngest and highest-need kids.

It is the intent of the Legislature that the Tribal Relations Manager position be returned to the direct supervision of the director of the Department of Public Health and Human Services, that this position report directly to the director, and that this position be located in Helena within department offices. It is the intent of the Legislature that this be done by June 30, 2025.

The line-item Montana State Hospital Beds (OTO) is contingent on passage of a bill that permits the use of state special revenue funds as provided in section 50-1-119, MCA, for expenditures for operating the Montana State Hospital.

The line-item Tobacco Use Prevention Program Contingent Funding (OTO) is void in any fiscal year during which the Department of Public Health and Human Services receives federal tobacco control program funding.

If HB 401 is passed and approved, the Department of Public Health and Human Services is increased by \$7,942 general fund in FY 2026.

If HB 574 is passed and approved, the Department of Public Health and Human Services may increase positions budgeted authorized in HB 2 by 2.00 PB in FY 2026 and 2.00 PB in FY 2027.

If HB 585 is passed and approved, the Department of Public Health and Human Services is increased by \$2,761,609 general fund and \$6,205,177 federal special revenue in FY 2026 and \$2,768,857 general fund and \$6,175,842 federal special revenue in FY 2027.

If HB 610 is passed and approved, the Department of Public Health and Human Services is increased by \$4,872,084 general fund and \$13,432,911 federal special revenue in FY 2026 and \$5,263,880 general fund and \$14,451,596 federal special revenue in FY 2027.

If HB 850 is passed and approved, the Department of Public Health and Human Services is increased by \$183,385 general fund and \$576,253 federal special revenue as one-time-only in FY 2026 and \$372,784 general fund and \$1,166,588 federal special revenue as one-time-only in FY 2027.

If HB 851 is passed and approved, the Department of Public Health and Human Services is increased by \$1,561,215 general fund and \$362,486 state special revenue in FY 2026 and \$2,534,722 general fund and \$530,299 state special revenue in FY 2027, and the Department of Public Health and Human Services may increase positions budgeted authorized in HB 2 by 22.00 PB in FY 2026 and 22.00 PB in FY 2027.

If HB 853 is passed and approved, the Department of Public Health and Human Services is increased by \$1,344,589 state special revenue in FY 2026 and \$1,344,589 state special revenue in FY 2027.

If HB 881 is passed and approved, the Department of Public Health and Human Services is increased by \$527,591 general fund and \$620,498 federal special revenue in FY 2026 and \$552,858 general fund and \$580,592 federal special revenue in FY 2027.

If SB 72 is passed and approved, the Department of Public Health and Human Services is increased by \$843,712 general fund and \$1,412,170 federal special revenue in FY 2026 and \$498,231 general fund and \$809,413 federal special revenue in FY 2027.

If SB 191 is passed and approved, the Department of Public Health and Human Services is increased by \$13,564 general fund in FY 2026 and \$13,564 general fund in FY 2027.

If SB 319 is passed and approved, the Department of Public Health and Human Services is increased by \$117,627 general fund and \$338,373 federal special revenue as one-time-only in FY 2027 and is restricted to Medicaid benefits and claims for doula services.

If SB 524 is passed and approved, the Department of Public Health and Human Services is increased by \$665,477 general fund and \$326,865 federal special revenue in FY 2026 and \$5,176,159 general fund and \$2,418,615 federal special revenue in FY 2027.

If SB 565 is passed and approved, the Department of Public Health and Human Services is increased by \$127,098 general fund in FY 2026 and \$124,616 general fund in FY 2027, and the Department of Public Health and Human Services may increase positions budgeted authorized in HB 2 by 1.00 PB in FY 2026 and 1.00 PB in FY 2027.

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

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base		
		FY 2026	FY 2027	Amount	Percent	
PB	139.07	144.07	144.07	5.00	1.8%	
General Fund	6,778,258	7,399,204	8,017,777	1,860,465	13.7%	
State/Other Special Rev. Funds	1,809,133	2,230,477	2,275,628	887,839	24.5%	
Federal Spec. Rev. Funds	23,443,425	22,740,941	22,772,292	(1,373,617)	(2.9%)	
Total Funds	32,030,816	32,370,622	33,065,697	1,374,687	2.1%	
Personal Services	11,626,531	11,255,488	11,281,444	(716,130)	(3.1%)	
Operating Expenses	5,001,334	5,352,796	5,388,033	738,161	7.4%	
Grants	719,317	218,287	218,287	(1,002,060)	(69.7%)	
Benefits & Claims	13,510,785	14,371,202	15,005,084	2,354,716	8.7%	
Transfers	411,032	411,032	411,032		0.0%	
Debt Service	761,817	761,817	761,817		0.0%	
Total Expenditures	32,030,816	32,370,622	33,065,697	1,374,687	2.1%	
Total Ongoing	32,030,816	32,370,622	33,065,697	1,374,687	2.1%	
Total One-Time-Only					0.0%	

Program Description

The Disability Employment and Transitions Division (DETD) advances the independence and employment of Montanans with disabilities. It is guided by the goal of promoting opportunities for rewarding careers and achieving maximum personal potential through informed choice. DETD 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. DETD also includes several small programs serving Montanans with disabilities and their families.

Program Highlights

Disability Employment & Transitions Division	
Major Budget Highlights	
<ul style="list-style-type: none"> • DETD's 2027 biennium HB 2 budget is a 2.1% increase over the FY 2025 base budget • Anticipated rises in benefits and claims drive the overall increase • A \$1.0 million reduction in grants funding partially offsets the increase 	

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

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	9,691,411	10,575,649	11,626,531	11,255,488	11,281,444
Operating Expenses	4,357,311	5,768,593	5,001,334	5,352,796	5,388,033
Grants	401,332	268,288	719,317	218,287	218,287
Benefits & Claims	13,246,355	13,880,065	13,510,785	14,371,202	15,005,084
Transfers	483,385	468,432	411,032	411,032	411,032
Debt Service	746,942	761,817	761,817	761,817	761,817
Total Expenditures	\$28,926,736	\$31,722,844	\$32,030,816	\$32,370,622	\$33,065,697
General Fund	7,171,645	7,243,085	6,778,258	7,399,204	8,017,777
State/Other Special Rev. Funds	890,040	1,778,333	1,809,133	2,230,477	2,275,628
Federal Spec. Rev. Funds	20,865,051	22,701,426	23,443,425	22,740,941	22,772,292
Total Funds	\$28,926,736	\$31,722,844	\$32,030,816	\$32,370,622	\$33,065,697
Total Ongoing	\$28,926,736	\$31,722,844	\$32,030,816	\$32,370,622	\$33,065,697
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Public Health & Human Services, 01-Disability Employment and Transitions Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	15,416,981	0	0	15,416,981	23.56 %
02159 MT Telecommunications Access	4,352,726	0	0	4,352,726	96.60 %
02434 02 Indirect Activity Prog 01	153,379	0	0	153,379	3.40 %
State Special Total	\$4,506,105	\$0	\$0	\$4,506,105	6.89 %
03024 Social Security-Ticket to Work	2,563,832	0	0	2,563,832	5.63 %
03226 VR Supported Empl VI-B Youth	330,000	0	0	330,000	0.73 %
03365 03 Indirect Activity Prog 01	1,756,961	0	0	1,756,961	3.86 %
03554 84.169 - Independent Living 90	700,772	0	0	700,772	1.54 %
03555 84.177 - Indep Living Old BLIN	810,040	0	0	810,040	1.78 %
03557 VR Supported Empl VI-A Adult	398,988	0	0	398,988	0.88 %
03588 93.802 - Disabil Deter Adm 100	9,720,527	0	0	9,720,527	21.36 %
03604 84.126 - Rehab-Sec110 A 78.7%	29,232,113	0	0	29,232,113	64.23 %
Federal Special Total	\$45,513,233	\$0	\$0	\$45,513,233	69.55 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$65,436,319	\$0	\$0	\$65,436,319	

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

DETD is funded primarily by a variety of federal funds. Some programs are fully funded with federal funds including disability determinations, while other federally funded programs require varying levels of state match funds. Most of the federal authority is contained in four programs including:

- Rehab Sec 110 A
- Disability Determination Administration
- Social Security – Ticket to Work
- Indirect Activity Program

General fund and state special revenue funds cover the rest of the division's costs. Portions of each are used to support administrative costs with the remaining general fund being used to support Vocational Rehabilitation; the remaining state special revenue is used to facilitate the Montana Telecommunications Access Program (MTAP).

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Disability Employment and Transitions 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	6,778,258	1,809,133	23,443,425	32,030,816	99.0%	6,778,258	1,809,133	23,443,425	32,030,816	96.9%
Statewide PL										
Personal Services	(185,469)	(59,093)	(506,024)	(750,586)	(2.3%)	(181,219)	(57,042)	(486,577)	(724,838)	(2.2%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(221)	0	(815)	(1,036)	(0.0%)	(149)	0	(551)	(700)	(0.0%)
Total Statewide PL	(185,690)	(59,093)	(506,839)	(751,622)	(2.3%)	(181,368)	(57,042)	(487,128)	(725,538)	(2.2%)
Present Law (PL)	0	0	(501,030)	(501,030)	(1.5%)	0	0	(501,030)	(501,030)	(1.5%)
New Proposals	806,636	480,437	305,385	1,592,458	4.9%	1,420,887	523,537	317,025	2,261,449	6.8%
Total HB 2 Adjustments	620,946	421,344	(702,484)	339,806	1.0%	1,239,519	466,495	(671,133)	1,034,881	3.1%
Total Budget	7,399,204	2,230,477	22,740,941	32,370,622		8,017,777	2,275,628	22,772,292	33,065,697	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(185,469)	(59,093)	(506,024)	(750,586)	0.00	(181,219)	(57,042)	(486,577)	(724,838)
DP 3 - Inflation Deflation	0.00	(221)	0	(815)	(1,036)	0.00	(149)	0	(551)	(700)
DP 1003 - Decreasing Approp for MonTech Program - DETD	0.00	0	0	(501,030)	(501,030)	0.00	0	0	(501,030)	(501,030)
Grand Total All Present Law Adjustments	0.00	(\$185,690)	(\$59,093)	(\$1,007,869)	(\$1,252,652)	0.00	(\$181,368)	(\$57,042)	(\$988,158)	(\$1,226,568)

**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 and Transitions

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

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 in-state motor pool and motor pool leased vehicles.

DP 1003 - Decreasing Approp for MonTech Program - DETD -

The legislature adopted adjustments to remove the appropriation for the MonTECH Program in the Disability Employment and Transitions Division (DETD). Historically, funding for the program passed through DETD, with the University of Montana as the ultimate recipient. The funding stream has changed, and the University of Montana receives funding directly from its federal partner, leaving excess federal appropriation in the DPHHS budget. This results in a reduction of \$501,030 in federal funds in each year of the biennium.

New Proposals

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

New Proposals										
	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1001 - MTAP Appropriation Increase for Expanded Services - DETD	2.00	0	480,437	0	480,437	2.00	0	523,537	0	523,537
DP 1007 - Ind. Living Skills Program for Blind/Low Vision - Homemaker	1.00	75,446	0	0	75,446	1.00	72,646	0	0	72,646
DP 1011 - 3% Provider Rate Adjustment - DETD Non-Medicaid	0.00	93,669	0	166,748	260,417	0.00	111,825	0	182,474	294,299
DP 1014 - Alt. Voc. Rehab for Clients with SDMI/Co-Occurring Illnesses	2.00	37,521	0	138,637	176,158	2.00	36,416	0	134,551	170,967
DP 1015 - Prov Rate Adj. - Voc Rehab & Blind Services	0.00	600,000	0	0	600,000	0.00	1,200,000	0	0	1,200,000
Total	5.00	\$806,636	\$480,437	\$305,385	\$1,592,458	5.00	\$1,420,887	\$523,537	\$317,025	\$2,261,449

***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 and Transitions

DP 1001 - MTAP Appropriation Increase for Expanded Services - DETD -

The legislature adopted 2.00 PB to expand services for the Montana Telecommunications Access Program (MTAP). This service is funded with state special revenue through assessment of a 10-cent fee collected monthly from users of landlines and cell phones.

DP 1007 - Ind. Living Skills Program for Blind/Low Vision - Homemaker -

The legislature adopted 1.00 PB to distribute and provide training on usage of equipment assistive technology for individuals adjusting to blindness and vision loss that are now seeking employment. Due to eligibility requirements, these services are currently only available to individuals wishing to maintain, retain, or advance in employment, or those aged 55 and older. This provides services to individuals managing the onset of blindness or low vision who do not fit into the other categories.

DP 1011 - 3% Provider Rate Adjustment - DETD Non-Medicaid -

The legislature adopted funding for provider rate increases.

DP 1014 - Alt. Voc. Rehab for Clients with SDMI/Co-Occurring Illnesses -

The legislature adopted 2.00 PB for rehabilitation counselors to the budget for the Vocational Rehabilitation Program. The increase will be used to provide and coordinate Individualized Placement and Support (IPS) services for clients who live with a Serious and Disabling Mental Illness (SDMI) or co-occurring diagnosis. The funding source for these positions is 78.7% federal funds and 21.3% general fund.

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

The legislature adopted funding increases for provider rate adjustments. 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.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	492.50	493.50	493.50	1.00	0.1%
General Fund	26,830,208	26,587,021	26,489,578	(583,817)	(1.1%)
State/Other Special Rev. Funds	2,179,116	2,120,784	2,124,069	(113,379)	(2.6%)
Federal Spec. Rev. Funds	263,882,023	272,440,689	272,367,739	17,044,382	3.2%
Total Funds	292,891,347	301,148,494	300,981,386	16,347,186	2.8%
Personal Services	41,346,407	39,622,988	39,698,709	(3,371,117)	(4.1%)
Operating Expenses	8,011,603	8,778,269	8,535,440	1,290,503	8.1%
Equipment & Intangible Assets	26,000	26,000	26,000		0.0%
Grants	24,366,008	24,149,708	24,149,708	(432,600)	(0.9%)
Benefits & Claims	217,004,998	226,435,198	226,435,198	18,860,400	4.3%
Transfers	2,122,620	2,122,620	2,122,620		0.0%
Debt Service	13,711	13,711	13,711		0.0%
Total Expenditures	292,891,347	301,148,494	300,981,386	16,347,186	2.8%
Total Ongoing	292,891,347	300,681,178	300,514,070	15,412,554	2.6%
Total One-Time-Only		467,316	467,316	934,632	0.0%

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 for Needy Families (TANF) Program, SNAP, and Health Coverage including the Montana Medicaid programs and Healthy Montana Kids (HMK) programs across the state.

The Intergovernmental Human Services Bureau administers the Community Services Block Grant which is used by ten 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 (LIHEAP), as well as, other supports including the Emergency Solutions Grant and United States Department of Agriculture (USDA) food commodities.

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

Human and Community Services Division Major Budget Highlights	
<ul style="list-style-type: none"> The HCSD 2027 biennium appropriations are approximately \$16.3 million or 2.8% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> Increases to make the federal Summer Electronic Benefit Transfer (EBT) program permanent, totaling \$833,000 general funds and \$19.5 million federal funds over the biennium Decreases of \$4.9 million in statewide present law adjustments for personal services and inflation/deflation Funding totaling \$935,000 for medically needy program specialists on a one-time only basis 	

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	38,568,387	41,197,505	41,346,407	39,622,988	39,698,709
Operating Expenses	10,749,868	13,827,883	8,011,603	8,778,269	8,535,440
Equipment & Intangible Assets	0	25,000	26,000	26,000	26,000
Grants	28,798,606	31,179,658	24,366,008	24,149,708	24,149,708
Benefits & Claims	193,305,471	197,159,797	217,004,998	226,435,198	226,435,198
Transfers	1,947,486	4,203,010	2,122,620	2,122,620	2,122,620
Debt Service	2,231,163	18,711	13,711	13,711	13,711
Total Expenditures	\$275,600,981	\$287,611,564	\$292,891,347	\$301,148,494	\$300,981,386
General Fund	25,953,882	26,235,897	26,830,208	26,587,021	26,489,578
State/Other Special Rev. Funds	2,334,338	2,759,956	2,179,116	2,120,784	2,124,069
Federal Spec. Rev. Funds	247,312,761	258,615,711	263,882,023	272,440,689	272,367,739
Total Funds	\$275,600,981	\$287,611,564	\$292,891,347	\$301,148,494	\$300,981,386
Total Ongoing	\$275,600,981	\$287,611,564	\$292,891,347	\$300,681,178	\$300,514,070
Total OTO	\$0	\$0	\$0	\$467,316	\$467,316

Funding

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

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

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	53,076,599	0	0	53,076,599	8.81 %
02099 69010-VISTA-Community Cost Shr	112,513	0	0	112,513	2.65 %
02375 02 Indirect Activity Prog 02	3,387,099	0	0	3,387,099	79.79 %
02515 School Lunch OPI/Warehouse	13,327	0	0	13,327	0.31 %
02688 6901-TANF Overpayments	130,000	0	0	130,000	3.06 %
02772 Tobacco Hlth and Medicaid Init	2	0	0	2	0.00 %
02974 Univ Low-Income Energy Assist	601,912	0	0	601,912	14.18 %
State Special Total	\$4,244,853	\$0	\$0	\$4,244,853	0.70 %
03066 81.042 BPA	1,010,653	0	0	1,010,653	0.19 %
03072 69010-CNS-Grants-VISTA	432,352	0	0	432,352	0.08 %
03074 Aging - Nutrition Services HDM	29,774	0	0	29,774	0.01 %
03109 TANF Benefits	56,831,652	0	0	56,831,652	10.43 %
03135 HOPWA TriState HELP CFDA14.241	1,046,323	0	0	1,046,323	0.19 %
03382 03 Indirect Activity Prog 02	48,559,813	0	0	48,559,813	8.91 %
03497 HCS Summer EBT	19,497,223	0	0	19,497,223	3.58 %
03519 93.045 - Aging Meals 100%	62,088	0	0	62,088	0.01 %
03544 10.561 - FS E & T - 50%	484,911	0	0	484,911	0.09 %
03545 10.561 - FS E & T - 100%	589,664	0	0	589,664	0.11 %
03546 10.561 - FS Adm - Fed Exp 50%	3,883,689	0	0	3,883,689	0.71 %
03547 10.568 - Emerg Food Assist 100	1,053,472	0	0	1,053,472	0.19 %
03548 10.569 - Food Distr - Fed Exp	3,947,517	0	0	3,947,517	0.72 %
03550 14.231 - Emerg Shelter - HUD 5	1,433,462	0	0	1,433,462	0.26 %
03552 81.042 - Weather Ben 100%	4,617,491	0	0	4,617,491	0.85 %
03553 Housing Preservation Grant	2	0	0	2	0.00 %
03572 93.568 - LIEAP Blk Grt Adm	44,204,380	0	0	44,204,380	8.11 %
03573 93.569 - CSBG Adm	6,608,740	0	0	6,608,740	1.21 %
03580 6901-93.778 - Med Adm 50%	3,611,487	0	0	3,611,487	0.66 %
03678 6901-Food Stamp Benefits	345,133,644	0	0	345,133,644	63.35 %
03679 6901-HOPWA CFDA#14-241	1,014,659	0	0	1,014,659	0.19 %
03965 CSFP	715,864	0	0	715,864	0.13 %
03974 Medicaid Exp HELP Act Admin	39,568	0	0	39,568	0.01 %
Federal Special Total	\$544,808,428	\$0	\$0	\$544,808,428	90.48 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$602,129,880	\$0	\$0	\$602,129,880	

The HCSD budget is mainly comprised of federal special revenue funds although it does include general fund and state special revenue as well. There are three major areas of federal benefits funding for HB 2: Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF) and the Low-Income Housing Energy Assistance Program (LIHEAP). Additional sources of federal funding include the Weatherization Assistance Program which helps eligible individuals reduce their energy consumption and improve the energy efficiency in their home; programs funded through the Community Services Block Grant; Housing and Urban Development (HUD) emergency shelter funding; Commodity Supplemental Food Program for low-income elderly Montanans; and Housing Opportunities for People with acquired immunodeficiency syndrome (AIDS; HOPWA).

Though most funding in this division goes to benefits, a large amount goes to administration of the programs mentioned above as well as indirect activity. Indirect activity is a federally approved cost allocation formula which is derived from those funds expended on functions benefitting or serving other divisions in the department for other programs. In the HCSD, indirect activity funds the Office of Public Assistance which is responsible for Medicaid eligibility determinations.

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Human and Community Services 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	26,830,208	2,179,116	263,882,023	292,891,347	97.3%	26,830,208	2,179,116	263,882,023	292,891,347	97.3%
Statewide PL										
Personal Services	(928,499)	(70,919)	(1,467,793)	(2,467,211)	(0.8%)	(901,797)	(67,650)	(1,416,774)	(2,386,221)	(0.8%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(471)	(50)	(1,012)	(1,533)	(0.0%)	(318)	(34)	(683)	(1,035)	(0.0%)
Total Statewide PL	(928,970)	(70,969)	(1,468,805)	(2,468,744)	(0.8%)	(902,115)	(67,684)	(1,417,457)	(2,387,256)	(0.8%)
Present Law (PL)	80,874	12,637	159,219	252,730	0.1%	80,874	12,637	159,219	252,730	0.1%
New Proposals	604,909	0	9,868,252	10,473,161	3.5%	480,611	0	9,743,954	10,224,565	3.4%
Total HB 2 Adjustments	(243,187)	(58,332)	8,558,666	8,257,147	2.7%	(340,630)	(55,047)	8,485,716	8,090,039	2.7%
Total Budget	26,587,021	2,120,784	272,440,689	301,148,494		26,489,578	2,124,069	272,367,739	300,981,386	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(928,499)	(70,919)	(1,467,793)	(2,467,211)	0.00	(901,797)	(67,650)	(1,416,774)	(2,386,221)
DP 3 - Inflation Deflation	0.00	(471)	(50)	(1,012)	(1,533)	0.00	(318)	(34)	(683)	(1,035)
DP 2004 - Office of Public Assistance Overtime HCSD (RST)	0.00	80,874	12,637	159,219	252,730	0.00	80,874	12,637	159,219	252,730
Grand Total All Present Law Adjustments	0.00	(\$848,096)	(\$58,332)	(\$1,309,586)	(\$2,216,014)	0.00	(\$821,241)	(\$55,047)	(\$1,258,238)	(\$2,134,526)

*"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.

69010 - Department of Public Health & Human Services 02-Human and Community 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 in-state state motor pool and motor pool leased vehicles.

DP 2004 - Office of Public Assistance Overtime HCSD (RST) -

The legislature adopted authority for overtime in the Office of Public Assistance. The increase was adopted to maintain the client caseload in addition to what is funded in DP 1.

New Proposals

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 2001 - Summer EBT Administrative and Benefits - HCSD										
1.00	478,734	0	9,836,112	10,314,846		1.00	354,436	0	9,711,814	10,066,250
DP 2008 - Realign Appropriation with Revenue Com. Sup. Food Prog.										
0.00	0	0	(309,000)	(309,000)		0.00	0	0	(309,000)	(309,000)
DP 2009 - Reduce Appropriation for Orphan Fund - HCSD										
0.00	0	0	(1)	(1)		0.00	0	0	(1)	(1)
DP 2010 - Funds - Adv. for Child. In Legal Set. (RST/BIEN/OTO)										
0.00	0	0	500,000	500,000		0.00	0	0	500,000	500,000
DP 2034 - Medically Needy Personal Services Funding (RST/BIEN/OTO)										
0.00	126,175	0	341,141	467,316		0.00	126,175	0	341,141	467,316
DP 2040 - Funding to Entities Providing Child Mentorship (RST/BIEN/OTO)										
0.00	0	0	500,000	500,000		0.00	0	0	500,000	500,000
DP 2041 - Funding for Food Banks (RST/BIEN/OTO)										
0.00	0	0	1,000,000	1,000,000		0.00	0	0	1,000,000	1,000,000
DP 2042 - Funding for After School Programs (RST/BIEN/OTO)										
0.00	0	0	1,000,000	1,000,000		0.00	0	0	1,000,000	1,000,000
DP 2400 - Line Item Veto - Child Mentorship Programs (RST/BIEN/OTO)										
0.00	0	0	(500,000)	(500,000)		0.00	0	0	(500,000)	(500,000)
DP 2401 - Line Item Veto - Food Banks (RST/BIEN/OTO)										
0.00	0	0	(1,000,000)	(1,000,000)		0.00	0	0	(1,000,000)	(1,000,000)
DP 2402 - Line Item Veto - Adv. for Child. In Legal Set. (RST/BIEN/OTO)										
0.00	0	0	(500,000)	(500,000)		0.00	0	0	(500,000)	(500,000)
DP 2403 - Line Item Veto - After School Programs (RST/BIEN/OTO)										
0.00	0	0	(1,000,000)	(1,000,000)		0.00	0	0	(1,000,000)	(1,000,000)
Total	1.00	\$604,909	\$0	\$9,868,252	\$10,473,161	1.00	\$480,611	\$0	\$9,743,954	\$10,224,565

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

DP 2001 - Summer EBT Administrative and Benefits - HCSD -

The legislature adopted permanent funding for the Summer EBT Program. The Summer EBT Program, first implemented in FY 2024, provides food assistance to children who are eligible for free or reduced school lunch during the summer when school lunch is unavailable.

DP 2008 - Realign Appropriation with Revenue Com. Sup. Food Prog. -

The legislature adopted a reduction in the appropriation of federal revenue to the commodity supplemental food program to align the appropriation with anticipated expenditures.

DP 2009 - Reduce Appropriation for Orphan Fund - HCSD -

The legislature adopted a reduction in the appropriation of federal funds for the homeless management information system fund. This fund has a base appropriation of \$1 per year with no active revenue for the past several years. This change package gets rid of this appropriation over the biennium.

DP 2010 - Funds - Adv. for Child. In Legal Set. (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 the specified types of entities.

DP 2034 - Medically Needy Personal Services Funding (RST/BIEN/OTO) -

The legislature adopted funding for personal services in the Medicaid Medically Needy Program.

DP 2040 - Funding to Entities Providing Child Mentorship (RST/BIEN/OTO) -

The legislature adopted funding for entities providing child mentorship programs.

DP 2041 - Funding for Food Banks (RST/BIEN/OTO) -

The legislature adopted funding for food banks.

DP 2042 - Funding for After School Programs (RST/BIEN/OTO) -

The legislature adopted funding for after school programs.

DP 2400 - Line Item Veto - Child Mentorship Programs (RST/BIEN/OTO) -

The governor line-item vetoed Temporary Assistance for Needy Families (TANF) federal special revenue authority for child mentorship programs adopted by the legislature in DP 2040.

DP 2401 - Line Item Veto - Food Banks (RST/BIEN/OTO) -

The governor line-item vetoed Temporary Assistance for Needy Families (TANF) federal special revenue authority for food banks adopted by the legislature in DP 2041.

DP 2402 - Line Item Veto - Adv. for Child. In Legal Set. (RST/BIEN/OTO) -

The governor line-item vetoed Temporary Assistance for Needy Families (TANF) federal special revenue authority for advocates for children in legal settings which was adopted by the legislature in DP 2010.

DP 2403 - Line Item Veto - After School Programs (RST/BIEN/OTO) -

The governor line-item vetoed Temporary Assistance for Needy Families (TANF) federal special revenue authority for after school programs adopted by the legislature in DP 2042.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Adopted Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	449.97	450.97	450.97	1.00	0.1%
General Fund	69,664,550	81,092,385	83,324,093	25,087,378	18.0%
State/Other Special Rev. Funds	1,478,208	1,473,989	1,471,928	(10,499)	(0.4%)
Federal Spec. Rev. Funds	50,628,895	49,048,825	49,814,643	(2,394,322)	(2.4%)
Total Funds	121,771,653	131,615,199	134,610,664	22,682,557	9.3%
Personal Services	36,865,435	37,561,703	37,654,892	1,485,725	2.0%
Operating Expenses	5,911,903	5,883,821	5,890,256	(49,729)	(0.4%)
Grants	4,939,476	5,341,990	5,408,941	871,979	8.8%
Benefits & Claims	72,103,213	80,876,059	83,704,949	20,374,582	14.1%
Transfers	593,356	593,356	593,356		0.0%
Debt Service	1,358,270	1,358,270	1,358,270		0.0%
Total Expenditures	121,771,653	131,615,199	134,610,664	22,682,557	9.3%
Total Ongoing	121,771,653	131,615,199	134,610,664	22,682,557	9.3%
Total One-Time-Only					0.0%

Program Description

The Child and Family Services Division (CFSD) administers child protective services, reunification services, prevention services, adoption and guardianship services, and other programs designed to keep children safe and families strong. CFSD is focused on the overarching goal of improving safety, permanency, and well-being for children. CFSD is comprised of five bureaus: Training, Recruitment and Retention, Fiscal, Business and Technology, Program, and Licensing. CFSD has six regions and 31 offices that administer programs statewide. The division is advised by one state and nine local advisory councils.

Program Highlights

Child and Family Services Division Major Budget Highlights

- The approved 2027 biennium budget includes a 9.3% increase over the FY 2025 base budget, which is driven by a \$20.4 million increase in benefits and claims
- General fund is increased by 18.0%, driven by lower federal matching rates and increased provision of general fund-intensive services
- Caseload for foster care, adoption, and guardianship has stabilized, while general fund appropriations increase for those populations
- The CFSD budget includes 1.00 new PB and an associated \$1.5 million over the biennium to provide services to support families involved in adoption or guardianship arrangements

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	36,972,808	34,496,745	36,865,435	37,561,703	37,654,892
Operating Expenses	3,260,763	5,924,343	5,911,903	5,883,821	5,890,256
Grants	6,208,033	6,368,044	4,939,476	5,341,990	5,408,941
Benefits & Claims	68,360,030	69,014,315	72,103,213	80,876,059	83,704,949
Transfers	1,608,485	1,429,421	593,356	593,356	593,356
Debt Service	2,898,451	2,939,436	1,358,270	1,358,270	1,358,270
Total Expenditures	\$119,308,570	\$120,172,304	\$121,771,653	\$131,615,199	\$134,610,664
General Fund	72,562,330	72,714,573	69,664,550	81,092,385	83,324,093
State/Other Special Rev. Funds	1,479,697	1,541,584	1,478,208	1,473,989	1,471,928
Federal Spec. Rev. Funds	45,266,543	45,916,147	50,628,895	49,048,825	49,814,643
Total Funds	\$119,308,570	\$120,172,304	\$121,771,653	\$131,615,199	\$134,610,664
Total Ongoing	\$119,308,570	\$120,172,304	\$121,771,653	\$131,615,199	\$134,610,664
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Public Health & Human Services, 03-Child and Family Services Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	164,416,478	0	0	164,416,478	61.68 %	
02209 Third Party Contributions-F.C.	2,855,501	0	0	2,855,501	86.92 %	
02376 02 Indirect Activity Prog 03	34,000	0	0	34,000	1.03 %	
02473 Assault Intervention & Trtmnt	42,250	0	0	42,250	1.29 %	
02483 Adoption Services / SA	0	0	339,140	339,140	10.32 %	
02496 Family Preservation Conference	14,166	0	0	14,166	0.43 %	
State Special Total	\$2,945,917	\$0	\$339,140	\$3,285,057	1.23 %	
03109 TANF Benefits	4,341,114	0	0	4,341,114	4.39 %	
03224 Access & Visitation Grt 93.597	206,388	0	0	206,388	0.21 %	
03458 6901 - Chafee - ETV 93.599	808,640	0	0	808,640	0.82 %	
03522 93.556 - Family Preservation	1,196,286	0	0	1,196,286	1.21 %	
03529 IV-E Guardianship	9,246,020	0	0	9,246,020	9.35 %	
03530 6901-Foster Care 93.658	21,279,037	0	0	21,279,037	21.52 %	
03531 6901-Subsidized Adopt 93.659	32,321,095	0	0	32,321,095	32.69 %	
03532 93.669 - Child Abuse	886,580	0	0	886,580	0.90 %	
03536 93.674 Transition to Adlthd	2,955,956	0	0	2,955,956	2.99 %	
03593 03 Indirect Activity Prog 03	25,545,532	0	0	25,545,532	25.84 %	
03594 03 Indirect Activity Prog 04	76,820	0	0	76,820	0.08 %	
Federal Special Total	\$98,863,468	\$0	\$0	\$98,863,468	37.09 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$266,225,863	\$0	\$339,140	\$266,565,003		

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.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Child and Family Services 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	69,664,550	1,478,208	50,628,895	121,771,653	92.5%	69,664,550	1,478,208	50,628,895	121,771,653	90.5%
Statewide PL										
Personal Services	84,041	0	72,203	156,244	0.1%	138,018	0	88,098	226,116	0.2%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(22,239)	0	(5,942)	(28,181)	(0.0%)	(15,028)	0	(4,018)	(19,046)	(0.0%)
Total Statewide PL	61,802	0	66,261	128,063	0.1%	122,990	0	84,080	207,070	0.2%
Present Law (PL)	9,016,003	(4,219)	(2,567,088)	6,444,696	4.9%	9,531,466	(6,280)	(2,737,474)	6,787,712	5.0%
New Proposals	2,350,030	0	920,757	3,270,787	2.5%	4,005,087	0	1,839,142	5,844,229	4.3%
Total HB 2 Adjustments	11,427,835	(4,219)	(1,580,070)	9,843,546	7.5%	13,659,543	(6,280)	(814,252)	12,839,011	9.5%
Total Budget	81,092,385	1,473,989	49,048,825	131,615,199		83,324,093	1,471,928	49,814,643	134,610,664	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	84,041	0	72,203	156,244	0.00	138,018	0	88,098	226,116
DP 3 - Inflation Deflation	0.00	(22,239)	0	(5,942)	(28,181)	0.00	(15,028)	0	(4,018)	(19,046)
DP 3001 - Foster Care Caseload Adjustment - CFSD	0.00	4,583,941	(4,219)	(1,385,142)	3,194,580	0.00	4,540,836	(6,280)	(1,296,215)	3,238,341
DP 3002 - Adoption Caseload Adjustment - CFSD	0.00	1,524,493	0	677,456	2,201,949	0.00	1,577,167	0	686,278	2,263,445
DP 3003 - Guardianship Caseload Adjustment - CFSD	0.00	985,978	0	(99,526)	886,452	0.00	1,147,940	0	(46,684)	1,101,256
DP 3004 - Holiday/Overtime/Differential CFSD (RST)	0.00	761,391	0	156,812	918,203	0.00	799,460	0	164,653	964,113
DP 3044 - Eliminate Overtime Duplication - CFSD	0.00	(380,695)	0	(78,406)	(459,101)	0.00	(399,730)	0	(82,326)	(482,056)
DP 3045 - Remove Excess Fed. Auth. Children's Justice Act	0.00	0	0	(99,901)	(99,901)	0.00	0	0	(99,901)	(99,901)
DP 3046 - Remove Excess Fed. Auth. Domestic Violence Grant - CFSD	0.00	0	0	(197,486)	(197,486)	0.00	0	0	(197,486)	(197,486)
DP 3996 - Guardianship FMAP Adjustment - CFSD	0.00	6,366	0	(6,366)	0	0.00	93,039	0	(93,039)	0
DP 3997 - Adoption FMAP Adjustment - CFSD	0.00	752,196	0	(752,196)	0	0.00	936,177	0	(936,177)	0
DP 3998 - Foster Care FMAP Adjustment - CFSD	0.00	782,333	0	(782,333)	0	0.00	836,577	0	(836,577)	0
Grand Total All Present Law Adjustments	0.00	\$9,077,805	(\$4,219)	(\$2,500,827)	\$6,572,759	0.00	\$9,654,456	(\$6,280)	(\$2,653,394)	\$6,994,782

**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.

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 in-state state motor pool and motor pool leased vehicles.

DP 3001 - Foster Care Caseload Adjustment - CFSD -

The legislature adopted funding for foster care caseload in CFSD. This reflects an increase in general fund intensive foster care services provided by CFSD relative to the base budget.

DP 3002 - Adoption Caseload Adjustment - CFSD -

The legislature adopted funding for adoption caseload in CFSD.

DP 3003 - Guardianship Caseload Adjustment - CFSD -

The legislature adopted funding for guardianship caseload in CFSD.

DP 3004 - Holiday/Overtime/Differential CFSD (RST) -

The legislature adopted funding for overtime in CFSD.

DP 3044 - Eliminate Overtime Duplication - CFSD -

The legislature removed funding for a duplication of overtime in CFSD.

DP 3045 - Remove Excess Fed. Auth. Children's Justice Act -

The legislature removed excess federal authority for the Children's Justice Act grant in CFSD as that grant is no longer administered by DPHHS.

DP 3046 - Remove Excess Fed. Auth. Domestic Violence Grant - CFSD -

The legislature removed excess federal authority for the Domestic Violence grant as that grant is no longer administered by DPHHS.

DP 3996 - Guardianship FMAP Adjustment - CFSD -

The legislature adopted funding changes for guardianship in CFSD. The biennial funding increases general fund and includes an offsetting reduction in federal funds. The total cost for the program does not change.

DP 3997 - Adoption FMAP Adjustment - CFSD -

The legislature adopted funding changes for adoption in CFSD. The biennial funding increases general fund and includes an offsetting reduction in federal funds. The total cost for the program does not change.

DP 3998 - Foster Care FMAP Adjustment - CFSD -

The legislature adopted funding changes for foster care in CFSD. The biennial funding increases general fund and includes an offsetting reduction 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 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 3006 - Post Adoption Case Management - CFSD										
1.00	685,904	0	0	685,904		1.00	750,517	0	0	750,517
DP 3011 - Replace CPS Owned Vehicles with Leases - CFSD										
0.00	85,716	0	19,302	105,018		0.00	85,716	0	19,302	105,018
DP 3015 - Reduce Appropriation for Orphan Fund - CFSD										
0.00	0	0	(10,000)	(10,000)		0.00	0	0	(10,000)	(10,000)
DP 3056 - 3% Provider Rate Adjustment - CFSD Non-Medicaid										
0.00	1,578,410	0	911,455	2,489,865		0.00	3,168,854	0	1,829,840	4,998,694
Total	1.00	\$2,350,030	\$0	\$920,757	\$3,270,787	1.00	\$4,005,087	\$0	\$1,839,142	\$5,844,229

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

DP 3006 - Post Adoption Case Management - CFSD -

The legislature adopted funding for services and the addition of 1.00 PB for the Post-Adoption Program in the Child and Family Services Division. The increase is intended to provide case management services for families who have adopted/guardianship of youth from foster care and provides ancillary services (e.g., respite, non-Medicaid services, therapeutic treatment services) for families and assists with preventing adoption/guardianship breakdowns and youth returning to foster care.

DP 3011 - Replace CPS Owned Vehicles with Leases - CFSD -

The legislature adopted funding to replace high-mileage vehicles currently owned by CFSD with leased vehicles available through the State Motor Pool.

DP 3015 - Reduce Appropriation for Orphan Fund - CFSD -

The legislature reduced the appropriation of federal funds for the Children's Alliance of MT fund. This fund has a base appropriation of \$10,000 per year with no active revenue for the past several years. This is a reduction of \$20,000 in federal funds over the biennium.

DP 3056 - 3% Provider Rate Adjustment - CFSD Non-Medicaid -

The legislature adopted funding for provider rate increases.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	79.25	79.25	79.25	0.00	0.0%
General Fund	5,403,662	5,475,520	5,486,235	154,431	1.4%
State/Other Special Rev. Funds	3,380,959	3,246,761	3,247,629	(267,528)	(4.0%)
Federal Spec. Rev. Funds	7,272,740	7,419,042	7,430,161	303,723	2.1%
Total Funds	16,057,361	16,141,323	16,164,025	190,626	0.6%
Personal Services	8,432,135	8,658,640	8,676,746	471,116	2.8%
Operating Expenses	7,329,112	7,195,453	7,200,048	(262,723)	(1.8%)
Grants	219,829	213,234	213,234	(13,190)	(3.0%)
Benefits & Claims	2,549	2,473	2,473	(152)	(3.0%)
Transfers	68,100	66,056	66,057	(4,087)	(3.0%)
Debt Service	5,636	5,467	5,467	(338)	(3.0%)
Total Expenditures	16,057,361	16,141,323	16,164,025	190,626	0.6%
Total Ongoing	16,057,361	16,141,323	16,164,025	190,626	0.6%
Total One-Time-Only					0.0%

Program Description

The Director's Office (DO) provides overall policy development and administrative guidance for the department. The DO includes the Office of Legal Affairs, Office of Human Resources, Office of Strategy and Transformation, and the State Medical Officer, in addition to other executive leaders who report to the Department Director and oversee discrete practices, programs, and offices throughout the agency.

Statutory Authority - Title 2, Chapter 15, Part 22 and Title 53, Chapter 19, Part 3, MCA.

Program Highlights

Director's Office Major Budget Highlights
<ul style="list-style-type: none"> The Director's Office 2027 biennium appropriations are \$191,000 or 0.6% higher than the FY 2025 base budget, driven by increases in statewide present law adjustments for personal services and fixed costs The legislature adopted a budget reduction for certain DPHHS divisions; this totaled just over \$1.0 million all funds over the biennium in the Director's Office

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	10,543,635	9,573,231	8,432,135	8,658,640	8,676,746
Operating Expenses	1,225,209	3,382,278	7,329,112	7,195,453	7,200,048
Grants	190,136	219,829	219,829	213,234	213,234
Benefits & Claims	28,866	2,549	2,549	2,473	2,473
Transfers	105,868	69,597	68,100	66,056	66,057
Debt Service	252,071	5,636	5,636	5,467	5,467
Total Expenditures	\$12,345,785	\$13,253,120	\$16,057,361	\$16,141,323	\$16,164,025
General Fund	5,720,882	5,755,080	5,403,662	5,475,520	5,486,235
State/Other Special Rev. Funds	772,973	1,192,627	3,380,959	3,246,761	3,247,629
Federal Spec. Rev. Funds	5,851,930	6,305,413	7,272,740	7,419,042	7,430,161
Total Funds	\$12,345,785	\$13,253,120	\$16,057,361	\$16,141,323	\$16,164,025
Total Ongoing	\$12,345,785	\$13,253,120	\$16,057,361	\$16,141,323	\$16,164,025
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed program 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	10,961,755	0	0	10,961,755	33.93 %
02181 BHSFG	3,322,852	0	0	3,322,852	51.16 %
02377 02 Indirect Activity Prog 04	3,171,538	0	0	3,171,538	48.84 %
State Special Total	\$6,494,390	\$0	\$0	\$6,494,390	20.10 %
03523 93.566 - Refugee Soc. Serv	163,370	0	0	163,370	1.10 %
03571 93.566 - Off Ref Reset Adm 10	823,997	0	0	823,997	5.55 %
03594 03 Indirect Activity Prog 04	13,861,836	0	0	13,861,836	93.35 %
Federal Special Total	\$14,849,203	\$0	\$0	\$14,849,203	45.97 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$32,305,348	\$0	\$0	\$32,305,348	

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

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Director's Office 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	5,403,662	3,380,959	7,272,740	16,057,361	99.5%	5,403,662	3,380,959	7,272,740	16,057,361	99.3%
Statewide PL										
Personal Services	198,347	(39,923)	340,306	498,730	3.1%	207,779	(39,420)	349,037	517,396	3.2%
Fixed Costs	48,748	6,976	42,978	98,702	0.6%	50,319	7,366	45,378	103,063	0.6%
Inflation Deflation	0	0	(904)	(904)	(0.0%)	0	0	(611)	(611)	(0.0%)
Total Statewide PL	247,095	(32,947)	382,380	596,528	3.7%	258,098	(32,054)	393,804	619,848	3.8%
Present Law (PL)	(3,381)	(719)	(4,353)	(8,453)	(0.1%)	(3,381)	(719)	(4,353)	(8,453)	(0.1%)
New Proposals	(171,856)	(100,532)	(231,725)	(504,113)	(3.1%)	(172,144)	(100,557)	(232,030)	(504,731)	(3.1%)
Total HB 2 Adjustments	71,858	(134,198)	146,302	83,962	0.5%	82,573	(133,330)	157,421	106,664	0.7%
Total Budget	5,475,520	3,246,761	7,419,042	16,141,323		5,486,235	3,247,629	7,430,161	16,164,025	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	198,347	(39,923)	340,306	498,730	0.00	207,779	(39,420)	349,037	517,396
DP 2 - Fixed Costs	0.00	48,748	6,976	42,978	98,702	0.00	50,319	7,366	45,378	103,063
DP 3 - Inflation Deflation	0.00	0	0	(904)	(904)	0.00	0	0	(611)	(611)
DP 22 - Fixed Cost Adjustment for Robert's Rules	0.00	(3,381)	(719)	(4,353)	(8,453)	0.00	(3,381)	(719)	(4,353)	(8,453)
Grand Total All Present Law Adjustments	0.00	\$243,714	(\$33,666)	\$378,027	\$588,075	0.00	\$254,717	(\$32,773)	\$389,451	\$611,395

*"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.

DP 2 - Fixed Costs -

The legislature adopted funding 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 in-state state motor pool and motor pool leased vehicles.

DP 22 - Fixed Cost Adjustment for Robert's Rules -

The legislature adopted an adjustment to fixed cost that removed new appropriations for Robert's Rules of Order training included in DP 2.

New Proposals

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

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 4010 - 3% Reduction in Budget - Director's Office	0.00	(171,856)	(100,532)	(231,725)	(504,113)	0.00	(172,144)	(100,557)	(232,030)	(504,731)
Total	0.00	(\$171,856)	(\$100,532)	(\$231,725)	(\$504,113)	0.00	(\$172,144)	(\$100,557)	(\$232,030)	(\$504,731)

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

DP 4010 - 3% Reduction in Budget - Director's Office -

The legislature adopted a budget reduction for certain DPHHS divisions.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	129.81	129.81	129.81	0.00	0.0%
General Fund	3,656,440	3,701,750	3,710,021	98,891	1.4%
State/Other Special Rev. Funds	363,458	363,458	363,458		0.0%
Federal Spec. Rev. Funds	8,504,155	8,592,111	8,608,166	191,967	1.1%
Total Funds	12,524,053	12,657,319	12,681,645	290,858	1.2%
Personal Services	10,504,717	10,637,983	10,662,309	290,858	1.4%
Operating Expenses	1,456,890	1,456,890	1,456,890		0.0%
Equipment & Intangible Assets	21,456	21,456	21,456		0.0%
Debt Service	540,990	540,990	540,990		0.0%
Total Expenditures	12,524,053	12,657,319	12,681,645	290,858	1.2%
Total Ongoing	12,524,053	12,657,319	12,681,645	290,858	1.2%
Total One-Time-Only					0.0%

Program Description

The Child Support Services Division (CSSD) works to improve the economic stability of families through the establishment and enforcement of child support and medical support orders. CSSD is comprised of three bureaus: Budget and Administrative Services, Field Services, and System Program and Training. The division offers services designed to locate parents, establish paternity, establish financial and medical support orders, enforce child support orders, including medical support orders, and modify child support orders.

Program Highlights

Child Support Services Division Major Budget Highlights
<ul style="list-style-type: none"> The approved budget includes growth over the FY 2025 base budget of 1.2%, which is driven entirely by growth in personal services, or wages and benefits for CSSD employees

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	10,117,274	9,908,197	10,504,717	10,637,983	10,662,309
Operating Expenses	1,413,701	1,732,682	1,456,890	1,456,890	1,456,890
Equipment & Intangible Assets	0	21,456	21,456	21,456	21,456
Debt Service	540,967	534,931	540,990	540,990	540,990
Total Expenditures	\$12,071,942	\$12,197,266	\$12,524,053	\$12,657,319	\$12,681,645
General Fund	3,539,349	3,555,832	3,656,440	3,701,750	3,710,021
State/Other Special Rev. Funds	355,924	375,458	363,458	363,458	363,458
Federal Spec. Rev. Funds	8,176,669	8,265,976	8,504,155	8,592,111	8,608,166
Total Funds	\$12,071,942	\$12,197,266	\$12,524,053	\$12,657,319	\$12,681,645
Total Ongoing	\$12,071,942	\$12,197,266	\$12,524,053	\$12,657,319	\$12,681,645
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed program 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	7,411,771	0	0	7,411,771	29.25 %
02187 Child Support State Share	726,916	0	0	726,916	100.00 %
State Special Total	\$726,916	\$0	\$0	\$726,916	2.87 %
03269 Child Support Incentive	2,373,886	0	0	2,373,886	13.80 %
03570 93.563 - Child Support IVD 66%	14,826,391	0	0	14,826,391	86.20 %
Federal Special Total	\$17,200,277	\$0	\$0	\$17,200,277	67.88 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$25,338,964	\$0	\$0	\$25,338,964	

This program is primarily federally funded. Title IV-D eligible expenditures are funded with two-thirds federal funds and one-third 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.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Child Support Services 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	3,656,440	363,458	8,504,155	12,524,053	98.9%	3,656,440	363,458	8,504,155	12,524,053	98.8%
Statewide PL										
Personal Services	45,310	0	87,956	133,266	1.1%	53,581	0	104,011	157,592	1.2%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	0	0	0.0%	0	0	0	0	0.0%
Total Statewide PL	45,310	0	87,956	133,266	1.1%	53,581	0	104,011	157,592	1.2%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	0	0	0	0	0.0%	0	0	0	0	0.0%
Total HB 2 Adjustments	45,310	0	87,956	133,266	1.1%	53,581	0	104,011	157,592	1.2%
Total Budget	3,701,750	363,458	8,592,111	12,657,319		3,710,021	363,458	8,608,166	12,681,645	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	45,310	0	87,956	133,266	0.00	53,581	0	104,011	157,592
Grand Total All Present Law Adjustments	0.00	\$45,310	\$0	\$87,956	\$133,266	0.00	\$53,581	\$0	\$104,011	\$157,592

*"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.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent		
PB	56.00	58.00	58.00	2.00		1.8%
General Fund	5,358,999	5,636,140	5,150,765	68,907		0.6%
State/Other Special Rev. Funds	1,607,484	1,610,954	1,569,911	(34,103)		(1.1%)
Federal Spec. Rev. Funds	7,341,275	7,564,274	7,186,170	67,894		0.5%
Total Funds	14,307,758	14,811,368	13,906,846	102,698		0.4%
Personal Services	4,712,515	4,526,948	4,540,969	(357,113)		(3.8%)
Operating Expenses	9,587,317	10,276,732	9,358,188	460,286		2.4%
Debt Service	7,926	7,688	7,689	(475)		(3.0%)
Total Expenditures	14,307,758	14,811,368	13,906,846	102,698		0.4%
Total Ongoing	14,307,758	14,811,368	13,906,846	102,698		0.4%
Total One-Time-Only						0.0%

Program Description

The Business and Financial Services Division (BFSD) manages the development and implementation of agency-wide accounting policies, procedures, and best business practices that support the mission of the department.

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

Business and Financial Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The BFSD 2027 biennium legislative budget is approximately \$103,000 or 0.4% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> ◦ Increases in statewide present law adjustments for fixed costs ◦ Increases of \$166,000 across the biennium to make 1.00 modified PB permanent ◦ The legislature adopted a budget reduction for certain DPHHS divisions; this totaled a reduction of \$405,000 across all funds in the 2027 biennium

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	4,471,206	4,057,869	4,712,515	4,526,948	4,540,969
Operating Expenses	9,145,794	10,593,740	9,587,317	10,276,732	9,358,188
Equipment & Intangible Assets	0	5,100	0	0	0
Debt Service	27,442	7,926	7,926	7,688	7,689
Total Expenditures	\$13,644,442	\$14,664,635	\$14,307,758	\$14,811,368	\$13,906,846
General Fund	5,140,496	5,275,510	5,358,999	5,636,140	5,150,765
State/Other Special Rev. Funds	909,666	1,569,190	1,607,484	1,610,954	1,569,911
Federal Spec. Rev. Funds	7,594,280	7,819,935	7,341,275	7,564,274	7,186,170
Total Funds	\$13,644,442	\$14,664,635	\$14,307,758	\$14,811,368	\$13,906,846
Total Ongoing	\$13,644,442	\$14,664,635	\$14,307,758	\$14,811,368	\$13,906,846
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

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

Department of Public Health & Human Services, 06-Business and Financial Services Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	10,786,905	0	0	10,786,905	37.56 %
02382 02 Indirect Activity Prog 06	3,180,865	0	0	3,180,865	100.00 %
State Special Total	\$3,180,865	\$0	\$0	\$3,180,865	11.08 %
03591 03 Indirect Activity Prog 06	14,750,444	0	0	14,750,444	100.00 %
Federal Special Total	\$14,750,444	\$0	\$0	\$14,750,444	51.36 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$28,718,214	\$0	\$0	\$28,718,214	

The 2027 biennium budget for BFSD is general fund, state special revenue funds, and federal special revenue funds. The entire appropriation for BFSD comes from House Bill 2.

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.

Many 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.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Business and Financial Services 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	5,358,999	1,607,484	7,341,275	14,307,758	96.6%	5,358,999	1,607,484	7,341,275	14,307,758	102.9%
Statewide PL										
Personal Services	(67,148)	(10,388)	(45,152)	(122,688)	(0.8%)	(61,253)	(9,484)	(37,496)	(108,233)	(0.8%)
Fixed Costs	391,766	35,235	317,158	744,159	5.0%	(98,248)	(6,542)	(67,068)	(171,858)	(1.2%)
Inflation Deflation	(37)	0	0	(37)	(0.0%)	(25)	0	0	(25)	(0.0%)
Total Statewide PL	324,581	24,847	272,006	621,434	4.2%	(159,526)	(16,026)	(104,564)	(280,116)	(2.0%)
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	(47,440)	(21,377)	(49,007)	(117,824)	(0.8%)	(48,708)	(21,547)	(50,541)	(120,796)	(0.9%)
Total HB 2 Adjustments	277,141	3,470	222,999	503,610	3.4%	(208,234)	(37,573)	(155,105)	(400,912)	(2.9%)
Total Budget	5,636,140	1,610,954	7,564,274	14,811,368		5,150,765	1,569,911	7,186,170	13,906,846	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(67,148)	(10,388)	(45,152)	(122,688)	0.00	(61,253)	(9,484)	(37,496)	(108,233)
DP 2 - Fixed Costs	0.00	391,766	35,235	317,158	744,159	0.00	(98,248)	(6,542)	(67,068)	(171,858)
DP 3 - Inflation Deflation	0.00	(37)	0	0	(37)	0.00	(25)	0	0	(25)
Grand Total All Present Law Adjustments	0.00	\$324,581	\$24,847	\$272,006	\$621,434	0.00	(\$159,526)	(\$16,026)	(\$104,564)	(\$280,116)

*"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.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in fixed costs assessed by other agencies within state government for the services they provide. Examples include: audit fees, Capitol complex rent, 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 in-state state motor pool and motor pool leased vehicles.

New Proposals

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 6002 - Alternative Procurement Officer BFSD	2.00	36,296	4,722	43,452	84,470	2.00	35,136	4,571	42,063	81,770
DP 6010 - 3% Reduction in Budget - BFSD	0.00	(172,685)	(49,253)	(231,006)	(452,944)	0.00	(158,092)	(48,018)	(219,625)	(425,735)
DP 6011 - Restore Administration Funding - BFSD	0.00	88,949	23,154	138,547	250,650	0.00	74,248	21,900	127,021	223,169
Total	2.00	(\$47,440)	(\$21,377)	(\$49,007)	(\$117,824)	2.00	(\$48,708)	(\$21,547)	(\$50,541)	(\$120,796)

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

DP 6002 - Alternative Procurement Officer BFSD -

The legislature approved 1.00 PB for a procurement officer in the Business and Financial Services Division.

DP 6010 - 3% Reduction in Budget - BFSD -

The legislature adopted a budget reduction for certain DPHHS divisions.

DP 6011 - Restore Administration Funding - BFSD -

The legislature adopted a partial restoration of authority to cover fixed costs, rates, and information technology maintenance and operations costs.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	153.75	153.75	153.75	0.00	0.0%
General Fund	3,382,917	3,365,204	3,324,954	(75,676)	(1.1%)
State/Other Special Rev. Funds	14,394,802	18,086,283	18,077,760	7,374,439	25.6%
Federal Spec. Rev. Funds	23,012,520	22,112,051	22,181,569	(1,731,420)	(3.8%)
Total Funds	40,790,239	43,563,538	43,584,283	5,567,343	6.8%
Personal Services	14,120,954	13,949,250	13,977,071	(315,587)	(1.1%)
Operating Expenses	9,921,150	10,000,230	9,993,059	150,989	0.8%
Equipment & Intangible Assets	141,821	141,821	141,821		0.0%
Grants	13,491,004	16,356,927	16,357,022	5,731,941	21.2%
Benefits & Claims	2,704,648	2,704,648	2,704,648		0.0%
Transfers	346,100	346,100	346,100		0.0%
Debt Service	64,562	64,562	64,562		0.0%
Total Expenditures	40,790,239	43,563,538	43,584,283	5,567,343	6.8%
Total Ongoing	40,790,239	41,263,538	41,284,283	967,343	1.2%
Total One-Time-Only		2,300,000	2,300,000	4,600,000	0.0%

Program Description

The Public Health and Safety Division (PHSD) works to protect and improve the health of Montanans by advancing conditions for healthy living. PHSD provides a wide range of public health services to individuals and communities that are aimed at the prevention of disease and the promotion of health. Services are provided through nearly 300 contracts with public and private providers, including local and tribal public health departments, clinics, hospitals, and other community-based organizations.

Programs administered by the division include 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, and emergency medical services and trauma services.

Program Highlights

Public Health & Safety Division	
Major Budget Highlights	
<ul style="list-style-type: none"> The legislative PHSD 2027 biennium budget is approximately \$5.6 million or 6.8% higher than the FY 2025 base budget, primarily due to a \$5.7 million increase in federal grants authority 	

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	12,779,918	12,272,641	14,120,954	13,949,250	13,977,071
Operating Expenses	9,117,965	9,550,353	9,921,150	10,000,230	9,993,059
Equipment & Intangible Assets	252,461	433,930	141,821	141,821	141,821
Grants	12,412,318	13,342,270	13,491,004	16,356,927	16,357,022
Benefits & Claims	2,390,097	2,775,354	2,704,648	2,704,648	2,704,648
Transfers	261,644	346,100	346,100	346,100	346,100
Debt Service	42,245	46,227	64,562	64,562	64,562
Total Expenditures	\$37,256,648	\$38,766,875	\$40,790,239	\$43,563,538	\$43,584,283
General Fund	3,227,687	3,273,806	3,382,917	3,365,204	3,324,954
State/Other Special Rev. Funds	12,311,708	12,975,669	14,394,802	18,086,283	18,077,760
Federal Spec. Rev. Funds	21,717,253	22,517,400	23,012,520	22,112,051	22,181,569
Total Funds	\$37,256,648	\$38,766,875	\$40,790,239	\$43,563,538	\$43,584,283
Total Ongoing	\$37,256,648	\$38,766,875	\$40,790,239	\$41,263,538	\$41,284,283
Total OTO	\$0	\$0	\$0	\$2,300,000	\$2,300,000

69010 - Department of Public Health & Human Services 07-Public Health and Safety Division

Funding

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

Department of Public Health & Human Services, 07-Public Health and Safety Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	6,690,158	0	0	6,690,158	7.68 %
02199 DHES Food & Consumer	13,928	0	0	13,928	0.04 %
02234 Cancer Screening	31,600	0	0	31,600	0.09 %
02366 Public Health Laboratory	6,486,257	0	0	6,486,257	17.94 %
02379 02 Indirect Activity Prog 07	619,504	0	0	619,504	1.71 %
02419 Vital Statistics	879,033	0	0	879,033	2.43 %
02462 Food/Lodging License	5,603,559	0	0	5,603,559	15.49 %
02512 BRFS Survey Fees	87,116	0	0	87,116	0.24 %
02765 Insurance Policies Fees SB278	81,231	0	0	81,231	0.22 %
02790 6901-Statewide Tobacco Sttlmnt	21,002,504	0	0	21,002,504	58.08 %
02987 Tobacco Interest	1,359,311	0	0	1,359,311	3.76 %
State Special Total	\$36,164,043	\$0	\$0	\$36,164,043	41.50 %
03004 EMS Data Injury	337,326	0	0	337,326	0.76 %
03014 MT Retail Food Academy	2,000	0	0	2,000	0.00 %
03029 Diabetes Advance Health Equity	1,480,064	0	0	1,480,064	3.34 %
03159 Tuberculosis Grant	335,631	0	0	335,631	0.76 %
03274 Ryan White Act, Title II	1,727,253	0	0	1,727,253	3.90 %
03275 Adult Viral Hepatitis Prevent	744,024	0	0	744,024	1.68 %
03336 Food Inspection Program	85,767	0	0	85,767	0.19 %
03371 Improving Arthritis Outcomes	376,003	0	0	376,003	0.85 %
03402 Addressing Asthma	790,226	0	0	790,226	1.78 %
03415 Breast and Cervical Health	2,474,099	0	0	2,474,099	5.59 %
03431 Improve Health Diabetes Heart	1,553,249	0	0	1,553,249	3.51 %
03540 Ryan White Treatment Rebate	2,014,579	0	0	2,014,579	4.55 %
03551 Preventive Health Block Grant	1,897,248	0	0	1,897,248	4.28 %
03569 ACA-ELC Non-PPHF	1,997,801	0	0	1,997,801	4.51 %
03596 03 Indirect Activity Prog 07	4,444,922	0	0	4,444,922	10.04 %
03602 BRFS Program	1,048,870	0	0	1,048,870	2.37 %
03607 Tobacco Control Program	2,365,057	0	0	2,365,057	5.34 %
03712 6901-Cancer Registries 93.283	653,136	0	0	653,136	1.47 %
03788 MT Disability & Health	953,662	0	0	953,662	2.15 %
03903 Emergency Preparedness	10,186,427	0	0	10,186,427	23.00 %
03904 Bioterr. Hospital Preparedness	2,339,310	0	0	2,339,310	5.28 %
03936 Vaccination Program	3,478,981	0	0	3,478,981	7.85 %
03937 STD Program	538,034	0	0	538,034	1.21 %
03938 Aids Fed. Cat. #13.118	1,871,253	0	0	1,871,253	4.22 %
03969 Ryan White ADAP Shortfall	5,075	0	0	5,075	0.01 %
03979 69010 Comprehnsv Cancer Contrl	593,623	0	0	593,623	1.34 %
Federal Special Total	\$44,293,620	\$0	\$0	\$44,293,620	50.83 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$87,147,821	\$0	\$0	\$87,147,821	

The 2027 biennium PHSD budget is funded by general fund, state special revenue, and federal funds. The entire appropriation for PHSD comes from HB 2 authority. General fund is used to fund a portion of each of the major functions.

The major sources of state special revenue are:

- Tobacco settlement funds and tobacco settlement trust fund interest (see the state special revenue fund balance table in the DPHHS Agency Summary for detail on these funds)
- 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

Of the more than 30 funding sources that support PHSD, the majority are federal categorical grants which are allocated to specific activities.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Public Health and Safety Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	3,382,917	14,394,802	23,012,520	40,790,239	93.6%	3,382,917	14,394,802	23,012,520	40,790,239	93.6%
Statewide PL										
Personal Services	(24,865)	46,892	(193,731)	(171,704)	(0.4%)	(57,429)	38,369	(124,823)	(143,883)	(0.3%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(790)	0	(1,588)	(2,378)	(0.0%)	(534)	0	(1,073)	(1,607)	(0.0%)
Total Statewide PL	(25,655)	46,892	(195,319)	(174,082)	(0.4%)	(57,963)	38,369	(125,896)	(145,490)	(0.3%)
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	7,942	3,644,589	(705,150)	2,947,381	6.8%	0	3,644,589	(705,055)	2,939,534	6.7%
Total HB 2 Adjustments	(17,713)	3,691,481	(900,469)	2,773,299	6.4%	(57,963)	3,682,958	(830,951)	2,794,044	6.4%
Total Budget	3,365,204	18,086,283	22,112,051	43,563,538		3,324,954	18,077,760	22,181,569	43,584,283	

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 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(24,865)	46,892	(193,731)	(171,704)	0.00	(57,429)	38,369	(124,823)	(143,883)
DP 3 - Inflation Deflation	0.00	(790)	0	(1,588)	(2,378)	0.00	(534)	0	(1,073)	(1,607)
Grand Total All Present Law Adjustments	0.00	(\$25,655)	\$46,892	(\$195,319)	(\$174,082)	0.00	(\$57,963)	\$38,369	(\$125,896)	(\$145,490)

*"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.

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 in-state state motor pool and motor pool leased vehicles.

New Proposals

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1801 - HB 401	0.00	7,942	0	0	7,942	0.00	0	0	0	0
DP 1806 - HB 853	0.00	0	1,344,589	0	1,344,589	0.00	0	1,344,589	0	1,344,589
DP 7001 - Realign Appropriation for Ryan White ADAP	0.00	0	0	(705,150)	(705,150)	0.00	0	0	(705,055)	(705,055)
DP 7011 - Tobacco Use Prevention Program Funding (OTO)	0.00	0	1,000,000	0	1,000,000	0.00	0	1,000,000	0	1,000,000
DP 7012 - Tobacco Use Prevention Program Contingent Funding (OTO)	0.00	0	1,300,000	0	1,300,000	0.00	0	1,300,000	0	1,300,000
Total	0.00	\$7,942	\$3,644,589	(\$705,150)	\$2,947,381	0.00	\$0	\$3,644,589	(\$705,055)	\$2,939,534

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

DP 1801 - HB 401 -

This legislation requires the department to notify via mail the affected retail food establishments. The appropriation provides funding for the requisite postage.

DP 1806 - HB 853 -

This legislation adjusts fees for food service establishments and gives the department authority to utilize the increase in revenue.

DP 7001 - Realign Appropriation for Ryan White ADAP -

The legislature reduced the appropriation of federal funds for the Ryan White acquired immunodeficiency syndrome (AIDS) Drug Assistance Program (ADAP) fund to align the appropriation with anticipated available funding.

DP 7011 - Tobacco Use Prevention Program Funding (OTO) -

The legislature adopted grants appropriations in each fiscal year of the biennium for the Tobacco Use Prevention Program. It also adopted another contingent grant appropriation in each fiscal year of the biennium, along with HB 2 language specifying the nature of the contingency. For a fiscal year in the 2027 biennium in which the state does not receive federal funds for the tobacco use prevention program, the contingent appropriation is valid.

DP 7012 - Tobacco Use Prevention Program Contingent Funding (OTO) -

The legislature adopted grants appropriations in each fiscal year of the biennium for the Tobacco Use Prevention Program. It also adopted another contingent grant appropriation in each fiscal year of the biennium, along with HB 2 language specifying the nature of the contingency. For a fiscal year in the 2027 biennium in which the state does not receive federal funds for the tobacco use prevention program, the contingent appropriation is valid.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	88.50	88.50	88.50	0.00	0.0%
General Fund	2,704,940	2,788,333	2,796,792	175,245	3.2%
State/Other Special Rev. Funds	1,065,729	1,040,990	1,041,199	(49,269)	(2.3%)
Federal Spec. Rev. Funds	6,080,301	6,181,460	6,191,511	212,369	1.7%
Total Funds	9,850,970	10,010,783	10,029,502	338,345	1.7%
Personal Services	7,110,747	7,457,285	7,474,011	709,802	5.0%
Operating Expenses	2,101,046	1,933,497	1,935,489	(333,106)	(7.9%)
Grants	636,577	617,480	617,480	(38,194)	(3.0%)
Debt Service	2,600	2,521	2,522	(157)	(3.0%)
Total Expenditures	9,850,970	10,010,783	10,029,502	338,345	1.7%
Total Ongoing	9,850,970	10,010,783	10,029,502	338,345	1.7%
Total One-Time-Only					0.0%

Program Description

The Office of the Inspector General (OIG) promotes and protects the safety and well-being of Montanans by providing responsive and independent assessment and monitoring of health and human services programs. This includes activities related to licensing, fraud, waste, and abuse, and ensuring federal compliance.

Program Highlights

Office of Inspector General	
Major Budget Highlights	
<ul style="list-style-type: none"> The 2027 biennium appropriations are approximately \$338,000 or 1.7% higher than the FY 2025 base budget. This increase is driven primarily by present law adjustments for personal services, with some offset by reductions in operating expenses to reflect anticipated division needs 	

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	7,298,827	6,780,078	7,110,747	7,457,285	7,474,011
Operating Expenses	1,157,621	2,063,797	2,101,046	1,933,497	1,935,489
Grants	677,192	636,577	636,577	617,480	617,480
Debt Service	56,174	2,600	2,600	2,521	2,522
Total Expenditures	\$9,189,814	\$9,483,052	\$9,850,970	\$10,010,783	\$10,029,502
General Fund	3,168,931	3,188,144	2,704,940	2,788,333	2,796,792
State/Other Special Rev. Funds	219,979	317,067	1,065,729	1,040,990	1,041,199
Federal Spec. Rev. Funds	5,800,904	5,977,841	6,080,301	6,181,460	6,191,511
Total Funds	\$9,189,814	\$9,483,052	\$9,850,970	\$10,010,783	\$10,029,502
Total Ongoing	\$9,189,814	\$9,483,052	\$9,850,970	\$10,010,783	\$10,029,502
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed program 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	5,585,125	0	0	5,585,125	27.87 %
02034 Earmarked Alcohol Funds	203,152	0	0	203,152	9.76 %
02043 Med Provider Revalidation Fees	1,000	0	0	1,000	0.05 %
02380 02 Indirect Activity Prog 08	1,311,335	0	0	1,311,335	62.98 %
02497 6901-Lien & Estate - SLTCD	163,650	0	0	163,650	7.86 %
02585 Recovery Audit Contract	200	0	0	200	0.01 %
02760 Private Alt Adoi Res Programs	402,852	0	0	402,852	19.35 %
State Special Total	\$2,082,189	\$0	\$0	\$2,082,189	10.39 %
03303 Title 18 CLIA	259,893	0	0	259,893	2.10 %
03335 FDA Mammography Inspections	190,260	0	0	190,260	1.54 %
03359 Recovery Audit Program	200	0	0	200	0.00 %
03530 6901-Foster Care 93.658	185,378	0	0	185,378	1.50 %
03580 6901-93.778 - Med Adm 50%	1,723,287	0	0	1,723,287	13.93 %
03597 03 Indirect Activity Prog 08	2,582,640	0	0	2,582,640	20.87 %
03934 Title 19	1,654,067	0	0	1,654,067	13.37 %
03935 Title 18	4,070,204	0	0	4,070,204	32.90 %
03960 Rural Hospital Flexibility Prog	1,707,042	0	0	1,707,042	13.80 %
Federal Special Total	\$12,372,971	\$0	\$0	\$12,372,971	61.74 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$20,040,285	\$0	\$0	\$20,040,285	

The OIG receives general fund, state special revenue, and federal funds. The entire appropriation for OIG comes from HB 2 authority.

General fund appropriations get funneled into 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 include:

- Alcohol taxes allocated to OIG used to fund staff and operational costs for the Chemical Dependency Licensure Program
- Lien and estate funds used to support services to pursue recoveries for Medicaid costs, mainly for nursing home services
- Recovery audit contract funds 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 supports 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.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Office of Inspector General 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	2,704,940	1,065,729	6,080,301	9,850,970	98.4%	2,704,940	1,065,729	6,080,301	9,850,970	98.2%
Statewide PL										
Personal Services	160,205	7,457	449,874	617,536	6.2%	167,447	7,672	459,660	634,779	6.3%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(4,558)	0	(1,776)	(6,334)	(0.1%)	(3,080)	0	(1,200)	(4,280)	(0.0%)
Total Statewide PL	155,647	7,457	448,098	611,202	6.1%	164,367	7,672	458,460	630,499	6.3%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	(72,254)	(32,196)	(346,939)	(451,389)	(4.5%)	(72,515)	(32,202)	(347,250)	(451,967)	(4.5%)
Total HB 2 Adjustments	83,393	(24,739)	101,159	159,813	1.6%	91,852	(24,530)	111,210	178,532	1.8%
Total Budget	2,788,333	1,040,990	6,181,460	10,010,783		2,796,792	1,041,199	6,191,511	10,029,502	

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 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	160,205	7,457	449,874	617,536	0.00	167,447	7,672	459,660	634,779
DP 3 - Inflation Deflation	0.00	(4,558)	0	(1,776)	(6,334)	0.00	(3,080)	0	(1,200)	(4,280)
Grand Total All Present Law Adjustments	0.00	\$155,647	\$7,457	\$448,098	\$611,202	0.00	\$164,367	\$7,672	\$458,460	\$630,499

**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.

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 in-state state motor pool and motor pool leased vehicles.

New Proposals

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1809 - SB 191	0.00	13,564	0	0	13,564	0.00	13,564	0	0	13,564
DP 8001 - Realign Appropriation with Revenue Rural Hospital Flex Pgm	0.00	0	0	(115,400)	(115,400)	0.00	0	0	(115,400)	(115,400)
DP 8002 - Realign Appropriation - Clinical Laboratory Improvement	0.00	0	0	(40,360)	(40,360)	0.00	0	0	(40,360)	(40,360)
DP 8010 - 3% Reduction in Budget - OIG	0.00	(85,818)	(32,196)	(191,179)	(309,193)	0.00	(86,079)	(32,202)	(191,490)	(309,771)
Total	0.00	(\$72,254)	(\$32,196)	(\$346,939)	(\$451,389)	0.00	(\$72,515)	(\$32,202)	(\$347,250)	(\$451,967)

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

DP 1809 - SB 191 -

This legislation provides for the creation and licensure of residential treatment centers. Contingency language in HB 2 adds general fund authority to the department for the purposes of this bill.

DP 8001 - Realign Appropriation with Revenue Rural Hospital Flex Pgm -

The legislature reduced the appropriation of federal revenue to the Rural Hospital Flexibility Program to align appropriation with anticipated expenditures.

DP 8002 - Realign Appropriation - Clinical Laboratory Improvement -

The legislature reduced the appropriation of federal revenue to the Title 18 Clinical Laboratory Improvement Amendments Program to align appropriation with anticipated expenditures.

DP 8010 - 3% Reduction in Budget - OIG -

The legislature adopted a budget reduction for certain DPHHS divisions.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	66.00	63.00	63.00	(3.00)	(2.3%)
General Fund	25,339,380	30,073,406	34,969,644	14,364,290	28.3%
State/Other Special Rev. Funds	2,306,712	2,344,589	2,489,523	220,688	4.8%
Federal Spec. Rev. Funds	47,874,108	51,486,965	62,251,787	17,990,536	18.8%
Total Funds	75,520,200	83,904,960	99,710,954	32,575,514	21.6%
Personal Services	6,767,040	6,466,364	6,481,928	(585,788)	(4.3%)
Operating Expenses	64,484,160	73,297,666	89,088,096	33,417,442	25.9%
Equipment & Intangible Assets	85,000	82,450	82,450	(5,100)	(3.0%)
Debt Service	4,184,000	4,058,480	4,058,480	(251,040)	(3.0%)
Total Expenditures	75,520,200	83,904,960	99,710,954	32,575,514	21.6%
Total Ongoing	75,520,200	83,904,960	99,710,954	32,575,514	21.6%
Total One-Time-Only					0.0%

Program Description

The Technology Service Division (TSD) manages DPHHS's information technology systems and infrastructure. TSD is comprised of three bureaus (Project Management, Application Development and Hosting, and Support and Security), three offices (Program Management, Data Management, and Information Security and Compliance), and one program (Medicaid IT Systems/MPATH). TSD services include programming, help desk functions, database support, web development, enterprise architecture, security, project management, data management, and network management. DPHHS's Chief Information Officer (CIO) leads TSD.

The overall mission of the 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

Technology Services Division Major Budget Highlights	
<ul style="list-style-type: none"> The TSD 2027 biennium legislative budget is approximately \$32.6 million or 21.6% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> Increases for information technology maintenance and operational costs that amount to \$23.4 million in all funds across the biennium. This includes \$1.9 million general fund in FY 2026 and \$6.7 million general fund in FY 2027 Fixed cost increases of \$10.0 million for the biennium A reduction of 3.00 PB and \$633,000 across the biennium to consolidate information technology security The legislature adopted a budget reduction for certain DPHHS divisions; in TSD, this reduction totaled \$612,000 all funds over the biennium 	

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	7,211,600	6,402,275	6,767,040	6,466,364	6,481,928
Operating Expenses	63,967,933	69,073,158	64,484,160	73,297,666	89,088,096
Equipment & Intangible Assets	0	85,000	85,000	82,450	82,450
Debt Service	3,319,670	3,581,800	4,184,000	4,058,480	4,058,480
Total Expenditures	\$74,499,203	\$79,142,233	\$75,520,200	\$83,904,960	\$99,710,954
General Fund	24,337,818	24,684,291	25,339,380	30,073,406	34,969,644
State/Other Special Rev. Funds	2,288,183	2,944,053	2,306,712	2,344,589	2,489,523
Federal Spec. Rev. Funds	47,873,202	51,513,889	47,874,108	51,486,965	62,251,787
Total Funds	\$74,499,203	\$79,142,233	\$75,520,200	\$83,904,960	\$99,710,954
Total Ongoing	\$74,499,203	\$79,142,233	\$75,520,200	\$83,904,960	\$99,710,954
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed program 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	65,043,050	0	0	65,043,050	35.42 %
02381 02 Indirect Activity Prog 09	4,834,112	0	0	4,834,112	100.00 %
State Special Total	\$4,834,112	\$0	\$0	\$4,834,112	2.63 %
03426 CHIP Program Fed	26,000	0	0	26,000	0.02 %
03598 03 Indirect Activity Prog 09	91,660,092	0	0	91,660,092	80.59 %
03974 Medicaid Exp HELP Act Admin	22,052,660	0	0	22,052,660	19.39 %
Federal Special Total	\$113,738,752	\$0	\$0	\$113,738,752	61.94 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$183,615,914	\$0	\$0	\$183,615,914	

TSD is funded with general fund, state special revenue funds, and federal funds. TSD receives most of its federal funds and all 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. TSD provides services to every other division within the department in some capacity. This includes the oversight of information technology (IT) systems and improvement projects, data management and governance, as well as security regulation compliance.

There is also a large amount of funding for Medicaid expansion administrative funding, which covers various operational costs for the Montana Program for Automating and Transforming Healthcare (MPATH) including but not limited to data management and federal reporting.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Technology Services Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	25,339,380	2,306,712	47,874,108	75,520,200	90.0%	25,339,380	2,306,712	47,874,108	75,520,200	75.7%
Statewide PL										
Personal Services	64,985	7,834	130,205	203,024	0.2%	71,608	9,194	138,268	219,070	0.2%
Fixed Costs	3,065,733	(92,627)	1,962,193	4,935,299	5.9%	3,108,253	(90,734)	2,037,197	5,054,716	5.1%
Inflation Deflation	(543)	0	0	(543)	(0.0%)	(367)	0	0	(367)	(0.0%)
Total Statewide PL	3,130,175	(84,793)	2,092,398	5,137,780	6.1%	3,179,494	(81,540)	2,175,465	5,273,419	5.3%
Present Law (PL)	1,893,077	175,581	1,804,489	3,873,147	4.6%	11,776,320	316,686	12,482,926	24,575,932	24.6%
New Proposals	(289,226)	(52,911)	(284,030)	(626,167)	(0.7%)	(5,325,550)	(52,335)	(280,712)	(5,658,597)	(5.7%)
Total HB 2 Adjustments	4,734,026	37,877	3,612,857	8,384,760	10.0%	9,630,264	182,811	14,377,679	24,190,754	24.3%
Total Budget	30,073,406	2,344,589	51,486,965	83,904,960		34,969,644	2,489,523	62,251,787	99,710,954	

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 2026						Fiscal 2027				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services										
0.00	64,985	7,834	130,205	203,024		0.00	71,608	9,194	138,268	219,070
DP 2 - Fixed Costs										
0.00	3,065,733	(92,627)	1,962,193	4,935,299		0.00	3,108,253	(90,734)	2,037,197	5,054,716
DP 3 - Inflation Deflation										
0.00	(543)	0	0	(543)		0.00	(367)	0	0	(367)
DP 9000 - TSD Combined Maintenance & Operational Requests										
0.00	1,893,077	175,581	1,804,489	3,873,147		0.00	11,776,320	316,686	12,482,926	24,575,932
Grand Total All Present Law Adjustments										
0.00	\$5,023,252	\$90,788	\$3,896,887	\$9,010,927		0.00	\$14,955,814	\$235,146	\$14,658,391	\$29,849,351

**"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.

DP 2 - Fixed Costs -

The legislature adopted adjustments to provide the funding required in the proposed budget to pay increases in 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 in-state state motor pool and motor pool leased vehicles.

DP 9000 - TSD Combined Maintenance & Operational Requests -

The legislature adopted authority for existing maintenance and operations (M&O) costs as well as appropriations needed for new system implementations within the TSD. For new IT systems, M&O costs are estimated during the HB 10 request, but costs are not finalized until the contract has been awarded. These costs enter the HB 2 biennial budget when the system becomes operational. This funds anticipated increases in existing vendor contracts for CHIMES, CAPS, SEARCHS, and EBT as well as systems implementations / replacements for CCWIS, SEARCHS, HIE, EHR, and various MPATH modules.

System	Acronym
Combined Health Information and Montana Eligibility System	CHIMES
Child Protective Services System	CAPS
System for the Enforcement and Recovery of Child Support	SEARCHS
Electronic Benefits Transfer	EBT
Comprehensive Child Welfare Information System	CCWIS
Health Information Exchange	HIE
Electronic Health Records and Billing Solution	EHR
Montana's Program for Automating & Transforming Healthcare	MPATH

New Proposals

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

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 9001 - SITSD Security Consolidation	(3.00)	(154,443)	(24,493)	(141,697)	(320,633)	(3.00)	(150,543)	(23,874)	(138,117)	(312,534)
DP 9010 - 3% Reduction in Budget - TSD	0.00	(906,246)	(71,190)	(1,548,879)	(2,526,315)	0.00	(1,204,340)	(75,540)	(1,871,831)	(3,151,711)
DP 9011 - Restore Administration Funding - TSD	0.00	771,463	42,772	1,406,546	2,220,781	0.00	1,069,333	47,079	1,729,236	2,845,648
DP 9333 - Remove Operations for Electronic Health Records	0.00	0	0	0	0	0.00	(5,040,000)	0	0	(5,040,000)
Total	(3.00)	(\$289,226)	(\$52,911)	(\$284,030)	(\$626,167)	(3.00)	(\$5,325,550)	(\$52,335)	(\$280,712)	(\$5,658,597)

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

DP 9001 - SITSD Security Consolidation -

The legislature adopted a reduction of 3.00 PB from TSD as part of security consolidation efforts across the Executive Branch. Page R-5 of HB 2 from the 68th Legislature directed the State Information Technology Services Division to work with the Office of Budget and Program Planning to identify and reduce 8.00 PB across state agencies as part of the information technology security consolidation project. There are 3.00 PB from TSD that were identified and removed.

DP 9010 - 3% Reduction in Budget - TSD -

The legislature adopted a budget reduction for certain DPHHS divisions.

DP 9011 - Restore Administration Funding - TSD -

The legislature adopted a partial restoration of authority to cover fixed costs, rates, and information technology maintenance and operations costs.

DP 9333 - Remove Operations for Electronic Health Records -

The legislature adopted an adjustment to remove funding for operating expenses requested for the Electronic Health Records information technology system that was originally part of DP 9000. Due to delays in the RFP process, the Department of Public Health and Human Services has requested this reduction.

69010 - Department of Public Health & Human Services 10-Behavioral Health & Dev Disability**Program Base Budget Comparison**

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget	Adopted Budget		Biennium Change from Base	
	FY 2025	FY 2026	FY 2027	Amount	Percent
PB	104.00	106.00	106.00	2.00	1.0%
General Fund	139,528,384	150,817,691	164,763,858	36,524,781	13.1%
State/Other Special Rev. Funds	40,409,848	49,356,607	57,939,857	26,476,768	32.8%
Federal Spec. Rev. Funds	385,165,051	357,904,947	419,275,026	6,849,871	0.9%
Total Funds	565,103,283	558,079,245	641,978,741	69,851,420	6.2%
Personal Services	9,072,333	9,523,744	9,929,944	1,309,022	7.2%
Operating Expenses	4,536,610	17,310,038	13,074,373	21,311,191	234.9%
Grants	7,878,514	13,521,279	12,287,933	10,052,184	63.8%
Benefits & Claims	543,257,862	517,366,220	606,328,527	37,179,023	3.4%
Debt Service	357,964	357,964	357,964		0.0%
Total Expenditures	565,103,283	558,079,245	641,978,741	69,851,420	6.2%
Total Ongoing	565,103,283	547,227,245	596,051,106	13,071,785	1.2%
Total One-Time-Only		10,852,000	45,927,635	56,779,635	0.0%

Program Description

The Behavioral Health and Developmental Disabilities Division (BHDD) works to enhance the quality of life for individuals with behavioral health challenges and/or developmental disabilities by promoting recovery, resilience, and community integration. BHDD administers a wide range of services. The BHDD 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
<ul style="list-style-type: none">• The BHDD 2027 biennium appropriations are approximately \$69.9 million or 6.2% higher than the FY 2025 base budget. Significant changes include:<ul style="list-style-type: none">◦ Funding recommendations from the work of the Behavioral Health Systems for Future Generations (BHSFG) Commission totaling \$34.1 million state special revenue and \$40.4 million federal special revenue across the biennium◦ Additional BHSFG state special revenue appropriations for various types of bed capacity totaling \$3.7 million across the biennium◦ Federal medical assistance percentage adjustments that increase state general fund obligations for traditional Medicaid by \$8.6 million in FY 2026 and \$9.1 million in FY 2027. State special revenue adjustments that increase state obligations by \$2.5 million in FY 2026 and \$2.6 million in FY 2027◦ Traditional Medicaid caseload adjustments totaling a decrease of \$26.1 million all funds in FY 2026 and a decrease of \$8.5 million all funds in FY 2027◦ Decrease in present law adjustments for Medicaid expansion adult mental health services of \$14.9 million all funds in FY 2026 and \$12.9 million all funds in FY 2027◦ An \$8.4 million dollar increase in federal funds to bring the State Opioid Response Grant and the Food and Drug Administration Tobacco Grant into HB 2. These programs are 100.0% federally funded and have historically been added through budget amendment

69010 - Department of Public Health & Human Services 10-Behavioral Health & Dev Disability

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	9,373,030	8,344,553	9,072,333	9,523,744	9,929,944
Operating Expenses	5,127,387	4,307,084	4,536,610	17,310,038	13,074,373
Grants	14,399,813	9,338,114	7,878,514	13,521,279	12,287,933
Benefits & Claims	434,016,733	498,880,593	543,257,862	517,366,220	606,328,527
Debt Service	258,353	357,964	357,964	357,964	357,964
Total Expenditures	\$463,175,316	\$521,228,308	\$565,103,283	\$558,079,245	\$641,978,741
General Fund	120,634,014	122,608,865	139,528,384	150,817,691	164,763,858
State/Other Special Rev. Funds	31,974,044	38,290,738	40,409,848	49,356,607	57,939,857
Federal Spec. Rev. Funds	310,567,258	360,328,705	385,165,051	357,904,947	419,275,026
Total Funds	\$463,175,316	\$521,228,308	\$565,103,283	\$558,079,245	\$641,978,741
Total Ongoing	\$463,175,316	\$521,228,308	\$565,103,283	\$547,227,245	\$596,051,106
Total OTO	\$0	\$0	\$0	\$10,852,000	\$45,927,635

Funding

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

Department of Public Health & Human Services, 10-Behavioral Health & Dev Disability Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	315,581,549	0	0	315,581,549	26.19 %
02034 Earmarked Alcohol Funds	6,986,760	0	4,860,884	11,847,644	10.56 %
02064 HEART-Healing RECOVERY TRTMT	16,572,055	0	0	16,572,055	14.78 %
02181 BHSFG	37,850,183	0	0	37,850,183	33.75 %
02338 CSCT OPI State Match	6,731,966	0	0	6,731,966	6.00 %
02517 02 Indirect Activity Prog 10	184,170	0	0	184,170	0.16 %
02597 Healthy Montana Kids Plan	6,552,586	0	0	6,552,586	5.84 %
02772 Tobacco Hlth and Medicaid Init	22,756,098	0	0	22,756,098	20.29 %
02987 Tobacco Interest	9,662,646	0	0	9,662,646	8.62 %
State Special Total	\$107,296,464	\$0	\$4,860,884	\$112,157,348	9.31 %
03171 Data Infrastructure Developmnt	338,771	0	0	338,771	0.04 %
03491 Tobacco Retail Inspctn Program	437,710	0	0	437,710	0.06 %
03505 93.150 - Mntal Hlth - Homeless	609,950	0	0	609,950	0.08 %
03507 93.958 - Mntal Hlth - Blk Grt	5,911,316	0	0	5,911,316	0.76 %
03508 93.959 - ADAD - Blk Grt 100%	15,352,304	0	0	15,352,304	1.98 %
03579 93.667 - SSBG - Benefits	3,542,280	0	0	3,542,280	0.46 %
03580 6901-93.778 - Med Adm 50%	9,544,207	0	0	9,544,207	1.23 %
03583 93.778 - Med Ben FMAP	546,783,938	0	0	546,783,938	70.35 %
03599 03 Indirect Activity Prog 10	3,215,787	0	0	3,215,787	0.41 %
03684 State Opioid Response Grant	8,000,000	0	0	8,000,000	1.03 %
03975 Medicaid Exp HELP Act Benefit	183,443,710	0	0	183,443,710	23.60 %
Federal Special Total	\$777,179,973	\$0	\$0	\$777,179,973	64.50 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$1,200,057,986	\$0	\$4,860,884	\$1,204,918,870	

69010 - Department of Public Health & Human Services 10-Behavioral Health & Dev Disability

Funding for BHDD is made up of a combination of general fund, state special revenue funds, and federal funds.

A majority of BHDD's funding is federal funds. The largest portion of this funding is from Medicaid benefits and claims at the standard FMAP. BHDD 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.

The bulk of general fund in BHDD funds 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.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Behavioral Health & Dev Disability 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	139,528,384	40,409,848	385,165,051	565,103,283	101.3%	139,528,384	40,409,848	385,165,051	565,103,283	88.0%
Statewide PL										
Personal Services	107,213	116,513	(55,469)	168,257	0.0%	119,824	116,794	(43,466)	193,152	0.0%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(1,591)	(15)	(1,823)	(3,429)	(0.0%)	(1,075)	(10)	(1,233)	(2,318)	(0.0%)
Total Statewide PL	105,622	116,498	(57,292)	164,828	0.0%	118,749	116,784	(44,699)	190,834	0.0%
Present Law (PL)	4,164,105	(3,875,086)	(41,373,963)	(41,084,944)	(7.4%)	11,373,591	(3,543,787)	(29,215,418)	(21,385,614)	(3.3%)
New Proposals	7,019,580	12,705,347	14,171,151	33,896,078	6.1%	13,743,134	20,957,012	63,370,092	98,070,238	15.3%
Total HB 2 Adjustments	11,289,307	8,946,759	(27,260,104)	(7,024,038)	(1.3%)	25,235,474	17,530,009	34,109,975	76,875,458	12.0%
Total Budget	150,817,691	49,356,607	357,904,947	558,079,245		164,763,858	57,939,857	419,275,026	641,978,741	

69010 - Department of Public Health & Human Services 10-Behavioral Health & Dev Disability

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 2026-----					-----Fiscal 2027-----					
PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds	
DP 1 - Personal Services	0.00	107,213	116,513	(55,469)	168,257	0.00	119,824	116,794	(43,466)	193,152
DP 3 - Inflation Deflation	0.00	(1,591)	(15)	(1,823)	(3,429)	0.00	(1,075)	(10)	(1,233)	(2,318)
DP 10400 - Traditional Medicaid Caseload Update DPHHS - BHDD	0.00	(1,370,225)	(705,589)	(4,296,896)	(6,372,710)	0.00	(1,378,458)	(882,078)	(4,571,955)	(6,832,491)
DP 10401 - Traditional Medicaid Caseload Update LFD - BHDD	0.00	(5,310,660)	0	(8,625,291)	(13,935,951)	0.00	(5,557,969)	0	(8,969,360)	(14,527,329)
DP 10550 - Medicaid Core Services AMH - BHDD	0.00	737,128	(169,825)	910,435	1,477,738	0.00	1,946,557	(118,208)	2,916,911	4,745,260
DP 10551 - Medicaid Core Services DDP and CMH - BHDD	0.00	2,595,303	(5,602,063)	(4,825,384)	(7,832,144)	0.00	5,503,375	(5,375,819)	203,502	331,058
DP 10552 - Medicaid Core FMAP Adjustment AMH - BHDD	0.00	1,110,445	215,360	(1,325,805)	0	0.00	1,181,654	226,739	(1,408,393)	0
DP 10553 - Medicaid Core FMAP Adjustment DDP and CMH - BHDD	0.00	3,154,959	522,347	(3,677,306)	0	0.00	3,321,268	557,470	(3,878,738)	0
DP 10554 - Medicaid Waiver Services AMH - BHDD	0.00	1,580,789	333,485	3,072,113	4,986,387	0.00	3,255,238	430,510	5,880,168	9,565,916
DP 10555 - Medicaid Waiver Services DDP and CMH- BHDD	0.00	(1,111,917)	(600,000)	(2,747,360)	(4,459,277)	0.00	(97,109)	(600,000)	(1,112,155)	(1,809,264)
DP 10556 - Medicaid Waiver FMAP Adjustment AMH - BHDD	0.00	(258,695)	1,736,849	(1,478,154)	0	0.00	(258,695)	1,785,919	(1,527,224)	0
DP 10557 - Medicaid Waiver FMAP Adjustment DDP and CMH - BHDD	0.00	4,636,619	0	(4,636,619)	0	0.00	4,885,679	0	(4,885,679)	0
DP 10560 - Medicaid Expansion Services AMH - BHDD	0.00	(1,388,412)	4,765	(12,452,825)	(13,836,472)	0.00	(961,346)	77,514	(7,954,490)	(8,838,322)
DP 10564 - Medicaid Expansion FMAP AMH - BHDD	0.00	289,608	0	(289,608)	0	0.00	289,608	0	(289,608)	0
DP 10600 - Medicaid Expansion Caseload Update DPHHS - BHDD	0.00	(319,587)	389,585	629,989	699,987	0.00	(490,859)	354,166	(1,230,233)	(1,366,926)
DP 10601 - Medicaid Expansion Caseload Update LFD - BHDD	0.00	(181,250)	0	(1,631,252)	(1,812,502)	0.00	(265,352)	0	(2,388,164)	(2,653,516)
Grand Total All Present Law Adjustments	0.00	\$4,269,727	(\$3,758,588)	(\$41,431,255)	(\$40,920,116)	0.00	\$11,492,340	(\$3,427,003)	(\$29,260,117)	(\$21,194,780)

*"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 Services 10-Behavioral Health & Dev Disability

DP 1 - Personal Services -

The legislature adopted adjustments to the present law personal services budget.

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 in-state state motor pool and motor pool leased vehicles.

DP 10400 - Traditional Medicaid Caseload Update DPHHS - BHDD -

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

DP 10401 - Traditional Medicaid Caseload Update LFD - BHDD -

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

DP 10550 - Medicaid Core Services AMH - BHDD -

The legislature adopted funding for caseload growth in the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division. This adjustment covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10551 - Medicaid Core Services DDP and CMH - BHDD -

The legislature adopted a decrease in caseload in the Developmental Disabilities Program (DDP) and Children's Mental Health (CMH) programs in the Behavioral Health and Developmental Disabilities Division which covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10552 - Medicaid Core FMAP Adjustment AMH - BHDD -

The legislature adopted an adjustment to maintain existing services for Adult Mental Health (AMH) services in the Behavioral Health and Developmental Disability Division. The biennial funding increases the general and state special revenue funds and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10553 - Medicaid Core FMAP Adjustment DDP and CMH - BHDD -

The legislature adopted an increase to maintain existing services for the Developmental Disabilities Program (DDP) and Children's Mental Health (CMH) programs in the Behavioral Health and Developmental Disabilities Division. The biennial funding increases the general and state special revenue funds and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10554 - Medicaid Waiver Services AMH - BHDD -

The legislature adopted an increase for caseload in the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division which covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care in the Severe and Disabling Mental Illness (SDMI) Waiver. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10555 - Medicaid Waiver Services DDP and CMH- BHDD -

The legislature adopted a decrease of caseload in the Developmental Disabilities Program (DDP) and Children's Mental Health (CMH) programs in the Behavioral Health and Developmental Disabilities Division which covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care in the Developmental Disabilities Waiver. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10556 - Medicaid Waiver FMAP Adjustment AMH - BHDD -

The legislature adopted adjustments to maintain existing services for the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division. The biennial funding increases the general and state special revenue funds and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10557 - Medicaid Waiver FMAP Adjustment DDP and CMH - BHDD -

The legislature adopted adjustments to maintain existing services for the Developmental Disabilities and Children's Mental Health Bureaus in the Behavioral Health and Developmental Disabilities Division. The biennial funding increases the general and state special revenue funds and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 10560 - Medicaid Expansion Services AMH - BHDD -

The legislature adopted adjustments for the decrease of caseload in the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division which covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care for Medicaid expansion. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 10564 - Medicaid Expansion FMAP AMH - BHDD -

The legislature adopted adjustments to maintain existing services for the Adult Mental Health (AMH) Program in the Behavioral Health and Developmental Disabilities Division. The total cost for the program does not change.

DP 10600 - Medicaid Expansion Caseload Update DPHHS - BHDD -

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

DP 10601 - Medicaid Expansion Caseload Update LFD - BHDD -

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

69010 - Department of Public Health & Human Services 10-Behavioral Health & Dev Disability

New Proposals

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

New Proposals										
Fiscal 2026						Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1802 - HB 574	2.00	0	0	0	0	2.00	0	0	0	0
DP 1811 - SB 524	0.00	223,117	0	104,603	327,720	0.00	1,811,657	0	846,515	2,658,172
DP 10001 - State Opioid Response Grant - BHDD	0.00	0	0	4,000,000	4,000,000	0.00	0	0	4,000,000	4,000,000
DP 10002 - FDA Tobacco Grant - BHDD	0.00	0	0	218,855	218,855	0.00	0	0	218,855	218,855
DP 10301 - Psych. Res. Treat. Fac. Bed Capacity (Restricted/OTO)	0.00	0	1,237,000	0	1,237,000	0.00	0	0	0	0
DP 10420 - Medicaid Home Visiting for Ind. with SUD or SDMI (RST)	0.00	0	645,176	1,035,408	1,680,584	0.00	0	667,000	1,063,994	1,730,994
DP 10456 - Fund MH Community Crisis Beds (RST/BIEN/OTO)	0.00	0	1,250,000	0	1,250,000	0.00	0	1,250,000	0	1,250,000
DP 10482 - 3% Provider Rate Adjustment - BHDD Non-Medicaid	0.00	44,598	0	84,793	129,391	0.00	92,572	0	185,774	278,346
DP 10483 - 3% Provider Rate Adjustment - BHDD Trad Med	0.00	4,061,548	0	6,595,885	10,657,433	0.00	8,452,957	0	13,640,502	22,093,459
DP 10484 - 3% Provider Rate Adjustment - BHDD Med Exp	0.00	190,317	0	1,712,857	1,903,174	0.00	385,948	0	3,473,535	3,859,483
DP 10711 - BHSFG 01. 0208 Waiver Serv. Rates (RST/BIEN)	0.00	0	218,753	218,750	437,503	0.00	0	2,091,168	2,498,132	4,589,300
DP 10713 - BHSFG 03. Service Delivery for Complex Needs (RST/BIEN)	0.00	0	1,395,000	0	1,395,000	0.00	0	4,090,350	3,389,650	7,480,000
DP 10714 - BHSFG 04. Redefine and Reopen E & D Clinics (RST)	0.00	0	50,000	0	50,000	0.00	0	1,000,000	0	1,000,000
DP 10716 - BHSFG 06. Funding for Targeted Case Management (RST/BIEN)	0.00	0	355,273	125,000	480,273	0.00	0	1,105,273	125,000	1,230,273
DP 10718 - BHSFG 08. Care Transitions Program (RST/BIEN)	0.00	0	0	0	0	0.00	0	1,239,576	0	1,239,576
DP 10728 - BHSFG 18. School BH Initiatives (RST/BIEN)	0.00	0	1,764,145	0	1,764,145	0.00	0	1,764,145	0	1,764,145
DP 10729 - BHSFG 19. Workforce Incentivization (RST/BIEN/OTO)	0.00	0	7,715,000	0	7,715,000	0.00	0	565,000	0	565,000
DP 10732 - BHSFG 22. CCBHC (RST/BIEN/OTO)	0.00	0	0	0	0	0.00	0	8,436,984	31,924,371	40,361,355
DP 10759 - BHSFG 9.1 988 Marketing Campaign (RST/BIEN/OTO)	0.00	0	500,000	0	500,000	0.00	0	500,000	0	500,000
DP 10799 - BHSFG 17. Rates In-State Youth Res. Serv. (RST/BIEN/OTO)	0.00	0	75,000	75,000	150,000	0.00	0	1,247,516	2,003,764	3,251,280
DP 10801 - Refinance MED CORE AMH I-149	0.00	0	0	0	0	0.00	0	0	0	0
DP 10802 - Realign Appropriation for HCBS MH Waiver	0.00	0	0	0	0	0.00	0	0	0	0
DP 10803 - Realign Appropriation for Med Waiver AMH	0.00	2,500,000	(2,500,000)	0	0	0.00	3,000,000	(3,000,000)	0	0
Total	2.00	\$7,019,580	\$12,705,347	\$14,171,151	\$33,896,078	2.00	\$13,743,134	\$20,957,012	\$63,370,092	\$98,070,238

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

DP 1802 - HB 574 -

The legislature adopted contingency language to increase positions budgeted if HB 574 is passed and approved and this decision package implements this language. This decision package adds positions only as funding was included in DP 10732. This legislation provides policy to guide the implementation of Certified Community Behavioral Health Clinics.

DP 1811 - SB 524 -

The legislature adopted contingency language to increase appropriations if SB 524 is passed and approved and this decision package implements this language. This legislation revises laws related to category D assisted living facilities by providing clarification on the use of seclusion and chemical restraints as well as providing for individuals who would otherwise be committed to the Montana State Hospital to be diverted to category D assisted living facilities.

69010 - Department of Public Health & Human Services 10-Behavioral Health & Dev Disability

DP 10001 - State Opioid Response Grant - BHDD -

The legislature adopted adjustments to add the State Opioid Response Grant to the Prevention Program budget in BHDD. The funding has been requested through the Office of Budget and Program Planning (OBPP) using the Budget Amendment process since 2018. The grant dollars are used to address the opioid crisis by providing resources to Montana communities to increase access to FDA-approved medications for the treatment of opioid use disorder (OUD), and to support the continuum of prevention, harm reduction, treatment, and recovery support services for OUD, and other concurrent substance use disorders. The State Opioid Response Program also supports the continuum of care for stimulant misuse and use disorders, including cocaine and methamphetamine. This service is funded with 100.0% federal funds.

DP 10002 - FDA Tobacco Grant - BHDD -

The legislature adopted adjustments to add the federal Food and Drug Administration (FDA) Tobacco Grant to the prevention program budget in BHDD. The funding has been requested through the Office of Budget and Program Planning using the budget amendment process since 2018. The grant dollars are used to enforce retailer compliance with tobacco regulations. This service is funded with 100.0% federal funds.

DP 10301 - Psych. Res. Treat. Fac. Bed Capacity (Restricted/OTO) -

The legislature added grant authority from the behavioral health systems for future generations state special revenue fund. This authority is designated as one-time-only and is restricted to grants for increasing psychiatric residential treatment facility bed capacity across the state of Montana for the youngest and highest-need kids.

DP 10420 - Medicaid Home Visiting for Ind. with SUD or SDMI (RST) -

The legislature adopted funding to provide home visiting as a Medicaid service to individuals with a substance use disorder (SUD) or severe disabling mental illness (SDMI) diagnosis and are either pregnant or have a child in the home under six years of age. This funding is restricted to the specified purpose.

DP 10456 - Fund MH Community Crisis Beds (RST/BIEN/OTO) -

The legislature adopted funding for mental health community crisis beds.

DP 10482 - 3% Provider Rate Adjustment - BHDD Non-Medicaid -

The legislature adopted funding for provider rate increases to non-Medicaid providers reimbursed through the Behavioral Health and Developmental Disabilities Division.

DP 10483 - 3% Provider Rate Adjustment - BHDD Trad Med -

The legislature adopted funding for provider rate increases to Medicaid providers reimbursed through the Behavioral Health and Developmental Disabilities Division. This portion of funding captures claims reimbursed for the traditional Medicaid populations.

DP 10484 - 3% Provider Rate Adjustment - BHDD Med Exp -

The legislature adopted funding for provider rate increases to Medicaid providers reimbursed through the Behavioral Health and Developmental Disabilities Division. This portion of funding captures claims reimbursed for the Medicaid expansion population.

DP 10711 - BHSFG 01. 0208 Waiver Serv. Rates (RST/BIEN) -

The legislature adopted funding to implement Behavioral Health System for Future Generations recommendation 01 - Refine and Reconfigure the Current 0208 Comprehensive Waiver Services Rates. This is an adjustment in tiered rate methodology from hours of support to an acuity and level of supports based model. More detail can be found on page 16 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium and includes a continuing Medicaid funding component. This funding is restricted to the specified purpose and is biennial.

DP 10713 - BHSFG 03. Service Delivery for Complex Needs (RST/BIEN) -

The legislature adopted funding to implement Behavioral Health System for Future Generations recommendation 03 - Expand the Service Delivery System to Support Individuals with Complex Needs. This recommendation proposes piloting the START program, procuring training for those in the workforce focused on individuals with complex needs and develop an additional community living service in the 0208 waiver for individuals with complex needs. More detail can be found on page 18 of the [BHSFG Commission Final Report](#). This funding will cover one-time-only and initial operations costs for the recommendation during the biennium and includes a Medicaid and non-Medicaid funding component. This funding is restricted to the specified purpose and is biennially appropriated.

DP 10714 - BHSFG 04. Redefine and Reopen E & D Clinics (RST) -

The legislature adopted adjustments to implement Behavioral Health System for Future Generations recommendation 04 - Redefine and Reopen Evaluation and Diagnostics (E&D) Clinics. More detail can be found on page 18 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium.

DP 10716 - BHSFG 06. Funding for Targeted Case Management (RST/BIEN) -

The legislature adopted funding to implement Behavioral Health System for Future Generations recommendation 06 - Enhance the Targeted Case Management (TCM) Program. This decision package authorizes a revaluation of the TCM for certain service populations, an expansion of the TCM program as well as incentivization of TCM providers to measure outcomes. More detail can be found on page 21 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium.

DP 10718 - BHSFG 08. Care Transitions Program (RST/BIEN) -

The legislature adopted adjustments to implement Behavioral Health Systems for Future Generations recommendation 08 - Implement a Care Transitions Program. This decision package authorizes the initiation of a new case management program for people transitioning from certain settings. More detail can be found on page 23 of the [BHSFG Commission Final Report](#). This funding is restricted to the specified purpose and is biennially appropriated.

DP 10728 - BHSFG 18. School BH Initiatives (RST/BIEN) -

The legislature adopted funding to implement Behavioral Health System for Future Generations recommendation 18 - Invest in School-Based Behavioral Health Initiatives. This decision package authorizes additional investments in school based behavioral health efforts such as one-time investments in school-based multi-tiered system of supports (MTSS) and provide interprofessional training for school staff. More detail can be found on page 33 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium and includes a continuing Medicaid funding component. This funding is restricted to the specified purpose and is biennially appropriated.

DP 10729 - BHSFG 19. Workforce Incentivization (RST/BIEN/OTO) -

The legislature adopted funding to implement Behavioral Health System for Future Generations (BHSFG) recommendation 19 - Incentivize Providers to Join the Behavioral Health (BH) and Developmental Disabilities (DD) Workforce. This decision package authorizes a tuition reimbursement program targeting the BH workforce and a dual enrollment program for tuition-free college level courses to high school students aimed at preparing students to enter BH and DD professions. More detail can be found on page 34 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium. This funding is restricted to the specified purpose, biennial, and one-time-only.

DP 10732 - BHSFG 22. CCBHC (RST/BIEN/OTO) -

The legislature adopted funding to implement Behavioral Health System for Future Generations recommendation 22 - Expand and Sustain Certified Community Behavioral Health Clinics (CCBHC). This decision package authorizes infrastructure and capacity investments for a statewide CCBHC model and provides funding to CCBHC providers to support adherence to Substance Abuse and Mental Health Services Administration CCBHC requirements. More detail can be found on page 37 of the [BHSFG Commission Final Report](#). This funding is all Medicaid funding and is restricted to the specified purpose, biennial, and one-time-only.

DP 10759 - BHSFG 9.1 988 Marketing Campaign (RST/BIEN/OTO) -

The legislature adopted funding to implement a marketing campaign for the 988 crisis line throughout the state. These funds are restricted to this purpose, biennial, and one-time-only.

DP 10799 - BHSFG 17. Rates In-State Youth Res. Serv. (RST/BIEN/OTO) -

The legislature adopted funding to implement Behavioral Health System for Future Generations recommendation 17 - Redesign Rates to Improve In-State Youth Residential Services. This decision package establishes authority for redefining the rate structure for high acuity youth at in-state youth residential homes as well as provide for smaller residence options for higher acuity youth. More detail can be found on page 32 of the [BHSFG Commission Final Report](#). This funding will cover start-up and initial operations costs for the recommendation during the biennium.

DP 10801 - Refinance MED CORE AMH I-149 -

The legislature adopted adjustments to refinance Medicaid Core Adult Mental Health in BHDD. This change package includes a reduction of \$2.0 million from I-149 state special revenue fund paired with an offsetting increase in state special tobacco trust interest funds. The total cost for the program is not impacted.

DP 10802 - Realign Appropriation for HCBS MH Waiver -

The legislature adopted adjustments to state special revenue funds in the Home and Community Based Services Mental Health Waiver Program to align appropriation with anticipated expenditures. This change package includes a reduction of \$1.6 million from I-149 state special revenue fund paired with an offsetting increase in state special tobacco trust interest funds. The total cost for the program is not impacted by this change package.

DP 10803 - Realign Appropriation for Med Waiver AMH -

The legislature adopted a fund switch in the Medicaid Waiver Adult Mental Health Program reduces the state special appropriation for I-149 tobacco and increases general fund support. This change package includes a reduction of state special revenue over the biennium and includes an offsetting increase in general funds. The total cost for the program does not change.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	41.12	41.12	41.12	0.00	0.0%
General Fund	252,485,411	260,434,741	279,407,081	34,871,000	6.9%
State/Other Special Rev. Funds	142,340,451	145,198,374	145,803,727	6,321,199	2.2%
Federal Spec. Rev. Funds	1,416,489,505	1,282,395,965	1,327,973,476	(222,609,569)	(7.9%)
Total Funds	1,811,315,367	1,688,029,080	1,753,184,284	(181,417,370)	(5.0%)
Personal Services	3,477,156	3,815,719	3,823,065	684,472	9.8%
Operating Expenses	15,753,952	16,376,199	16,515,442	1,383,737	4.4%
Benefits & Claims	1,792,081,842	1,667,834,745	1,732,843,360	(183,485,579)	(5.1%)
Debt Service	2,417	2,417	2,417		0.0%
Total Expenditures	1,811,315,367	1,688,029,080	1,753,184,284	(181,417,370)	(5.0%)
Total Ongoing	1,811,315,367	1,688,029,080	1,752,734,684	(181,866,970)	(5.0%)
Total One-Time-Only			449,600	449,600	0.0%

Program Description

The Health Resources Division (HRD) administers Medicaid primary care services, Healthy Montana Kids (HMK) for children in low-income families, and the Montana Medicaid Expansion Program. The purpose of the division is to improve and protect the health and safety of Montanans.

The main function of the division is to reimburse private and public healthcare 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 the division's services 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.

The division administers a children's health insurance program, HMK, as a separate health insurance program and contracts with Blue Cross Blue Shield to provide third party administrator services. HMK offers dental and eyeglass benefits which get reimbursed directly by the department. HMK is a voluntary state/federal partnership that reimburses for medical services for children at or below 261.0% of the federal poverty level.

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.

The vast majority, 98.8%, of the 2027 biennium HRD budget supports benefits and claims, or payments for medical services. Operating expenditures are 1.0% and personal services are 0.2% of the total budget request. Other DPHHS divisions include personal services and operating costs that support administration of some HRD programs. For instance, eligibility determination for Medicaid and HMK services is managed by the Human and Community Services Division, and funding for the Medicaid Management Information System (MMIS) claims payment is budgeted in the Technology Services Division.

Program Highlights

Health Resources Division	
Major Budget Highlights	
<ul style="list-style-type: none"> The 2027 biennium appropriations are approximately \$181.4 million or 5.0% lower than the FY 2025 base budget, including a \$183.5 million reduction within the benefits and claims budget <ul style="list-style-type: none"> Offsetting increases in personal services and operating expenses of \$684,000 and \$1.4 million, respectively, account for the difference Due to changes in the Medicaid match rate and caseload adjustments, general fund authority will increase by \$43.7 million and federal funds authority will decrease by \$141.7 million Provider rate adjustments increase appropriations by \$15.2 million general fund and \$43.7 million federal funds for the 2027 biennium A \$3.0 million fund switch from the general fund will be used to increase state special revenue authority 	

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	3,283,776	3,567,644	3,477,156	3,815,719	3,823,065
Operating Expenses	8,757,189	15,443,938	15,753,952	16,376,199	16,515,442
Benefits & Claims	1,609,680,876	1,719,172,454	1,792,081,842	1,667,834,745	1,732,843,360
Debt Service	0	2,417	2,417	2,417	2,417
Total Expenditures	\$1,621,721,841	\$1,738,186,453	\$1,811,315,367	\$1,688,029,080	\$1,753,184,284
General Fund	232,549,210	236,743,307	252,485,411	260,434,741	279,407,081
State/Other Special Rev. Funds	129,205,197	133,072,313	142,340,451	145,198,374	145,803,727
Federal Spec. Rev. Funds	1,259,967,434	1,368,370,833	1,416,489,505	1,282,395,965	1,327,973,476
Total Funds	\$1,621,721,841	\$1,738,186,453	\$1,811,315,367	\$1,688,029,080	\$1,753,184,284
Total Ongoing	\$1,621,721,841	\$1,738,186,453	\$1,811,315,367	\$1,688,029,080	\$1,752,734,684
Total OTO	\$0	\$0	\$0	\$0	\$449,600

Funding

The following table shows proposed program 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	539,841,822	0	0	539,841,822	14.87 %	
02053 Medicaid IGT's	241,540	0	0	241,540	0.08 %	
02064 HEART-Healing RECOVERY TRTMT	30,000	0	0	30,000	0.01 %	
02067 Montana HELP Act	55,721,216	0	0	55,721,216	19.15 %	
02142 Medicaid Third Party Revenue	1,521,924	0	0	1,521,924	0.52 %	
02311 02 Indirect Activity Prog 11	479,074	0	0	479,074	0.16 %	
02338 CSCT OPI State Match	600,000	0	0	600,000	0.21 %	
02597 Healthy Montana Kids Plan	97,110,412	0	0	97,110,412	33.37 %	
02772 Tobacco Hlth and Medicaid Init	3,337,908	0	0	3,337,908	1.15 %	
02789 6901-CHIP/MCHA Tobacco Sett Fd	11,316,912	0	0	11,316,912	3.89 %	
02987 Tobacco Interest	5,665,944	0	0	5,665,944	1.95 %	
02989 69010-Hospital Utilization Fee	114,977,171	0	0	114,977,171	39.51 %	
State Special Total	\$291,002,101	\$0	\$0	\$291,002,101	8.02 %	
03426 CHIP Program Fed	174,605,131	0	0	174,605,131	6.24 %	
03580 6901-93.778 - Med Adm 50%	13,877,810	0	0	13,877,810	0.50 %	
03582 93.778 - Med Ben 100%	0	0	189,118,862	189,118,862	6.76 %	
03583 93.778 - Med Ben FMAP	837,791,224	0	2	837,791,226	29.93 %	
03611 03 Indirect Activity Prog 11	1,641,415	0	0	1,641,415	0.06 %	
03974 Medicaid Exp HELP Act Admin	2,125,849	0	0	2,125,849	0.08 %	
03975 Medicaid Exp HELP Act Benefit	1,404,564,989	0	0	1,404,564,989	50.17 %	
03977 Med Exp HELP Act Indian Health	175,763,023	0	0	175,763,023	6.28 %	
Federal Special Total	\$2,610,369,441	\$0	\$189,118,864	\$2,799,488,305	77.11 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$3,441,213,364	\$0	\$189,118,864	\$3,630,332,228		

The 2027 biennium HRD HB 2 adopted budget is funded by general fund, state special revenue funds, and federal funds. General fund pays for the state Medicaid match, state Children's Health Insurance Program (CHIP) match, and Medicare buy-in.

State special revenue includes several sources of revenue. State special revenue is used in the state match for Medicaid and CHIP. 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.

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 Healthy Montana Kids (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

Federal funding sources include:

- Federal Medicaid matching funds: some at a 50.0% match (Medicaid program administration), some at 100.0% (Indian Health Services, which are the sole statutory appropriation for the division), some at 90.0% (Medicaid expansion), and some at the FMAP rate discussed above (currently 62.37% for FY 2025)
- Federal CHIP matching funds, which are about 11 percentage points higher than the standard FMAP rate

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Health Resources Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	252,485,411	142,340,451	1,416,489,505	1,811,315,367	107.3%	252,485,411	142,340,451	1,416,489,505	1,811,315,367	103.3%
Statewide PL										
Personal Services	158,933	30,187	149,443	338,563	0.0%	161,493	31,122	153,294	345,909	0.0%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(45)	(11)	(57)	(113)	0.0%	(30)	(8)	(38)	(76)	0.0%
Total Statewide PL	158,888	30,176	149,386	338,450	0.0%	161,463	31,114	153,256	345,833	0.0%
Present Law (PL)	5,844,544	(613,122)	(148,527,662)	(143,296,240)	(8.5%)	19,437,680	(508,931)	(118,447,584)	(99,518,835)	(5.7%)
New Proposals	1,945,898	3,440,869	14,284,736	19,671,503	1.2%	7,322,527	3,941,093	29,778,299	41,041,919	2.3%
Total HB 2 Adjustments	7,949,330	2,857,923	(134,093,540)	(123,286,287)	(7.3%)	26,921,670	3,463,276	(88,516,029)	(58,131,083)	(3.3%)
Total Budget	260,434,741	145,198,374	1,282,395,965	1,688,029,080		279,407,081	145,803,727	1,327,973,476	1,753,184,284	

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 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	158,933	30,187	149,443	338,563	0.00	161,493	31,122	153,294	345,909
DP 3 - Inflation Deflation	0.00	(45)	(11)	(57)	(113)	0.00	(30)	(8)	(38)	(76)
DP 11400 - Traditional Medicaid Caseload Update DPHHS - HRD	0.00	(795,725)	0	(3,053,729)	(3,849,454)	0.00	214,738	0	(3,128,461)	(2,913,723)
DP 11401 - Traditional Medicaid Caseload Update LFD - HRD	0.00	(6,197,246)	0	(8,755,249)	(14,952,495)	0.00	(11,165,106)	0	(15,635,102)	(26,800,208)
DP 11600 - Medicaid Expansion Caseload Update DPHHS - HRD	0.00	(235,313)	0	(14,092,867)	(14,328,180)	0.00	(294,178)	0	(15,571,823)	(15,866,001)
DP 11601 - Medicaid Expansion Caseload Update LFD - HRD	0.00	(2,109,532)	0	(19,612,808)	(21,722,340)	0.00	(3,665,593)	0	(36,919,348)	(40,584,941)
DP 11891 - Expansion Core Services - HRD	0.00	(4,200,194)	0	(42,676,153)	(46,876,347)	0.00	(1,327,571)	0	(16,822,553)	(18,150,124)
DP 11892 - Expansion Core HUF FMAP Adjustment - HRD	0.00	0	1,030,241	(1,030,241)	0	0.00	0	1,030,241	(1,030,241)	0
DP 11893 - Expansion Federal Services - HRD	0.00	0	0	(11,773,953)	(11,773,953)	0.00	0	0	(5,376,010)	(5,376,010)
DP 11896 - Expansion Core FMAP Adjustment - HRD	0.00	(1,065,138)	0	1,065,138	0	0.00	(1,065,138)	0	1,065,138	0
DP 11897 - Expansion Hospital Supplemental Payments - HRD	0.00	0	(1,628,006)	(14,652,058)	(16,280,064)	0.00	0	(1,628,006)	(14,652,058)	(16,280,064)
DP 11900 - HMK Caseload - HRD	0.00	(3,912,670)	0	(10,681,400)	(14,594,070)	0.00	(1,758,018)	0	(4,760,401)	(6,518,419)
DP 11991 - Medicaid Core Services - HRD	0.00	3,082,335	3,333,851	7,290,985	13,707,171	0.00	14,320,135	3,239,960	25,026,759	42,586,854
DP 11992 - Medicaid Core HUF FMAP Adjustment - HRD	0.00	0	1,957,059	(1,957,059)	0	0.00	0	2,068,443	(2,068,443)	0
DP 11993 - Medicaid Federal Services - HRD	0.00	0	0	(887,446)	(887,446)	0.00	0	0	(576,949)	(576,949)
DP 11994 - Medicaid Other Services - HRD	0.00	(523,115)	0	0	(523,115)	0.00	1,176,724	0	0	1,176,724
DP 11995 - Medicaid Administration - HRD	0.00	225,739	0	396,621	622,360	0.00	276,242	0	485,324	761,566
DP 11996 - Medicaid Core FMAP Adjustment - HRD	0.00	25,670,285	(3,333,851)	(22,336,434)	0	0.00	26,390,405	(3,239,960)	(23,150,445)	0
DP 11997 - Medicaid Hospital Supplemental Payments - HRD	0.00	0	(1,972,416)	(3,165,423)	(5,137,839)	0.00	0	(1,979,609)	(3,158,230)	(5,137,839)
DP 11998 - HMK FMAP Adjustment - HRD	0.00	(2,298,487)	0	2,298,487	0	0.00	(2,089,985)	0	2,089,985	0
DP 11999 - Healthy Montana Kids Caseload Update DPHHS - HRD	0.00	(1,796,395)	0	(4,904,073)	(6,700,468)	0.00	(1,574,975)	0	(4,264,726)	(5,839,701)
Grand Total All Present Law Adjustments	0.00	\$6,003,432	(\$582,946)	(\$148,378,276)	(\$142,957,790)	0.00	\$19,599,143	(\$477,817)	(\$118,294,328)	(\$99,173,002)

**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.

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 in-state state motor pool and motor pool leased vehicles.

DP 11400 - Traditional Medicaid Caseload Update DPHHS - HRD -

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

DP 11401 - Traditional Medicaid Caseload Update LFD - HRD -

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

DP 11600 - Medicaid Expansion Caseload Update DPHHS - HRD -

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

DP 11601 - Medicaid Expansion Caseload Update LFD - HRD -

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

DP 11891 - Expansion Core Services - HRD -

The legislature adopted a decrease to account for the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care for Medicaid Core. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 11892 - Expansion Core HUF FMAP Adjustment - HRD -

The legislature adopted an increase to maintain existing services for Expansion Core Hospital Utilization Fee (HUF). The biennial funding increases state special revenue and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 11893 - Expansion Federal Services - HRD -

The legislature adopted a reduction to account for the projected caseload decrease in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care for Medicaid expansion. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 11896 - Expansion Core FMAP Adjustment - HRD -

The legislature adopted this adjustment to maintain existing services for Medicaid expansion. The biennial funding decreases general fund and includes an offsetting increase in federal funds. The total cost for the program does not change.

DP 11897 - Expansion Hospital Supplemental Payments - HRD -

The legislature reduced the appropriation for Medicaid expansion HUF.

DP 11990 - HMK Caseload - HRD -

The legislature adopted a reduction to account for the projected caseload decrease (number of eligible individuals, utilization, acuity levels, and cost per service for medical care) in the Healthy Montana Kids Program. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 11991 - Medicaid Core Services - HRD -

The legislature adopted an increase for the projected caseload growth (number of eligible individuals, utilization, acuity levels, and cost per service) for medical care for Medicaid Core Services (standard medical services). This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 11992 - Medicaid Core HUF FMAP Adjustment - HRD -

The legislature adopted an increase to maintain existing services for the Medicaid HUF Program. The decision package adjusts the FY 2025 budgeted expenses from the FY 2025 FMAP (Federal Medical Assistance Percentage) rate of 37.5% state funds and 62.6% federal funds to the FY 2026 rate of 38.4% state funds and 61.6% federal funds, and the FY 2027 rate of 38.5% state funds and 61.5% federal funds. The total cost for the program does not change.

DP 11993 - Medicaid Federal Services - HRD -

The legislature adopted a reduction for the decrease of caseload (number of eligible individuals, utilization, acuity levels, and cost per service) for medical care for federal Medicaid. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 11994 - Medicaid Other Services - HRD -

The legislature adopted an increase to maintain existing services for the Medicaid Clawback Program.

DP 11995 - Medicaid Administration - HRD -

The legislature adopted an adjustment to maintain existing services for Medicaid administration.

DP 11996 - Medicaid Core FMAP Adjustment - HRD -

The legislature adopted an adjustment to maintain existing services for Medicaid. The decision package adjusts the FY 2025 budgeted expenses from the FY 2025 FMAP rate of 37.5% state funds and 62.6% federal funds to the FY 2026 rate of 38.4% state funds and 61.6% federal funds, and the FY 2027 rate of 38.5% state funds and 61.5% federal funds. The total cost for the program does not change.

DP 11997 - Medicaid Hospital Supplemental Payments - HRD -

The legislature reduced the appropriation for the Medicaid Hospital Utilization Fee (HUF).

DP 11998 - HMK FMAP Adjustment - HRD -

The legislature adopted an adjustment to maintain existing services for the Healthy Montana Kids Program. The decision package adjusts the FY 2025 budgeted expenses from the FY 2025 FMAP rate of 26.1% state funds and 73.9% federal funds, to the state fiscal year (SFY) 2026 rate of 26.8% state funds and 73.2% federal funds, and the SFY 2027 rate of 27.0% state funds and 73.0% federal funds. The biennial funding increases general fund and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 11999 - Healthy Montana Kids Caseload Update DPHHS - HRD -

The legislature adopted caseload adjustments for the Healthy Montana Kids (HMK) program.

New Proposals

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

New Proposals										
-----Fiscal 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1810 - SB 319 (RST/OTO)	0.00	0	0	0		0.00	117,627	0	331,973	449,600
DP 2404 - Line Item Veto - Air Ambulance Provider Rate Increase	0.00	(850,000)	0	(4,507,059)	(5,357,059)	0.00	(850,000)	0	(4,503,037)	(5,353,037)
DP 11101 - Medicaid Provider Rate Adj. - Air Ambulance	0.00	850,000	0	4,507,059	5,357,059	0.00	850,000	0	4,503,037	5,353,037
DP 11702 - 3% Provider Rate Adjustment - HRD Non-Medicaid	0.00	264,138	440,869	2,777,370	3,482,377	0.00	563,838	941,093	5,928,663	7,433,594
DP 11703 - 3% Provider Rate Adjustment - HRD Trad Med	0.00	4,101,538	0	5,794,508	9,896,046	0.00	8,459,985	0	11,846,974	20,306,959
DP 11704 - 3% Provider Rate Adjustment - HRD Med Exp	0.00	580,222	0	5,712,858	6,293,080	0.00	1,181,077	0	11,670,689	12,851,766
DP 11803 - Realign Appropriation for Med Core HRD	0.00	(3,000,000)	3,000,000	0	0	0.00	(3,000,000)	3,000,000	0	0
Total	0.00	\$1,945,898	\$3,440,869	\$14,284,736	\$19,671,503	0.00	\$7,322,527	\$3,941,093	\$29,778,299	\$41,041,919

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

DP 1810 - SB 319 (RST/OTO) -

The legislature adopted contingency language to increase benefits and claims authority if SB 319 is passed and approved and this decision package implements this language. This legislation provides policy to guide the licensure and regulation of doulas.

DP 2404 - Line Item Veto - Air Ambulance Provider Rate Increase -

The governor vetoed the legislatively-approved DP 11101 Medicaid Provider Rate Adj. - Air Ambulance and its associated funding.

DP 11101 - Medicaid Provider Rate Adj. - Air Ambulance -

The legislature adopted rate increases for air ambulance providers.

DP 11702 - 3% Provider Rate Adjustment - HRD Non-Medicaid -

The legislature adopted funding for provider rate increases to non-Medicaid providers reimbursed through the Health Resources Division.

DP 11703 - 3% Provider Rate Adjustment - HRD Trad Med -

The legislature adopted funding for provider rate increases to Medicaid providers reimbursed through the Health Resources Division. This portion of funding captures claims reimbursed for the traditional Medicaid populations.

DP 11704 - 3% Provider Rate Adjustment - HRD Med Exp -

The legislature adopted funding for provider rate increases to Medicaid providers reimbursed through the Health Resources Division. This portion of funding captures claims reimbursed for the Medicaid expansion population.

DP 11803 - Realign Appropriation for Med Core HRD -

The legislature adopted a fund switch in the Medicaid Core Program to increase the state special revenue appropriation for I-155 Healthy Montana Kids Program and decrease the general fund support. This change package includes an increase in state special revenue in each fiscal year of the biennium and includes an offsetting decrease in general funds. The total cost for the program does not change.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison						
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base		
		FY 2026	FY 2027	Amount	Percent	
PB	4.00	5.00	5.00	1.00	12.5%	
General Fund	1,362,425	1,416,917	1,417,059	109,126	4.0%	
State/Other Special Rev. Funds	42,142	48,835	48,845	13,396	15.9%	
Federal Spec. Rev. Funds	3,879,657	3,891,759	3,891,939	24,384	0.3%	
Total Funds	5,284,224	5,357,511	5,357,843	146,906	1.4%	
Personal Services	529,532	602,840	603,165	146,941	13.9%	
Operating Expenses	4,754,692	4,754,671	4,754,678	(35)	(0.0%)	
Total Expenditures	5,284,224	5,357,511	5,357,843	146,906	1.4%	
Total Ongoing	5,284,224	5,357,511	5,357,843	146,906	1.4%	
Total One-Time-Only					0.0%	

Program Description

The Medicaid and Health Services Management (MHSM) program is responsible for the overall governance and administration of Montana's Medicaid Program. MHSM is comprised of the Medicaid and Health Services Executive Director, Medicaid Chief Financial Manager, and two Complex Care Coordinators.

Program Highlights

Medicaid and Health Services Management Division Major Budget Highlights
<ul style="list-style-type: none"> The approved 2027 biennium budget is a 1.4% increase over the FY 2025 base budget, which is driven by a 13.9% increase in personal services The legislature approved 1.00 additional PB and associated funding for a complex care coordinator position

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	556,231	510,521	529,532	602,840	603,165
Operating Expenses	4,107,923	4,869,043	4,754,692	4,754,671	4,754,678
Total Expenditures	\$4,664,154	\$5,379,564	\$5,284,224	\$5,357,511	\$5,357,843
General Fund	1,426,459	1,440,866	1,362,425	1,416,917	1,417,059
State/Other Special Rev. Funds	92,823	116,169	42,142	48,835	48,845
Federal Spec. Rev. Funds	3,144,872	3,822,529	3,879,657	3,891,759	3,891,939
Total Funds	\$4,664,154	\$5,379,564	\$5,284,224	\$5,357,511	\$5,357,843
Total Ongoing	\$4,664,154	\$5,379,564	\$5,284,224	\$5,357,511	\$5,357,843
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed program 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	2,833,976	0	0	2,833,976	26.45 %
02220 02 Indirect Activity Prog 12	97,680	0	0	97,680	100.00 %
State Special Total	\$97,680	\$0	\$0	\$97,680	0.91 %
03305 03 Indirect Activity Prog 12	5,400,304	0	0	5,400,304	69.38 %
03580 6901-93.778 - Med Adm 50%	201,124	0	0	201,124	2.58 %
03974 Medicaid Exp HELP Act Admin	2,182,270	0	0	2,182,270	28.04 %
Federal Special Total	\$7,783,698	\$0	\$0	\$7,783,698	72.64 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$10,715,354	\$0	\$0	\$10,715,354	

MHSM receives general fund, state special revenue fund, and federal special revenue fund authority. The majority of MHSM funding is federal authority from Medicaid administration (50.0% 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.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Medicaid & Health Svcs Mngmt 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	1,362,425	42,142	3,879,657	5,284,224	98.6%	1,362,425	42,142	3,879,657	5,284,224	98.6%
Statewide PL										
Personal Services	(8,898)	(682)	(11,911)	(21,491)	(0.4%)	(8,763)	(672)	(11,731)	(21,166)	(0.4%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(21)	0	0	(21)	(0.0%)	(14)	0	0	(14)	(0.0%)
Total Statewide PL	(8,919)	(682)	(11,911)	(21,512)	(0.4%)	(8,777)	(672)	(11,731)	(21,180)	(0.4%)
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	63,411	7,375	24,013	94,799	1.8%	63,411	7,375	24,013	94,799	1.8%
Total HB 2 Adjustments	54,492	6,693	12,102	73,287	1.4%	54,634	6,703	12,282	73,619	1.4%
Total Budget	1,416,917	48,835	3,891,759	5,357,511		1,417,059	48,845	3,891,939	5,357,843	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(8,898)	(682)	(11,911)	(21,491)	0.00	(8,763)	(672)	(11,731)	(21,166)
DP 3 - Inflation Deflation	0.00	(21)	0	0	(21)	0.00	(14)	0	0	(14)
Grand Total All Present Law Adjustments	0.00	(\$8,919)	(\$682)	(\$11,911)	(\$21,512)	0.00	(\$8,777)	(\$672)	(\$11,731)	(\$21,180)

**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.

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 in-state state motor pool and motor pool leased vehicles.

New Proposals

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

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 12055 - Add PB for Complex Care Coordinator	1.00	63,411	7,375	24,013	94,799	1.00	63,411	7,375	24,013	94,799
Total	1.00	\$63,411	\$7,375	\$24,013	\$94,799	1.00	\$63,411	\$7,375	\$24,013	\$94,799

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

DP 12055 - Add PB for Complex Care Coordinator -

The legislature adopted the reduction of 1.00 vacant PB from HFD and added 1.00 PB to MHSM for a complex care coordinator.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	20.60	20.60	20.60	0.00	0.0%
General Fund	854,603	894,189	896,792	81,775	4.8%
State/Other Special Rev. Funds	685,026	671,275	671,458	(27,319)	(2.0%)
Federal Spec. Rev. Funds	1,205,648	1,271,159	1,274,256	134,119	5.6%
Total Funds	2,745,277	2,836,623	2,842,506	188,575	3.4%
Personal Services	2,075,200	2,186,671	2,192,547	228,818	5.5%
Operating Expenses	670,077	649,952	649,959	(40,243)	(3.0%)
Total Expenditures	2,745,277	2,836,623	2,842,506	188,575	3.4%
Total Ongoing	2,745,277	2,836,623	2,842,506	188,575	3.4%
Total One-Time-Only					0.0%

Program Description

The Operations Services Division (OSD) manages DPHHS's budgeting and operational processes. OSD is comprised of four offices: Budget and Finance, Information Technology (IT) Procurement and Contracts, Research and Data Analytics, and Internal Controls and Compliance.

Program Highlights

Operations Services Division Major Budget Highlights
<ul style="list-style-type: none"> The OSD 2027 biennium budget is approximately \$189,000 or 3.4% higher than the FY 2025 base budget. Significant changes include: <ul style="list-style-type: none"> Statewide present law increases for personal services A 3.0% decrease in all funds due to a budget reduction adopted by the legislature for certain divisions in DPHHS

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	1,767,995	1,932,324	2,075,200	2,186,671	2,192,547
Operating Expenses	178,985	740,968	670,077	649,952	649,959
Total Expenditures	\$1,946,980	\$2,673,292	\$2,745,277	\$2,836,623	\$2,842,506
General Fund	811,214	837,794	854,603	894,189	896,792
State/Other Special Rev. Funds	69,674	672,976	685,026	671,275	671,458
Federal Spec. Rev. Funds	1,066,092	1,162,522	1,205,648	1,271,159	1,274,256
Total Funds	\$1,946,980	\$2,673,292	\$2,745,277	\$2,836,623	\$2,842,506
Total Ongoing	\$1,946,980	\$2,673,292	\$2,745,277	\$2,836,623	\$2,842,506
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed program 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	1,790,981	0	0	1,790,981	31.54 %
02221 02 Indirect Activity Prog 16	1,342,733	0	0	1,342,733	100.00 %
State Special Total	\$1,342,733	\$0	\$0	\$1,342,733	23.64 %
03304 03 Indirect Activity Prog 16	2,545,415	0	0	2,545,415	100.00 %
Federal Special Total	\$2,545,415	\$0	\$0	\$2,545,415	44.82 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$5,679,129	\$0	\$0	\$5,679,129	

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.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Operations Services Division 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	854,603	685,026	1,205,648	2,745,277	96.8%	854,603	685,026	1,205,648	2,745,277	96.6%
Statewide PL										
Personal Services	67,265	7,010	104,825	179,100	6.3%	69,941	7,199	108,018	185,158	6.5%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(24)	0	0	(24)	(0.0%)	(16)	0	0	(16)	(0.0%)
Total Statewide PL	67,241	7,010	104,825	179,076	6.3%	69,925	7,199	108,018	185,142	6.5%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	(27,655)	(20,761)	(39,314)	(87,730)	(3.1%)	(27,736)	(20,767)	(39,410)	(87,913)	(3.1%)
Total HB 2 Adjustments	39,586	(13,751)	65,511	91,346	3.2%	42,189	(13,568)	68,608	97,229	3.4%
Total Budget	894,189	671,275	1,271,159	2,836,623		896,792	671,458	1,274,256	2,842,506	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	67,265	7,010	104,825	179,100	0.00	69,941	7,199	108,018	185,158
DP 3 - Inflation Deflation	0.00	(24)	0	0	(24)	0.00	(16)	0	0	(16)
Grand Total All Present Law Adjustments	0.00	\$67,241	\$7,010	\$104,825	\$179,076	0.00	\$69,925	\$7,199	\$108,018	\$185,142

*"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.

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 in-state state motor pool and motor pool leased vehicles.

New Proposals

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

New Proposals	-----Fiscal 2026-----					-----Fiscal 2027-----				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 16010 - 3% Reduction in Budget - OSD	0.00	(27,655)	(20,761)	(39,314)	(87,730)	0.00	(27,736)	(20,767)	(39,410)	(87,913)
Total	0.00	(\$27,655)	(\$20,761)	(\$39,314)	(\$87,730)	0.00	(\$27,736)	(\$20,767)	(\$39,410)	(\$87,913)

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

DP 16010 - 3% Reduction in Budget - OSD -

The legislature adopted a budget reduction for certain DPHHS divisions.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	75.75	78.75	78.75	3.00	2.0%
General Fund	110,420,770	116,639,391	127,489,918	23,287,769	10.5%
State/Other Special Rev. Funds	36,806,754	30,479,540	30,494,786	(12,639,182)	(17.2%)
Federal Spec. Rev. Funds	271,712,100	241,589,162	255,621,565	(46,213,473)	(8.5%)
Total Funds	418,939,624	388,708,093	413,606,269	(35,564,886)	(4.2%)
Personal Services	6,909,213	6,785,030	6,799,305	(234,091)	(1.7%)
Operating Expenses	2,733,471	3,140,643	3,109,252	782,953	14.3%
Grants	14,795,566	17,230,923	17,666,280	5,306,071	17.9%
Benefits & Claims	394,210,268	361,260,391	385,740,326	(41,419,819)	(5.3%)
Transfers	28,500	28,500	28,500		0.0%
Debt Service	262,606	262,606	262,606		0.0%
Total Expenditures	418,939,624	388,708,093	413,606,269	(35,564,886)	(4.2%)
Total Ongoing	418,939,624	388,708,093	413,606,269	(35,564,886)	(4.2%)
Total One-Time-Only					0.0%

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 (APS) Program investigates abuse, neglect, and exploitation of Montanans over the age of 60 and 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

**Senior and Long-Term Care Division
Major Budget Highlights**

- The approved 2027 biennium budget is 4.2% or \$35.6 million less than the FY 2025 base budget
- Medicaid caseload reductions, associated with projected lower expenditures than in the SLTC base budget, total \$(75.7) million over the biennium
- A 3.0% provider rate increase added \$32.3 million to the SLTC budget over the biennium
- FMAP adjustments increased general fund by \$19.9 million over the biennium and reduced federal funds by the same amount
- 3.00 PB and associated funding were added for adult protective services positions
- \$4.0 million general fund over the biennium for Area Agencies on Aging
- \$5.7 million over the biennium tied to the passage and approval of SB 524. SB 524 revises laws related to category D assisted living facilities by providing clarification on the use of seclusion and chemical restraints as well as providing for individuals who would otherwise be committed to the Montana State Hospital to be diverted to category D assisted living facilities

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	6,501,272	6,293,481	6,909,213	6,785,030	6,799,305
Operating Expenses	2,703,692	3,024,883	2,733,471	3,140,643	3,109,252
Grants	14,624,993	14,339,694	14,795,566	17,230,923	17,666,280
Benefits & Claims	315,790,141	354,131,314	394,210,268	361,260,391	385,740,326
Transfers	0	32,500	28,500	28,500	28,500
Debt Service	212,276	29,081	262,606	262,606	262,606
Total Expenditures	\$339,832,374	\$377,850,953	\$418,939,624	\$388,708,093	\$413,606,269
General Fund	85,166,831	94,427,953	110,420,770	116,639,391	127,489,918
State/Other Special Rev. Funds	33,495,421	36,124,216	36,806,754	30,479,540	30,494,786
Federal Spec. Rev. Funds	221,170,122	247,298,784	271,712,100	241,589,162	255,621,565
Total Funds	\$339,832,374	\$377,850,953	\$418,939,624	\$388,708,093	\$413,606,269
Total Ongoing	\$339,832,374	\$377,850,953	\$418,939,624	\$388,708,093	\$413,606,269
Total OTO	\$0	\$0	\$0	\$0	\$0

Funding

The following table shows proposed program 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	244,129,309	0	0	244,129,309	30.43 %
02053 Medicaid IGT's	6,051,201	0	0	6,051,201	9.92 %
02497 6901-Lien & Estate - SLTCD	2,664,634	0	0	2,664,634	4.37 %
02772 Tobacco Hlth and Medicaid Init	21,995,360	0	0	21,995,360	36.07 %
02783 6901-Traumatic Brain Injury Dn	32,216	0	0	32,216	0.05 %
02987 Tobacco Interest	4,224,760	0	0	4,224,760	6.93 %
02990 69010-Nursing Home Utilization	26,006,155	0	0	26,006,155	42.65 %
State Special Total	\$60,974,326	\$0	\$0	\$60,974,326	7.60 %
03073 Aging - Farmers Market	197,696	0	0	197,696	0.04 %
03074 Aging - Nutrition Services HDM	2,946,813	0	0	2,946,813	0.59 %
03116 Nursing Home Civil Penalties	768,310	0	0	768,310	0.15 %
03347 APS Pathway to Safety	91,020	0	0	91,020	0.02 %
03350 Aging-SHIP-ACL	1,024,832	0	0	1,024,832	0.21 %
03512 MFP Demonstration Grant	2,901,115	0	0	2,901,115	0.58 %
03514 10.570 - Elderly Feeding 100%	1,952,270	0	0	1,952,270	0.39 %
03515 93.041 - Elder Abuse Prev 100%	49,678	0	0	49,678	0.01 %
03516 93.042 - Ombudsman Activity 10	219,430	0	0	219,430	0.04 %
03517 93.043 - Preventive Hlth 100%	271,778	0	0	271,778	0.05 %
03518 93.044 - Aging Sup S & Train 1	3,819,420	0	0	3,819,420	0.77 %
03519 93.045 - Aging Meals 100%	4,926,308	0	0	4,926,308	0.99 %
03579 93.667 - SSBG - Benefits	725,684	0	0	725,684	0.15 %
03580 6901-93.778 - Med Adm 50%	3,448,165	0	0	3,448,165	0.69 %
03583 93.778 - Med Ben FMAP	442,968,194	0	0	442,968,194	89.09 %
03666 Aging - Caregiver III-E	2,186,569	0	0	2,186,569	0.44 %
03975 Medicaid Exp HELP Act Benefit	28,713,445	0	0	28,713,445	5.77 %
Federal Special Total	\$497,210,727	\$0	\$0	\$497,210,727	61.97 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$802,314,362	\$0	\$0	\$802,314,362	

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)

Nursing Home Utilization Fee

A portion of the state Medicaid match for nursing homes is paid from a fee assessed for each day of nursing home care.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Senior & Long-Term Care Svcs 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	110,420,770	36,806,754	271,712,100	418,939,624	107.8%	110,420,770	36,806,754	271,712,100	418,939,624	101.3%
Statewide PL										
Personal Services	505,420	(6,712)	(865,661)	(366,953)	(0.1%)	516,089	(6,712)	(862,056)	(352,679)	(0.1%)
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	(7,057)	0	(457)	(7,514)	(0.0%)	(4,769)	0	(309)	(5,078)	(0.0%)
Total Statewide PL	498,363	(6,712)	(866,118)	(374,467)	(0.1%)	511,320	(6,712)	(862,365)	(357,757)	(0.1%)
Present Law (PL)	(4,058,267)	(1,906,533)	(35,688,510)	(41,653,310)	(10.7%)	(720,357)	(1,891,287)	(30,180,528)	(32,792,172)	(7.9%)
New Proposals	9,778,525	(4,413,969)	6,431,690	11,796,246	3.0%	17,278,185	(4,413,969)	14,952,358	27,816,574	6.7%
Total HB 2 Adjustments	6,218,621	(6,327,214)	(30,122,938)	(30,231,531)	(7.8%)	17,069,148	(6,311,968)	(16,090,535)	(5,333,355)	(1.3%)
Total Budget	116,639,391	30,479,540	241,589,162	388,708,093		127,489,918	30,494,786	255,621,565	413,606,269	

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 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	505,420	(6,712)	(865,661)	(366,953)	0.00	516,089	(6,712)	(862,056)	(352,679)
DP 3 - Inflation Deflation	0.00	(7,057)	0	(457)	(7,514)	0.00	(4,769)	0	(309)	(5,078)
DP 22100 - Medicaid Core Services CFC - SLTC	0.00	1,356,416	0	3,102,236	4,458,652	0.00	2,762,397	0	6,037,043	8,799,440
DP 22101 - FMAP Adjustment Medicaid Core CFC - SLTC	0.00	1,737,899	0	(1,737,899)	0	0.00	1,737,899	0	(1,737,899)	0
DP 22204 - Contractual Adjustments - SLTC	0.00	243,902	0	99,359	343,261	0.00	259,038	0	114,496	373,534
DP 22400 - Traditional Medicaid Caseload Update DPHHS - SLTC	0.00	(2,949,052)	204,056	(4,620,964)	(7,365,960)	0.00	(2,856,995)	204,800	(4,727,829)	(7,380,024)
DP 22600 - Medicaid Expansion Caseload Update DPHHS - SLTC	0.00	(157,446)	0	(1,931,131)	(2,088,577)	0.00	(161,762)	0	(2,000,899)	(2,162,661)
DP 22850 - Medicaid Caseload Adjustment - LFD	0.00	(1,798,139)	0	(2,847,169)	(4,645,308)	0.00	(2,233,649)	0	(3,242,045)	(5,475,694)
DP 22891 - Expansion Core Services - SLTC	0.00	80,000	0	720,001	800,001	0.00	120,821	0	1,087,387	1,208,208
DP 22892 - Expansion Core Services CFC - SLTC	0.00	(296,739)	0	(523,695)	(820,434)	0.00	(288,128)	0	(317,041)	(605,169)
DP 22991 - Medicaid Core Services - SLTC	0.00	(9,416,388)	(3,037,001)	(19,985,659)	(32,439,048)	0.00	(8,680,310)	(3,037,001)	(18,693,566)	(30,410,877)
DP 22992 - FMAP Adjustment Medicaid Core - SLTC	0.00	5,531,645	0	(5,531,645)	0	0.00	5,828,393	0	(5,828,393)	0
DP 22993 - Medicaid Federal Services - SLTC	0.00	0	0	(45,847)	(45,847)	0.00	0	0	(45,847)	(45,847)
DP 22994 - Medicaid Other Services IGT - SLTC	0.00	0	653,743	1,049,156	1,702,899	0.00	0	656,127	1,046,772	1,702,899
DP 22995 - FMAP Adjustment IGT - SLTC	0.00	0	118,546	(118,546)	0	0.00	0	125,117	(125,117)	0
DP 22996 - Medicaid Waiver Services - SLTC	0.00	(596,177)	0	(956,772)	(1,552,949)	0.00	463,909	0	740,110	1,204,019
DP 22997 - FMAP Adjustment Waiver - SLTC	0.00	1,711,130	0	(1,711,130)	0	0.00	1,807,611	0	(1,807,611)	0
DP 22998 - FMAP Adjustment DCW-HCHCW - SLTC	0.00	223,059	154,123	(377,182)	0	0.00	235,944	159,670	(395,614)	0
DP 22999 - FMAP Adjustment CFC DCW-HCHCW - SLTC	0.00	271,623	0	(271,623)	0	0.00	284,475	0	(284,475)	0
Grand Total All Present Law Adjustments	0.00	(\$3,559,904)	(\$1,913,245)	(\$36,554,628)	(\$42,027,777)	0.00	(\$209,037)	(\$1,897,999)	(\$31,042,893)	(\$33,149,929)

**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.

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 in-state state motor pool and motor pool leased vehicles.

DP 22100 - Medicaid Core Services CFC - SLTC -

The legislature adopted funding for existing services for the Community First Choice (CFC) Program in the Senior and Long-Term Care Division. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 22101 - FMAP Adjustment Medicaid Core 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 and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 22204 - Contractual Adjustments - SLTC -

The legislature adopted funding for increased rates for contracted care review services in the Senior and Long-Term Care Division.

DP 22400 - Traditional Medicaid Caseload Update DPHHS - SLTC -

The legislature adopted updated funding for Medicaid caseload projections.

DP 22600 - Medicaid Expansion Caseload Update DPHHS - SLTC -

The legislature adopted updated funding for Medicaid expansion caseload projections.

DP 22850 - Medicaid Caseload Adjustment - LFD -

The legislature adopted Medicaid caseload adjustments in SLTC.

DP 22891 - Expansion Core Services - SLTC -

The legislature adopted funding for caseload changes in the Medicaid expansion Community First Choice Program (CFC) in the Senior and Long-Term Care Division. This decision package covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 22892 - Expansion Core Services CFC - SLTC -

The legislature adopted funding for caseload changes in the Medicaid expansion Community First Choice Program (CFC) in the Senior and Long-Term Care Division. This decision package covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care. This adjustment does not include any changes in eligibility criteria or allowable plan services. Medicaid expansion continuing into the 2027 biennium is contingent upon legislative action.

DP 22991 - Medicaid Core Services - SLTC -

The legislature adopted funding changes for a caseload reduction in the Senior and Long-Term Care Division. This decision package covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care for core Medicaid.

DP 22992 - FMAP Adjustment Medicaid Core - SLTC -

The legislature adopted funding changes for existing services in the Medicaid Core Program in SLTC. This decision package increases general fund and includes an offsetting decrease in federal funds. The total cost for the program does not change.

DP 22993 - Medicaid Federal Services - SLTC -

The legislature adopted funding changes for a caseload reduction in the Senior and Long-Term Care Division. This decision package covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care for federal Medicaid. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 22994 - Medicaid Other Services IGT - SLTC -

The legislature adopted funding to align county fiscal participation for the Intergovernmental Transfer (IGT) Program in the Senior and Long-Term Care Division.

DP 22995 - FMAP Adjustment IGT - SLTC -

The legislature adopted funding changes for existing services in the Medicaid Intergovernmental Transfer (IGT) Program in SLTC.

DP 22996 - Medicaid Waiver Services - SLTC -

The legislature adopted funding changes for a caseload reduction in the Senior and Long-Term Care Division. This decision package covers the projected change in the number of eligible individuals, utilization, acuity levels, and cost per service for medical care for Medicaid Waiver Services. This adjustment does not include any changes in eligibility criteria or allowable plan services.

DP 22997 - FMAP Adjustment Waiver - SLTC -

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

DP 22998 - FMAP Adjustment DCW-HCHCW - SLTC -

The legislature adopted funding changes for existing services in the Direct Care Wage and Healthcare for Healthcare Workers Program in SLTC. The biennial funding increases general fund, increases state special revenue and includes an offsetting decrease in federal funds. The total cost for the program does not change.

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

The legislature adopted funding changes for existing services in the Community First Choice (CFC) Direct Care Wage and Health Care for Health Care Workers program in SLTC. The biennial funding increases the general fund 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 2026-----						-----Fiscal 2027-----				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 1811 - SB 524	0.00	442,360	0	222,262	664,622	0.00	3,364,502	0	1,572,100	4,936,602
DP 22002 - Realign Appropriation with Revenue I-149 BigSky Rx - SLTC	0.00	0	(1,400,000)	0	(1,400,000)	0.00	0	(1,400,000)	0	(1,400,000)
DP 22003 - Adult Protective Services Guardianship PB	3.00	258,195	0	0	258,195	3.00	250,096	0	0	250,096
DP 22004 - Realign Appropriation for MED Nursing Home	0.00	3,013,969	(3,013,969)	0	0	0.00	3,013,969	(3,013,969)	0	0
DP 22704 - Funding for Area Agencies on Aging Grants	0.00	2,000,000	0	0	2,000,000	0.00	2,000,000	0	0	2,000,000
DP 22705 - 3% Provider Rate Adjustment - SLTC Non-Medicaid	0.00	435,357	0	0	435,357	0.00	870,714	0	0	870,714
DP 22706 - 3% Provider Rate Adjustment - SLTC Traditional Medicaid	0.00	3,590,945	0	6,130,088	9,721,033	0.00	7,390,146	0	12,559,026	19,949,172
DP 22707 - 3% Provider Rate Adjustment - SLTC Medicaid Expansion	0.00	37,699	0	79,340	117,039	0.00	388,758	0	821,232	1,209,990
Total	3.00	\$9,778,525	(\$4,413,969)	\$6,431,690	\$11,796,246	3.00	\$17,278,185	(\$4,413,969)	\$14,952,358	\$27,816,574

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

DP 1811 - SB 524 -

The legislature adopted contingency language to increase appropriations if SB 524 is passed and approved and this decision package implements this language. This legislation revises laws related to category D assisted living facilities by providing clarification on the use of seclusion and chemical restraints as well as providing for individuals who would otherwise be committed to the Montana State Hospital to be diverted to category D assisted living facilities.

DP 22002 - Realign Appropriation with Revenue I-149 BigSky Rx - SLTC -

The legislature adopted a reduction of Tobacco Health and Medicaid Initiative (I-149) state special revenue to the Big Sky Rx Program to align appropriations with anticipated expenditures. This is a reduction of \$1.4 million in state special revenue in each fiscal year of the biennium.

DP 22003 - Adult Protective Services Guardianship PB -

The legislature adopted the addition of 3.00 PB and associated funding for the Adult Protective Services (APS) Guardianship Program. The position type is Social Services Worker II (SSW). These positions will be responsible for monitoring APS guardianship cases.

DP 22004 - Realign Appropriation for MED Nursing Home -

The legislature adopted a reduction in the appropriation of state special revenue to the Medicaid Nursing Home Program to align appropriation with anticipated expenditures. This is a reduction of \$3.0 million in Tobacco Health and Medicaid Initiative (I-149) state special revenue in each fiscal year of the biennium with an offsetting increase in general fund.

DP 22704 - Funding for Area Agencies on Aging Grants -

The legislature adopted funding for Area Agencies on Aging Grants.

DP 22705 - 3% Provider Rate Adjustment - SLTC Non-Medicaid -

The legislature adopted funding for provider rate increases to non-Medicaid providers reimbursed through the Senior and Long Term Care Division.

DP 22706 - 3% Provider Rate Adjustment - SLTC Traditional Medicaid -

The legislature adopted funding for provider rate increases to Medicaid providers reimbursed through the Senior and Long Term Care Division. This portion of funding captures claims reimbursed for the traditional Medicaid populations.

DP 22707 - 3% Provider Rate Adjustment - SLTC Medicaid Expansion -

The legislature adopted funding for provider rate increases to Medicaid providers reimbursed through the Senior and Long Term Care Division. This portion of funding captures claims reimbursed for the Medicaid expansion population.

69010 - Department of Public Health & Human Services 25-Early Childhood and Family Support

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget FY 2026 FY 2027		Biennium Change from Base Amount Percent	
PB	60.24	67.24	67.24	7.00	5.8%
General Fund	19,838,404	21,244,229	21,924,647	3,492,068	8.8%
State/Other Special Rev. Funds	4,233,081	3,847,507	3,847,660	(770,995)	(9.1%)
Federal Spec. Rev. Funds	68,619,176	78,446,815	78,575,649	19,784,112	14.4%
Total Funds	92,690,661	103,538,551	104,347,956	22,505,185	12.1%
Personal Services	5,413,020	6,194,659	6,211,125	1,579,744	14.6%
Operating Expenses	3,967,064	6,324,960	6,638,954	5,029,786	63.4%
Equipment & Intangible Assets	75,000	75,000	75,000		0.0%
Grants	23,621,433	31,166,424	31,482,006	15,405,564	32.6%
Benefits & Claims	59,574,455	59,737,819	59,901,182	490,091	0.4%
Transfers	35,000	35,000	35,000		0.0%
Debt Service	4,689	4,689	4,689		0.0%
Total Expenditures	92,690,661	103,538,551	104,347,956	22,505,185	12.1%
Total Ongoing	92,690,661	103,538,551	104,347,956	22,505,185	12.1%
Total One-Time-Only					0.0%

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 Services Bureau manages the Best Beginnings Scholarship Program and the child protective services childcare. This division also licenses childcare facilities and provides training and technical assistance across the state. 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 from birth to age three with developmental delays.

The Family and Community Health Bureau provides a variety of programs targeted at supporting women, infants, children, adolescents, and families. This includes universal newborn screenings and other aid 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.

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.

69010 - Department of Public Health & Human Services 25-Early Childhood and Family Support

Program Highlights

Early Childhood and Family Services Division Major Budget Highlights

- The ECFSD 2027 biennium legislative budget is approximately \$22.5 million or 12.1% higher than the FY 2025 base budget. Significant changes include:
 - Increases in federal funds of \$14.7 million across the biennium and an additional 7.00 PB in each fiscal year of the biennium. These additions reflect ongoing budget amendments from past years being made permanent within the HB 2 budget
 - Increases for provider rates amounting to \$4.3 million general fund and \$1.3 million federal funds across the biennium
 - Federal fund adjustments to match grant award levels amounting to \$2.4 million federal funds across the biennium

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	6,903,879	5,609,818	5,413,020	6,194,659	6,211,125
Operating Expenses	6,295,583	6,584,048	3,967,064	6,324,960	6,638,954
Equipment & Intangible Assets	0	75,000	75,000	75,000	75,000
Grants	25,658,663	28,003,639	23,621,433	31,166,424	31,482,006
Benefits & Claims	48,069,806	48,539,495	59,574,455	59,737,819	59,901,182
Transfers	21,125	29,900	35,000	35,000	35,000
Debt Service	200,860	110,689	4,689	4,689	4,689
Total Expenditures	\$87,149,916	\$88,952,589	\$92,690,661	\$103,538,551	\$104,347,956
General Fund	8,293,860	8,407,897	19,838,404	21,244,229	21,924,647
State/Other Special Rev. Funds	2,864,560	4,211,556	4,233,081	3,847,507	3,847,660
Federal Spec. Rev. Funds	75,991,496	76,333,136	68,619,176	78,446,815	78,575,649
Total Funds	\$87,149,916	\$88,952,589	\$92,690,661	\$103,538,551	\$104,347,956
Total Ongoing	\$87,149,916	\$88,952,589	\$92,690,661	\$103,538,551	\$104,347,956
Total OTO	\$0	\$0	\$0	\$0	\$0

69010 - Department of Public Health & Human Services 25-Early Childhood and Family Support

Funding

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

Department of Public Health & Human Services, 25-Early Childhood and Family Support Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	43,168,876	0	0	43,168,876	20.77 %
02076 PRAMS Suvey Fees	9,388	0	0	9,388	0.12 %
02089 Child Abuse & Neglect Program	317,134	0	0	317,134	4.12 %
02225 02 Indirect Activity Prog 25	399,608	0	0	399,608	5.19 %
02698 69010-Prevention&Stabilization	1,660,604	0	0	1,660,604	21.58 %
02765 Insurance Policies Fees SB278	2,644,357	0	0	2,644,357	34.36 %
02772 Tobacco Hlth and Medicaid Init	51,338	0	0	51,338	0.67 %
02773 Childrens Special Health Svc.	61,350	0	0	61,350	0.80 %
02790 6901-Statewide Tobacco Sttlmnt	613,098	0	0	613,098	7.97 %
02987 Tobacco Interest	1,938,290	0	0	1,938,290	25.19 %
State Special Total	\$7,695,167	\$0	\$0	\$7,695,167	3.70 %
03027 WIC (Women,Infants & Children)	13,948,800	0	0	13,948,800	8.88 %
03031 Maternal & Child Health	4,673,219	0	0	4,673,219	2.98 %
03057 Newborn Hearing Screening	589,955	0	0	589,955	0.38 %
03096 Discretionary Child Care	50,630,439	0	0	50,630,439	32.24 %
03121 Maternal Health Innov Prgm	2,632,000	0	0	2,632,000	1.68 %
03146 10.577 WIC BF Peer Counseling	447,812	0	0	447,812	0.29 %
03206 MIECHV - Service Delivery	10,114,140	0	0	10,114,140	6.44 %
03236 Child Nutrition	21,847,480	0	0	21,847,480	13.91 %
03246 WIC Admin	13,380,083	0	0	13,380,083	8.52 %
03250 Child Care Manditory/MOE	3,597,650	0	0	3,597,650	2.29 %
03252 Child Care Matching	11,261,947	0	0	11,261,947	7.17 %
03273 Primary Care Services	267,300	0	0	267,300	0.17 %
03362 Data Integration	130,120	0	0	130,120	0.08 %
03417 PRAMS Pregnancy Risk Assesment	314,260	0	0	314,260	0.20 %
03473 Pediatric MH Care Access Prg	1,700,000	0	0	1,700,000	1.08 %
03479 CN SPAD CIL	1,780,000	0	0	1,780,000	1.13 %
03525 Sexual Risk Avoidance Educatio	320,000	0	0	320,000	0.20 %
03530 6901-Foster Care 93.658	2,149,146	0	0	2,149,146	1.37 %
03534 93.672 - Child Abuse Challenge	493,692	0	0	493,692	0.31 %
03539 93.600 Headstart	119,940	0	0	119,940	0.08 %
03541 State Loan Repayment Program	300,228	0	0	300,228	0.19 %
03556 84.181 - Part H - Early Interv	4,761,172	0	0	4,761,172	3.03 %
03579 93.667 - SSBG - Benefits	6,379,036	0	0	6,379,036	4.06 %
03625 03 Indirect Activity Prog 25	1,858,626	0	0	1,858,626	1.18 %
03677 6901-CACFP 10.558 & 10.560	1,371,876	0	0	1,371,876	0.87 %
03690 6901-Rape Prev & Educ 93.126	740,071	0	0	740,071	0.47 %
03713 6901-WIC Farmer Market 10.572	104,388	0	0	104,388	0.07 %
03823 Oral Health Workforce	697,738	0	0	697,738	0.44 %
03827 Personal Resp Education Prgm	411,346	0	0	411,346	0.26 %
Federal Special Total	\$157,022,464	\$0	\$0	\$157,022,464	75.53 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$207,886,507	\$0	\$0	\$207,886,507	

ECSFD 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 LFD Budget Analysis B-131** 2025 Biennium
- 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 childcare fund, the child nutrition fund, and WIC (Women, Infants and Children) fund.

69010 - Department of Public Health & Human Services 25-Early Childhood and Family Support

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Early Childhood and Family Support 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	19,838,404	4,233,081	68,619,176	92,690,661	89.5%	19,838,404	4,233,081	68,619,176	92,690,661	88.8%
Statewide PL										
Personal Services	(424,053)	(52,409)	693,293	216,831	0.2%	(420,507)	(52,406)	706,210	233,297	0.2%
Fixed Costs	0	0	0	0	0.0%	0	0	0	0	0.0%
Inflation Deflation	0	0	(1,526)	(1,526)	(0.0%)	0	0	(1,030)	(1,030)	(0.0%)
Total Statewide PL	(424,053)	(52,409)	691,767	215,305	0.2%	(420,507)	(52,406)	705,180	232,267	0.2%
Present Law (PL)	0	0	0	0	0.0%	0	0	0	0	0.0%
New Proposals	1,829,878	(333,165)	9,135,872	10,632,585	10.3%	2,506,750	(333,015)	9,251,293	11,425,028	10.9%
Total HB 2 Adjustments	1,405,825	(385,574)	9,827,639	10,847,890	10.5%	2,086,243	(385,421)	9,956,473	11,657,295	11.2%
Total Budget	21,244,229	3,847,507	78,446,815	103,538,551		21,924,647	3,847,660	78,575,649	104,347,956	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	(424,053)	(52,409)	693,293	216,831	0.00	(420,507)	(52,406)	706,210	233,297
DP 3 - Inflation Deflation	0.00	0	0	(1,526)	(1,526)	0.00	0	0	(1,030)	(1,030)
Grand Total All Present Law Adjustments	0.00	(\$424,053)	(\$52,409)	\$691,767	\$215,305	0.00	(\$420,507)	(\$52,406)	\$705,180	\$232,267

**"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.

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 in-state state motor pool and motor pool leased vehicles.

69010 - Department of Public Health & Human Services 25-Early Childhood and Family Support

New Proposals

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

New Proposals	Fiscal 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 25001 - Provider Rate Adjustment - Part C Services - ECFSD	0.00	1,386,541	0	627,881	2,014,422	0.00	1,620,078	0	707,842	2,327,920
DP 25003 - Adjust Federal Authority to Match Grant Award Level - ECFSD	0.00	0	0	1,181,991	1,181,991	0.00	0	0	1,217,451	1,217,451
DP 25007 - Realign Approp. for Childs. Special Serv. SSR	0.00	0	(333,165)	0	(333,165)	0.00	0	(333,015)	0	(333,015)
DP 25014 - 3% Provider Rate Adjustment - ECFSD Non-Medicaid	0.00	443,337	0	0	443,337	0.00	886,672	0	0	886,672
DP 25020 - Budget Amendment Authority - MIECHV	4.00	0	0	5,000,000	5,000,000	4.00	0	0	5,000,000	5,000,000
DP 25021 - Budget Amendment Authority - Ped. MH Care Access Prog.	1.00	0	0	850,000	850,000	1.00	0	0	850,000	850,000
DP 25022 - Budget Amendment Authority - Maternal Health	1.50	0	0	1,316,000	1,316,000	1.50	0	0	1,316,000	1,316,000
DP 25023 - Budget Amendment Authority - Sexual Risk Avoidance	0.50	0	0	160,000	160,000	0.50	0	0	160,000	160,000
Total	7.00	\$1,829,878	(\$333,165)	\$9,135,872	\$10,632,585	7.00	\$2,506,750	(\$333,015)	\$9,251,293	\$11,425,028

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

DP 25001 - Provider Rate Adjustment - Part C Services - ECFSD -

The legislature adopted adjustments of authority to support a provider rate increase for Part C of the Individuals with Disabilities Education Act (IDEA). The increase is intended to meet the provider rate increases specified by the Guidehouse Provider Rate Study completed in October 2023. The state has entered new contracts at a rate equal to that recommended by Guidehouse. This change package adjusts the budget to the level supported by the current provider rate.

DP 25003 - Adjust Federal Authority to Match Grant Award Level - ECFSD -

The legislature adopted adjustments to increase the federal appropriations of various grants in the Early Childhood and Family Services Division.

DP 25007 - Realign Approp. for Childs. Special Serv. SSR -

The legislature adopted an adjustment of state special revenue funds for children's special health services to align appropriations with anticipated expenditures.

DP 25014 - 3% Provider Rate Adjustment - ECFSD Non-Medicaid -

The legislature adopted funding for provider rate increases.

DP 25020 - Budget Amendment Authority - MIECHV -

The legislature adopted funding for budget amendment authority into HB 2.

DP 25021 - Budget Amendment Authority - Ped. MH Care Access Prog. -

The legislature adopted funding for budget amendment authority into HB 2.

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DP 25022 - Budget Amendment Authority - Maternal Health -

The legislature adopted funding for budget amendment authority into HB 2.

DP 25023 - Budget Amendment Authority - Sexual Risk Avoidance -

The legislature adopted funding for budget amendment authority into HB 2.

Program Base Budget Comparison

The following table compares the base budget with the expenditures adopted for the upcoming biennium by type of expenditure and source of funding.

Program Base Budget Comparison					
Budget Item	Base Budget FY 2025	Adopted Budget		Biennium Change from Base	
		FY 2026	FY 2027	Amount	Percent
PB	871.36	773.06	773.06	(98.30)	(5.6%)
General Fund	72,112,922	100,518,757	99,107,424	55,400,337	38.4%
State/Other Special Rev. Funds	21,948,180	35,532,374	33,398,574	25,034,588	57.0%
Federal Spec. Rev. Funds	17,682,499	15,314,581	16,039,692	(4,010,725)	(11.3%)
Total Funds	111,743,601	151,365,712	148,545,690	76,424,200	34.2%
Personal Services	72,591,248	75,291,693	81,751,706	11,860,903	8.2%
Operating Expenses	38,254,428	75,176,094	65,896,059	64,563,297	84.4%
Equipment & Intangible Assets	77,093	77,093	77,093		0.0%
Debt Service	820,832	820,832	820,832		0.0%
Total Expenditures	111,743,601	151,365,712	148,545,690	76,424,200	34.2%
Total Ongoing	111,743,601	111,427,529	118,214,161	6,154,488	2.8%
Total One-Time-Only		39,938,183	30,331,529	70,269,712	0.0%

Program Description

The Healthcare Facilities Division (HFD) is responsible for the management and oversight of seven state health care facilities. HFD facilities include the Montana State Hospital (MSH) in Warm Springs, Montana Mental Health Nursing Care Center (MMHNCC) in Lewistown; Montana Chemical Dependency Center (MCDC) in Butte, Montana Veterans' Home (MVH) in Columbia Falls, Southwest Montana Veterans Home (SWMVH) in Butte (contracted), Eastern Montana Veterans Home (EMVH) in Glendive (contracted), and the Intensive Behavior Center (IBC) in Boulder. HFD clients include Montanans living with mental illness, substance use disorders, developmental disabilities, and/or aging-related health conditions.

Program Highlights

**Healthcare Facilities Division
Major Budget Highlights**

- The HFD 2027 biennium appropriations are \$76.4 million or 34.2% higher than the FY 2025 base budget. One-time-only authority accounts for \$70.3 million of the \$76.4 million. Significant changes include:
 - One-time-only authority for operating expenses at state facilities, including contract labor, accounts for \$29.5 million general fund over the 2027 biennium
 - Personal services increases totaling \$11.9 million over the biennium
 - Funding to repurpose the D-Wing of the MMHNCC makes up \$9.6 million general fund over the biennium
 - Funding for additional beds at MSH makes up \$21.0 million of state special revenue over the biennium. HB 936 contains a provision that authorizes behavioral health systems for future generations (BHSFG) state special revenue funds for this purpose
 - Funding to retain MSH Grasslands as a subacute facility account for \$10.2 million state special revenue over the biennium
 - Funding for wage increases and wage standardization at state facilities totals \$4.4 million over the biennium
 - The budget for HFD was reduced by 98.30 PB and \$13.5 million general fund

Program Actuals and Budget Comparison

The following table compares FY 2024 actual expenditures, FY 2024 and FY 2025 appropriations, and the adopted budget for FY 2026 and FY 2027 by type of expenditure and source of funding.

Program Actuals and Budget Comparison					
Budget Item	Actuals Fiscal 2024	Approp. Fiscal 2024	Approp. Fiscal 2025	Legislative Fiscal 2026	Legislative Fiscal 2027
Personal Services	52,234,218	67,862,856	72,591,248	75,291,693	81,751,706
Operating Expenses	52,215,530	46,199,550	38,254,428	75,176,094	65,896,059
Equipment & Intangible Assets	187,067	173,553	77,093	77,093	77,093
Benefits & Claims	1,000	0	0	0	0
Transfers	0	50,001	0	0	0
Debt Service	2,132,724	787,231	820,832	820,832	820,832
Total Expenditures	\$106,770,539	\$115,073,191	\$111,743,601	\$151,365,712	\$148,545,690
General Fund	77,617,495	77,680,511	72,112,922	100,518,757	99,107,424
State/Other Special Rev. Funds	17,322,812	20,499,460	21,948,180	35,532,374	33,398,574
Federal Spec. Rev. Funds	11,830,232	16,893,220	17,682,499	15,314,581	16,039,692
Total Funds	\$106,770,539	\$115,073,191	\$111,743,601	\$151,365,712	\$148,545,690
Total Ongoing	\$106,770,539	\$115,073,191	\$111,743,601	\$111,427,529	\$118,214,161
Total OTO	\$0	\$0	\$0	\$39,938,183	\$30,331,529

Funding

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

Department of Public Health & Human Services, 33-Health Care Facilities Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	199,626,181	0	0	199,626,181	66.56 %
02023 Private Ins. Medicaid Reim.-Ve	10,044,546	0	0	10,044,546	14.57 %
02032 Vets-I&I Lease	35,782	0	0	35,782	0.05 %
02034 Earmarked Alcohol Funds	11,600,820	0	0	11,600,820	16.83 %
02181 BHSFG	31,228,351	0	0	31,228,351	45.30 %
02260 Cigarette Tax Revenue	9,835,750	0	0	9,835,750	14.27 %
02384 02 Indirect Activity Prog 33	699,363	0	0	699,363	1.01 %
02598 MCDC Cost Recovery	4,703,020	0	0	4,703,020	6.82 %
02691 6901-MSH/DOC Maint Agreement	280,162	0	0	280,162	0.41 %
02959 EMVH Clinic Rent	112,882	0	0	112,882	0.16 %
02987 Tobacco Interest	390,272	0	0	390,272	0.57 %
State Special Total	\$68,930,948	\$0	\$0	\$68,930,948	22.98 %
03005 EMVH V-A Nursing Reimbursement	10,205,369	0	0	10,205,369	32.55 %
03112 Vets-V.A. Reimb	10,432,021	0	0	10,432,021	33.27 %
03501 64.014 - Vets St. Domic Care 1	450,696	0	0	450,696	1.44 %
03601 03 Indirect Activity Prog 33	406,446	0	0	406,446	1.30 %
03976 SWMVH Vets VA reimbursement	9,859,741	0	0	9,859,741	31.45 %
Federal Special Total	\$31,354,273	\$0	\$0	\$31,354,273	10.45 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$299,911,402	\$0	\$0	\$299,911,402	

The 2027 biennium 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.

State special revenue 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 Montana Chemical Dependency Center (MCDC) in Butte

Federal funds in the budget are associated with the three veterans' homes.

Legislative Budget

The following table shows the base budget and the statewide present law adjustments, present law adjustments, and new proposals adopted by the legislature by source of funding.

Health Care Facilities 2027 Biennium HB 2 Base Budget and Adjustments										
	FY 2026					FY 2027				
	General Fund	State Special	Federal Special	Total Funds	% of Budget	General Fund	State Special	Federal Special	Total Funds	% of Budget
Base Budget	72,112,922	21,948,180	17,682,499	111,743,601	73.8%	72,112,922	21,948,180	17,682,499	111,743,601	75.2%
Statewide PL										
Personal Services	1,614,645	(432,199)	(108,155)	1,074,291	0.7%	1,693,617	(404,365)	(103,709)	1,185,543	0.8%
Fixed Costs	(426,141)	(119,816)	(24,559)	(570,516)	(0.4%)	(435,628)	(122,485)	(25,106)	(583,219)	(0.4%)
Inflation Deflation	(6,212)	(1,126)	0	(7,338)	(0.0%)	(4,199)	(760)	0	(4,959)	(0.0%)
Total Statewide PL	1,182,292	(553,141)	(132,714)	496,437	0.3%	1,253,790	(527,610)	(128,815)	597,365	0.4%
Present Law (PL)	1,632,024	234,218	894,091	2,760,333	1.8%	1,746,323	247,012	1,615,303	3,608,638	2.4%
New Proposals	25,591,519	13,903,117	(3,129,295)	36,365,341	24.0%	23,994,389	11,730,992	(3,129,295)	32,596,086	21.9%
Total HB 2 Adjustments	28,405,835	13,584,194	(2,367,918)	39,622,111	26.2%	26,994,502	11,450,394	(1,642,807)	36,802,089	24.8%
Total Budget	100,518,757	35,532,374	15,314,581	151,365,712		99,107,424	33,398,574	16,039,692	148,545,690	

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 2026					Fiscal 2027				
	PB	General Fund	State Special	Federal Special	Total Funds	PB	General Fund	State Special	Federal Special	Total Funds
DP 1 - Personal Services	0.00	1,614,645	(432,199)	(108,155)	1,074,291	0.00	1,693,617	(404,365)	(103,709)	1,185,543
DP 2 - Fixed Costs	0.00	(426,141)	(119,816)	(24,559)	(570,516)	0.00	(435,628)	(122,485)	(25,106)	(583,219)
DP 3 - Inflation Deflation	0.00	(6,212)	(1,126)	0	(7,338)	0.00	(4,199)	(760)	0	(4,959)
DP 33001 - Overtime/Holiday/Differential MSH (RST/BIEN)	0.00	495,473	0	0	495,473	0.00	495,473	0	0	495,473
DP 33002 - Overtime/Holiday/Differential MVH (RST/BIEN)	0.00	0	137,190	69,459	206,649	0.00	0	137,190	69,459	206,649
DP 33003 - Overtime/Holiday/Differential IBC (RST/BIEN)	0.00	135,203	0	0	135,203	0.00	135,203	0	0	135,203
DP 33004 - Overtime/Holiday/Differential MHNCC (RST/BIEN)	0.00	177,041	0	0	177,041	0.00	177,041	0	0	177,041
DP 33005 - Overtime/Holiday/Differential MCDC (RST/BIEN)	0.00	0	65,964	0	65,964	0.00	0	65,964	0	65,964
DP 33006 - Per Diem Request - EMVH	0.00	0	0	590,263	590,263	0.00	0	0	892,372	892,372
DP 33007 - Per Diem Request - SWMVH	0.00	0	0	222,718	222,718	0.00	0	0	637,023	637,023
DP 33009 - Facilities Contracted Services Rate Increase	0.00	824,307	31,064	11,651	867,022	0.00	938,606	43,858	16,449	998,913
Grand Total All Present Law Adjustments	0.00	\$2,814,316	(\$318,923)	\$761,377	\$3,256,770	0.00	\$3,000,113	(\$280,598)	\$1,486,488	\$4,206,003

**"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.

DP 2 - Fixed Costs -

The legislature adopted funding for fixed costs assessed by other agencies within state government for the services they provide. Examples of fixed costs include liability and property insurance, legislative audit, warrant writer, payroll processing, and others. The rates charged for these services are approved in a separate portion of the budget.

DP 3 - Inflation Deflation -

The legislature adopted funding for budgetary changes generated from the application of inflation and deflation factors to specific expenditure accounts. Affected accounts include in-state state motor pool and motor pool leased vehicles.

DP 33001 - Overtime/Holiday/Differential MSH (RST/BIEN) -

The legislature adopted funding for overtime, holiday, and differential pay at the State Hospital.

DP 33002 - Overtime/Holiday/Differential MVH (RST/BIEN) -

The legislature adopted funding for overtime, holiday, and differential pay at the Montana Veterans' Home.

DP 33003 - Overtime/Holiday/Differential IBC (RST/BIEN) -

The legislature adopted funding for overtime, holiday, and differential pay at the Intensive Behavior Center.

DP 33004 - Overtime/Holiday/Differential MHNCC (RST/BIEN) -

The legislature adopted funding for overtime, holiday, and differential pay at the Montana Mental Health Nursing Care Center.

DP 33005 - Overtime/Holiday/Differential MCDC (RST/BIEN) -

The legislature adopted funding for overtime, holiday, and differential pay at the Montana Chemical Dependency Center.

DP 33006 - Per Diem Request - EMVH -

The legislature adopted an increase in federal authority for the federal Veterans Administration (VA) per diem rates that will be reimbursed for the nursing facility days of care at the Eastern Montana Veterans Home (EMVH) in the Healthcare Facility Division in the 2027 biennium. The VA per diem rate increases effective October 1st of each year.

DP 33007 - Per Diem Request - SWMVH -

The legislature adopted an increase in federal authority for the federal Veterans Affairs (VA) per diem rates that will be reimbursed for the nursing facility days of care at the Southwest Montana Veterans Home in the Healthcare Facilities Division in the 2027 biennium. The VA per diem rate increases on October 1st of each year.

DP 33009 - Facilities Contracted Services Rate Increase -

The legislature adopted funding to maintain operational contracted services at the state-run facilities within the Healthcare Facilities Division. Examples of this include food services and laundry services.

New Proposals

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

New Proposals										
Fiscal 2026						Fiscal 2027				
PB	General Fund	State Special	Federal Special	Total Funds		PB	General Fund	State Special	Federal Special	Total Funds
DP 2405 - Line Item Veto - Student Loan Repayment Program (RST/BIEN/OT										
0.00	0	(1,500,000)	0	(1,500,000)		0.00	0	(1,500,000)	0	(1,500,000)
DP 12055 - Add PB for Complex Care Coordinator										
(1.00)	0	(73,343)	0	(73,343)		(1.00)	0	(73,343)	0	(73,343)
DP 33107 - State Special Revenue Funding Switch - MCDC										
0.00	0	0	0	0		0.00	0	0	0	0
DP 33108 - State Special Revenue Fund Switch - MSH										
0.00	0	0	0	0		0.00	0	0	0	0
DP 33109 - Realign Appropriation for SWMVH VA Reimbursement										
0.00	0	0	(2,067,833)	(2,067,833)		0.00	0	0	(2,067,833)	(2,067,833)
DP 33201 - Fund Switch and Realignment for Montana Veterans Home										
0.00	2,542,938	(2,928,718)	(1,061,462)	(1,447,242)		0.00	2,542,938	(2,928,718)	(1,061,462)	(1,447,242)
DP 33701 - Student Loan Repayment Program (RST/BIEN/OTO)										
0.00	0	1,500,000	0	1,500,000		0.00	0	1,500,000	0	1,500,000
DP 33801 - MHNCC D-Wing - Repurposing and Lic. (RST/BIEN/OTO)										
0.00	3,157,864	0	0	3,157,864		0.00	6,424,001	0	0	6,424,001
DP 33802 - MSH Grasslands - Subacute Step-Down (RST/BIEN/OTO)										
0.00	0	6,229,092	0	6,229,092		0.00	0	3,966,125	0	3,966,125
DP 33803 - Montana State Hospital Beds (OTO)										
0.00	0	10,516,567	0	10,516,567		0.00	0	10,516,567	0	10,516,567
DP 33804 - Personal Services Funding for the Montana State Hospital (R										
0.00	5,000,000	0	0	5,000,000		0.00	10,000,000	0	0	10,000,000
DP 33901 - Facility Operations (RST/OTO)										
0.00	20,034,660	0	0	20,034,660		0.00	9,424,836	0	0	9,424,836
DP 33902 - Facility Wage Standardization (RST)										
0.00	721,044	0	0	721,044		0.00	721,044	0	0	721,044
DP 33903 - Facility Wage Increases (RST)										
0.00	883,932	159,519	0	1,043,451		0.00	1,630,489	250,361	0	1,880,850
DP 33904 - Remove Vacant PB										
(97.30)	(6,748,919)	0	0	(6,748,919)		(97.30)	(6,748,919)	0	0	(6,748,919)
Total	(98.30)	\$25,591,519	\$13,903,117	(\$3,129,295)	\$36,365,341	(98.30)	\$23,994,389	\$11,730,992	(\$3,129,295)	\$32,596,086

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

DP 2405 - Line Item Veto - Student Loan Repayment Program (RST/BIEN/OT -

The governor line-item vetoed Behavioral Health Systems for Future Generations (BHSFG) state special revenue authority set aside for a student loan repayment program at state facilities which was adopted by the legislature in DP 33701.

DP 12055 - Add PB for Complex Care Coordinator -

The legislature adopted the reduction of 1.00 vacant PB from HFD and added 1.00 PB to MHSM for a complex care coordinator.

DP 33107 - State Special Revenue Funding Switch - MCDC -

The legislature adopted funding changes to align Medicaid cost recovery funds for the Montana Chemical Dependency Center in the Healthcare Facilities Division. This fund switch increases state special revenue funds for alcohol tax by \$500,000 and decreases state special revenue funds for Medicaid cost recovery revenue by \$500,000 in each fiscal year of the biennium. The total cost for the program is not impacted by this decision package.

DP 33108 - State Special Revenue Fund Switch - MSH -

The legislature adopted funding changes to align cigarette tax revenue in the Healthcare Facilities Division. This fund switch increases state special revenue funds for alcohol tax by \$204,851 and decreases state special revenue funds for cigarette tax revenue by \$204,851 in each fiscal year of the biennium. The total cost for the program is not impacted by this decision package.

DP 33109 - Realign Appropriation for SWMVH VA Reimbursement -

The legislature adopted a reduction in the appropriation of federal funds to the Southwest Montana Veterans Home to align appropriations with anticipated expenditures.

DP 33201 - Fund Switch and Realignment for Montana Veterans Home -

The legislature adopted the realignment of funding for the Montana Veterans' Home programs. Included in the realignment is a fund switch reducing the use of state special revenue cigarette taxes and federal funds, while increasing general funds.

DP 33701 - Student Loan Repayment Program (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, and one-time-only funding for a student loan repayment program in HFD, with associated language in HB 2. The funding is restricted to a student loan repayment program for nurses, licensed practical nurses, and psychiatrists at the Montana State Hospital or other state-run facilities. It is legislative intent that these funds be prioritized for positions at the Montana State Hospital.

DP 33801 - MHNCC D-Wing - Repurposing and Lic. (RST/BIEN/OTO) -

The legislature adopted restricted, biennial, and one-time-only funding for operating costs for additional bed capacity at the Montana Mental Health Nursing Care Center.

DP 33802 - MSH Grasslands - Subacute Step-Down (RST/BIEN/OTO) -

The legislature adopted funding for continuing the operation of MSH Grasslands as a subacute step-down facility. This appropriation is restricted, biennial, and one-time-only. The funding is Behavioral Health Systems for Future Generations state special revenue.

DP 33803 - Montana State Hospital Beds (OTO) -

The legislature added authority from the Behavioral Health Systems for Future Generations state special revenue fund to increase bed capacity at the state hospital by 26 beds. Statute change in HB 936 allows for the use of these funds for this purpose.

DP 33804 - Personal Services Funding for the Montana State Hospital (R -

The legislature adopted a reduction in operating expense authority for the Montana State Hospital and moved a portion of that authority into personal services. This funding is restricted to personal services at the Montana State Hospital.

DP 33901 - Facility Operations (RST/OTO) -

The legislature adopted funding for operating of state-owned facilities. This appropriation is restricted and one-time-only.

DP 33902 - Facility Wage Standardization (RST) -

The legislature adopted restricted funding to standardize wages across state facilities.

DP 33903 - Facility Wage Increases (RST) -

The legislature adopted restricted funding to increase wages at state facilities.

DP 33904 - Remove Vacant PB -

The legislature adopted the removal of 97.30 PB and associated funding in HFD.