



MONTANA LEGISLATIVE BRANCH

Legislative Fiscal Division

Room 110 Capitol Building * P.O. Box 201711 * Helena, MT 59620-1711 * (406) 444-2986 * FAX (406) 444-3036

Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: September 28, 2006

TO: Legislative Finance Committee

FROM: Taryn Purdy

RE: Recap of Executive action on FY 2006 Appropriations Transfers from FY 2007

At its June meeting, the Legislative Finance Committee reported to the Governor's Office on three proposed supplemental appropriations for the Departments of Public Health and Human Services, Corrections, and Natural Resources and Conservation and in July on the Office of the Public Defender. Copies of the reports forwarded to the Governor are attached. The following table summarizes action taken on these and the March Judiciary supplemental.

| Update on Supplemental Appropriations FY 2006 | | | |
|--|-------------------------|--------------------|--|
| Agency | Amount Presented to LFC | Amount Transferred | Cause of Difference/ Other Comments |
| DPHHS | \$9,000,000 | \$2,800,000 | DPHHS lowered the amount of the transfer from its final estimate provided at the June LFC meeting by: <ul style="list-style-type: none">o Reducing the amount by \$3 million since the agency had not received federal guidance on potential changes in federal reimbursement for Medicaid targeted case managemento Transferring \$1.8 million in general fund costs to state special revenue appropriations from the health and Medicaid initiatives accounto Refining Medicaid service and caseload estimates and lowering the projected cost over run by \$1.1 million |
| Corrections | \$11,500,000 | \$11,500,000 | The figure in the "Amount Transferred" column is the amount transferred within the Secure Care biennial appropriation. The division also transferred \$201,600 within the Montana Correctional Enterprises biennial general fund appropriation. |

| | | | |
|-------------------------------------|-------------|-------------|--|
| DNRC (Fires) | \$5,562,271 | \$5,062,271 | Reimbursements due from other federal agencies for costs incurred by the state were received sooner than anticipated. Also, the amounts shown are the entire amounts requested and transferred since December. The amount anticipated in June was \$1.0 million, while \$0.5 million was actually transferred. |
| Judiciary | \$3,000,000 | \$2,500,000 | The transfer was anticipated largely due to higher than expected appropriated costs for public defender services. The Judiciary transferred some funds from other programs within the agency and had lower costs than originally estimated. |
| Office of the Public Defender | \$190,208 | \$185,927 | Transfers were made primarily for computers and communications equipment. |

Further information on the DPHHS transfer is included in the report by Lois Steinbeck included with this memorandum.

Attachment

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Legislative Fiscal Analyst
CLAYTON SCHENCK

June 16, 2006

Governor Brian Schweitzer
PO Box 200801
Helena MT 59620-0801

Dear Governor Schweitzer:

In accordance with 17-7-311, the Legislative Finance Committee (LFC) has reviewed the proposed supplemental appropriations for the Department of Public Health and Human Services (DPHHS) and voted to report the following:

- o The request meets all statutory criteria
- o The LFC requests that they be informed of the final supplemental appropriation transfer amount for DPHHS on July 15
- o The LFC urges the Office of Budget and Program Planning (OBPP) to comply with section 17-2-108, MCA by offsetting general fund expenditures and appropriations with state special revenue, in particular Health and Medicaid Initiatives Account revenues and appropriations, for uses allowed by statutes governing these funds
- o The LFC recognizes an additional supplemental appropriation may be requested by OBPP if the funding needed by DPHHS is higher than anticipated. In the event of an additional appropriation request OBPP will need to submit a new appropriation transfer request and a new expenditure reduction plan to the LFC
- o The LFC has concerns about the proposed provider rate reductions, and urges that they be implemented at the minimum level possible and only as a last resort

Sincerely,

Clayton Schenck
Legislative Fiscal Analyst

C: David Ewer
Amy Sassano
Joan Miles
John Chappius



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Legislative Fiscal Analyst
CLAYTON SCHENCK

June 15, 2006

Governor Brian Schweitzer
P.O. Box 200801
Helena, MT 59620-0801

Dear Governor Schweitzer:

In accordance with 17-7-311, the Legislative Finance Committee (LFC) has reviewed the proposed supplemental appropriations for the Department of Natural Resources and Conservation and voted to report that the committee finds no issues with this proposed supplemental.

Sincerely,

Clayton Schenck
Legislative Fiscal Analyst

C: David Ewer
Amy Sassano
Mary Sexton
Ann Bauchman



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Legislative Fiscal Analyst
CLAYTON SCHENCK

July 21, 2006

Governor Brian Schweitzer
P.O. Box 200801
Helena, MT 59620-0801

Dear Governor Schweitzer:

In accordance with 17-7-311, the Legislative Finance Committee (LFC) has reviewed the proposed supplemental appropriation for the Office of Public Defender in the Department of Administration and voted to report that the committee finds no statutory issues with this proposed supplemental.

Sincerely,

Clayton Schenck
Legislative Fiscal Analyst

cc: David Ewer
Amy Sassano
Randi Hood
Harry Freebourn