



MONTANA LEGISLATIVE BRANCH

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Director
AMY CARLSON

DATE: September 19, 2011
TO: Legislative Finance Committee
FROM: Lois Steinbeck
Senior Analyst
RE: DPHHS Budget Status Report

Purpose

This memo provides background information for the Legislative Finance Committee (LFC) on the budget status report produced by Department of Public Health and Human Services (DPHHS).

What is the DPHHS Budget Status Report?

DPHHS administers a wide variety of human services and public health programs that were transferred from three other departments to create a single entity in the mid 1990s. DPHHS administrators developed a monthly budget status report (BSR) to more effectively manage the department. The report was designed to give DPHHS staff a summary of the agency budget and appropriation status. An example of the report is included in the meeting materials for the September Legislative Finance Committee (LFC) meeting.

Why the LFC Receives the BSR

The LFC requested SB 93 in the 2005 legislative session and it was passed and approved. Section 53-6-110(4), MCA requires:

Beginning November 15 of each year through June 15 of the following year, the Department of Public Health and Human Services shall provide to the Legislative Finance Committee monthly reports containing estimates of the cost for Medicaid services and a budget status report for all department programs. The department shall also provide a fiscal yearend summary of Medicaid costs and the department budget status report prior to the first Legislative Finance Committee meeting following the end of the fiscal year. The reports must be presented in a format mutually agreed to by the Legislative Finance Committee and the department.

BSR Revisions

DPHHS staff will be reviewing potential changes to the BSR in attempt to automate the report by taking advantage of more recent technology, and to make it more useful reporting tool. Currently it is labor intensive to produce. DPHHS may consider other types of changes to the report as well.

The current BSR contains much appropriation and budget detail that is useful to legislative staff. However, it does not efficiently communicate important budget information to LFC members and LFD management. For example, the June 15 BSR provided useful information to DPHHS managers about how much was available to fund general fund cost overruns agency wide (\$650,000). However, the reporting format of the BSR does not provide summary information about total reversions from all appropriations nor does it tie current appropriations to legislatively authorized appropriations.

It has been six years since 53-6-110(4), MCA was enacted. As stated in the MCA, the LFC and the department must agree on the format of the report. The LFC may wish to consider what types of information would be most useful for committee members and work with DPHHS staff on the format of the BSR as part of the DPHHS redesign effort.