

**Department of Human Services  
House Bill Nos. 1012, 1015, 1196, 1472, Senate Bill No. 2308**

	<b>FTE Positions</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Total</b>
2001-03 executive budget (Governor Schafer) (bills as introduced)	2,252.57	\$340,546,370	\$1,016,554,663	\$1,357,101,033
<b>2001-03 legislative appropriations</b>	<b>2,238.57</b>	<b>368,451,360</b>	<b>1,030,710,761</b>	<b>1,399,162,121</b>
Legislative increase (decrease) to executive budget	(14.00)	\$27,904,990	\$14,156,098	\$42,061,088
Legislative increase (decrease) to 1999-2001 appropriations	(47.48)	\$19,945,643	\$148,218,094	\$168,163,737
2001-03 Governor Hoeven's recommendation	2,252.57	\$340,546,370	\$1,016,554,663	\$1,357,101,033
Legislative increase (decrease) to Governor Hoeven's recommendation	(14.00)	\$27,904,990	\$14,156,098	\$42,061,088

**GOVERNOR HOEVEN'S RECOMMENDATIONS**

The Hoeven recommendation did not change the Schafer recommendation for the Department of Human Services 2001-03 biennium budget. The Hoeven budget, however, did recommend paying the Dunseith and McVillage nursing homes an additional governmental nursing facility funding pool (intergovernmental transfer program) transaction payment of \$200,000 each during the 1999-2001 biennium that the Schafer budget did not recommend.

**SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET (SCHAFFER) AND MAJOR FUNDING ITEMS**

**Salaries and Wages**

The legislative action affecting the recommended appropriation for the Department of Human Services is in accordance with legislative salary and fringe benefits guidelines as contained in House Bill No. 1015. In addition to the above appropriations, agencies may receive additional funding from the \$5 million appropriated in Section 1 of House Bill No. 1015 for special market equity adjustments for classified state employees whose salaries are the furthest from their respective salary range midpoints.

In addition to the compensation package, the Legislative Assembly approved the executive recommendation to provide \$57,000, of which \$31,350 is from the general fund, in the Management subdivision for recruiting and retaining information technology staff and \$150,000 from the general fund, \$18,750 for each human service center, for increasing salaries to new pay range minimums established by Central Personnel.

**Major Items and FTE Changes**

The Legislative Assembly approved the executive recommendation which changed the source of funding from the general fund to special funds by a total of \$1,195,013 for all divisions to recognize anticipated savings from vacant employee positions and employee turnover. This represents a two percent reduction of general fund salaries for the human service centers and a one percent reduction of general fund salaries for the remainder of the department, including the State Hospital and Developmental Center. In addition, the Legislative Assembly approved the executive recommendation which changed the funding source from the general fund to special funds totaling \$853,908 for 10.65 FTE vacant positions at the State Hospital that the hospital has no immediate plans to fill.

	FTE Positions	General Fund	Other Funds	Total
<b>Management</b>				
Executive budget recommendation	122.80	\$19,697,621	\$40,824,823	\$60,522,444
Legislative action:				
Added funding for operating expenses of the Management subdivision. Section 8 was added authorizing the department to transfer up to \$250,000 from operating expenses to equipment without Emergency Commission approval		250,000		250,000
<b>Executive Office</b>				
Reduced funding for operating expenses		(7,500)		(7,500)
<b>Managerial Support</b>				
Added funding from the lands and minerals trust fund for making DD loan fund payments totaling \$2,261,556 to the common schools trust fund due to additional loans being approved			221,501	221,501
Removed funding for the Health Insurance Portability and Accountability Act (HIPAA) computer system project from House Bill No. 1012 (\$3,870,794 from the health care trust fund and \$5,055,347 of federal funds) and provided funding of \$8,055,347, of which \$3,000,000 is from the health care trust fund and \$5,055,347 is federal funds for the HIPAA project and other technology projects in House Bill No. 1196			(870,794)	(870,794)
Reduced funding for operating expenses		(28,800)	(51,200)	(80,000)
<b>Information Management Division</b>				
Reduced information technology funding associated with new FTE positions at the West Central (\$9,570) and Southeast (\$6,380) Human Service Centers and in child support (\$3,190)		(18,146)	(994)	(19,140)
Reduced funding for operating expenses		(101,500)	(248,500)	(350,000)
Reduced operating expense funding for current system enhancements to \$2,524,714, of which \$650,681 is from the general fund		(637,000)		(637,000)
Removed operating expense funding for the upgrading to Windows 2000		(249,326)	(203,994)	(453,320)
Reduced operating expense funding for the case management system project to \$1,250,000, of which \$500,000 is from the general fund		(250,000)		(250,000)

Added funding from federal TANF block grant funds for computer system changes relating to the amendment to North Dakota Century Code (NDCC) Section 50-09-06.1 that precludes the department from assigning child support collections for a child that is subject to the TANF benefit cap (Section 27)			99,687	99,687
Reduced funding for equipment		(600,000)		(600,000)
Total legislative adjustments - Management	0.00	(\$1,642,272)	(\$1,054,294)	(\$2,696,566)
<b>Total Management</b>	<b>122.80</b>	<b>\$18,055,349</b>	<b>\$39,770,529</b>	<b>\$57,825,878</b>
<b>Economic Assistance</b>				
Executive budget recommendation	130.80	\$188,256,410	\$740,502,079	\$928,758,489
Legislative action:				
<b>Economic Assistance Policy</b>				
Reduced funding for operating expenses		(5,400)	(54,600)	(60,000)
Reduced funding for salaries and wages to reflect a reclassification of a position from a human service program administrator to an administrative secretary		(11,909)	(15,844)	(27,753)
Reduced funding to \$2,525,000, of which \$456,993 is from the general fund and \$2,068,007 is from retained funds for the Indian county allocation to reflect the calculation at 90 percent of the formula contained in subsection 3 of NDCC Section 50-01.2-03.2		(246,979)		(246,979)
<b>Child Support</b>				
Removed a child support specialist position and related operating expenses added in the executive budget	(1.00)	(75,103)		(75,103)
Reduced funding for operating expenses		(25,000)		(25,000)
<b>Medical Services</b>				
Reduced funding for basic care grants to reflect targeted case management costs being paid in medical assistance		(14,462)		(14,462)
Appropriated funding for basic care assistance grants of \$8,010,658 of federal and special funds in the medical assistance line item rather than the assistance payments line item				
Removed funding from the health care trust fund for service payments for the elderly and disabled (SPED) grants inadvertently included in economic assistance as well as program and policy in the executive budget. The funding should have only been included in program and policy.			(4,262,410)	(4,262,410)

Removed Healthy Steps administrative positions added in the executive budget	(2.00)	(36,997)	(135,969)	(172,966)
Removed funding from the health care trust fund for Bank of North Dakota fees relating to nursing facility loans. The Bank withholds these fees pursuant to a continuing appropriation.			(147,358)	(147,358)
Added funding for developmental disabilities (DD) grants to restore the \$1 million of general fund moneys and related federal funds reduced in the executive budget for these grants and to provide for the anticipated increase in funding needed for these services as a result of department grant reprojections		1,837,358	3,838,774	5,676,132
Increased funding for DD grants to increase the average wage for community direct care workers by 10 cents per hour		484,547	1,013,965	1,498,512
Reduced funding for medical assistance grants to reflect the removal of the \$25 million of state matching funds included in the executive budget from the health care trust fund and related federal funds of \$58,333,333			(83,333,333)	(83,333,333)
Added funding for medical assistance grants from the general fund to replace a portion of the \$25 million of state matching funds from the health care trust fund that were removed		21,500,000	50,166,667	71,666,667
Added funding for medical assistance grants to increase the optometric fee payment by \$15, from \$31 to \$46		59,620	139,114	198,734
Added funding for medical assistance grants relating to additional costs associated with provisions of House Bill No. 1441, which eliminates the asset test for medical assistance for children and families coverage groups and pregnant women		381,000	921,845	1,302,845
Added funding for medical assistance grants for providing medical assistance coverage for women with breast or cervical cancer. The state matching funds of \$114,755 (21%) is from the community health trust fund.			544,120	544,120
Consolidated the children's special health services program into the medical services program	10.00	801,404	1,418,026	2,219,430
Removed the children's special health services program director position	(1.00)	(58,944)	(78,136)	(137,080)
Added funding in children's special health services grants for costs associated with PKU-related services in accordance with provisions of Senate Bill No. 2239		57,619		57,619

Increased funding to \$38,750,000, of which \$11,650,000 is from the general fund and \$27,100,000 of federal funds for making government nursing facility funding pool payments. The Legislative Assembly provided that the matching funds for these payments (\$11,650,000) be provided from the general fund and subsequently returned to the general fund. The executive budget recommended that the matching funds be from the health care trust fund and redeposited into the fund. (House Bill No. 1196)	11,650,000	659,187	12,309,187
Removed funding included in the executive budget from the health care trust fund for making an additional 1999-2001 biennium transaction fee payment to Dunseith and McVile during the 2001-03 biennium. The Legislative Assembly provided a deficiency appropriation to the department in House Bill No. 1196 of \$800,000 from the health care trust fund for making an additional transaction fee payment of \$400,000 to each facility during the 1999-2001 biennium.		(400,000)	(400,000)
Added funding from the health care trust fund for nursing facility loans to provide a total of \$12 million (House Bill No. 1196)		8,080,000	8,080,000
Added funding from the health care trust fund for providing nursing home bed reduction incentives (House Bill No. 1196)		4,000,000	4,000,000
Added funding from the health care trust fund of \$8,189,054 and related federal funds of \$19,107,793 for nursing facility employee compensation enhancements (House Bill No. 1196)		27,296,847	27,296,847
Added funding from the health care trust fund of \$202,080 and related federal funds of \$471,520 for basic care employee compensation enhancements (House Bill No. 1196)		673,600	673,600
Added funding from the health care trust fund of \$681,846 and related federal funds of \$1,590,974 for rebasing nursing facility rate limits from 1996 to 1999 (House Bill No. 1196)		2,272,820	2,272,820
Added funding from the health care trust fund of \$309,600 and related federal funds of \$708,000 for increasing the personal care allowance for individuals in nursing facilities and intermediate care facilities for the mentally retarded (ICF/MR) by \$10 per month, from \$40 to \$50 (House Bill No. 1196)		1,017,600	1,017,600
Added funding from the health care trust fund to increase the personal care allowance for individuals in basic care facilities by \$15 per month, from \$45 to \$60. (House Bill No. 1196) The statutory		180,000	180,000

change relating to this increase (NDCC Section 50-24.5-04) was included in House Bill No. 1109.

Added funding from the health care trust fund for distributing qualified service provider training grants (House Bill No. 1196)			140,000	140,000
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Added funding from the health care trust fund of \$338,530 and related federal funds of \$769,220 in House Bill No. 1196 for providing targeted case management services (House Bill No. 1117)			1,107,750	1,107,750
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Total legislative adjustments - Economic Assistance	6.00	\$36,296,754	\$15,042,665	\$51,339,419
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<b>Total Economic Assistance</b>	<b>136.80</b>	<b>\$224,553,164</b>	<b>\$755,544,744</b>	<b>\$980,097,908</b>
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**Program and Policy**

Executive budget recommendation	112.50	\$34,959,143	\$129,295,937	\$164,255,080
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Legislative action:

**Aging Services**

Changed the source of funding from the general fund to the health care trust fund for a portion of the funding provided for the senior citizen mill levy matching grant program. Total funding of \$1,662,945 is provided, \$1,412,945 of which is from the general fund and \$250,000 from the health care trust fund.		(250,000)	250,000	
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Reduced funding to \$268,400, of which \$200,000 is from the general fund for operating expenses relating to distributing telecommunications equipment		(52,727)		(52,727)
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Reduced funding for SPED grants to \$13,415,595 to reflect targeted case management costs being paid in medical assistance		(90,065)	(461,635)	(551,700)
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Changed the source of funding from the general fund to the health care trust fund for a portion of the funding provided for SPED grants. Total funding of \$13,415,595, of which \$5,835,142 is from the general fund, \$6,898,302 is from the health care trust fund, and \$682,151 is from county funds.		(2,635,892)	2,635,892	
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Reduced funding for expanded SPED grants to \$1,203,280 from the general fund to reflect targeted case management costs being paid in medical assistance		(217,800)		(217,800)
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**Children's Special Health Services Program**

Reduced funding for operating expenses		(21,500)	(28,500)	(50,000)
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Consolidated the children's special health services program into the medical services program	(10.00)	(801,404)	(1,418,026)	(2,219,430)
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<b>Children and Family Services Program</b>			
Reduced funding for intensive in-home services grants to \$250,000 from the general fund	(50,000)		(50,000)
Reduced funding for operating expenses	(25,000)		(25,000)
Changed the source of funding for a portion of the funding provided for child protection services grants from the general fund to federal temporary assistance for needy families (TANF) funds	(200,000)	200,000	
Reduced funding for child protection services grants	(100,000)		(100,000)
Reduced funding for family preservation services grants	(100,000)		(100,000)
Reduced funding for early childhood services grants to provide \$4,136,344, of which \$105,000 is from the general fund	(40,000)		(40,000)
<b>Mental Health and Substance Abuse Program</b>			
Added funding in Senate Bill No. 2308 for compulsive gambling services			
Provided that \$50,000 of the \$239,000 of funding provided from the general fund for compulsive gambling services, including funding provided in Senate Bill No. 2308, may be spent only if the Mental Health Association of North Dakota receives at least \$220,000 of funding from Indian gaming sources for compulsive gambling services during the 2001-03 biennium (\$50,000 more than the association received during the 1999-2001 biennium) (Section 22)	89,000		89,000
<b>Developmental Disabilities Program</b>			
Reduced funding for operating expenses	(10,000)		(10,000)
<b>Vocational Rehabilitation Program</b>			
Reduced funding for operating expenses	(5,000)		(5,000)
Reduced funding for extended services grants	(25,000)		(25,000)
Changed the source of funding for a portion of the independent living center grants from the general fund to the health care trust fund	(100,000)	100,000	
Reduced funding for independent living center grants to \$1,096,699, of which \$418,992 is from the general fund, \$100,000 is from the health care trust fund, and \$577,707 is federal funds	(125,000)		(125,000)
Total legislative adjustments - Program and Policy	<u>(10.00)</u>	<u>(\$4,760,388)</u>	<u>\$1,277,731</u>
<b>Total Program and Policy</b>	<b><u>102.50</u></b>	<b><u>\$30,198,755</u></b>	<b><u>\$130,573,668</u></b>
		<b><u>\$160,772,423</u></b>	

**State Hospital**

Executive budget recommendation	511.00	\$33,800,332	\$18,374,398	\$52,174,730
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Legislative action:

Removed a vacant nurse position	(1.00)	(55,512)		(55,512)
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Removed a vacant social worker position	(1.00)	(55,512)		(55,512)
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Reduced funding for operating expenses		(196,000)		(196,000)
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Reduced funding for equipment		(30,000)		(30,000)
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Reduced funding to \$403,676 from the general fund for extraordinary repairs		(300,000)		(300,000)
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Removed funding from the health care trust fund for closing the State Hospital landfill. Section 23 was added authorizing the State Hospital to close its landfill if funding becomes available within the hospital's 2001-03 biennium appropriation. Section 14 was also added providing legislative intent that the State Hospital seek the assistance of the Adjutant General to complete the project, subject to approval by the Associated General Contractors of North Dakota.			(413,255)	(413,255)
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Total legislative adjustments - State Hospital	<u>(2.00)</u>	<u>(\$637,024)</u>	<u>(\$413,255)</u>	<u>(\$1,050,279)</u>
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<b>Total State Hospital</b>	<b><u>509.00</u></b>	<b><u>\$33,163,308</u></b>	<b><u>\$17,961,143</u></b>	<b><u>\$51,124,451</u></b>
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**Developmental Center**

Executive budget recommendation	471.14	\$10,789,280	\$30,233,607	\$41,022,887
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Legislative action:

Reduced funding for operating expenses		(67,500)	(157,500)	(225,000)
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Removed equipment funding for a dietary trayline system		(12,000)	(28,000)	(40,000)
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Removed capital improvements funding for a power generator and line power synchronization		(42,000)	(28,000)	(70,000)
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Total legislative adjustments - Developmental Center	<u>0.00</u>	<u>(\$121,500)</u>	<u>(\$213,500)</u>	<u>(\$335,000)</u>
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<b>Total Developmental Center</b>	<b><u>471.14</u></b>	<b><u>\$10,667,780</u></b>	<b><u>\$30,020,107</u></b>	<b><u>\$40,687,887</u></b>
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**Northwest Human Service Center**

Executive budget recommendation	65.68	\$4,173,450	\$4,155,537	\$8,328,987
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Legislative action:

Removed addiction program positions no longer being requested by the agency. The center will use the funding remaining of \$770,715 to contract with a private provider for these services. The funding removed relates to the compensation package increase for these positions.

Removed addiction program positions no longer being requested by the agency. The center will use the funding remaining of \$770,715 to contract with a private provider for these services. The funding removed relates to the compensation package increase for these positions.	(5.00)	(21,554)		(21,554)
Reduced funding for rent		(35,000)	(35,000)	(70,000)
Reduced funding for other operating expenses		(35,000)	(35,000)	(70,000)
Reduced funding for DD infant development grants		(7,500)	(2,500)	(10,000)
<b>Total legislative adjustments - Northwest Human Service Center</b>	<b>(5.00)</b>	<b>(\$99,054)</b>	<b>(\$72,500)</b>	<b>(\$171,554)</b>
<b>Total Northwest Human Service Center</b>	<b>60.68</b>	<b>\$4,074,396</b>	<b>\$4,083,037</b>	<b>\$8,157,433</b>

**North Central Human Service Center**

Executive budget recommendation 115.85 \$8,514,537 \$5,892,990 \$14,407,527

Legislative action:

Added a community home counselor for the Oppen program	1.00	53,606		53,606
Removed a portion of the funding relating to a human service program administrator position added in the executive budget to assist with business office functions		(30,964)	(3,684)	(34,648)
Reduced funding for operating expenses		(14,750)	(10,250)	(25,000)
Reduced grants funding for short-term inpatient hospitalization services to \$297,787, of which \$141,193 is from the general fund and \$156,594 is from federal and other funds		(118,000)	(82,000)	(200,000)
<b>Total legislative adjustments - North Central Human Service Center</b>	<b>1.00</b>	<b>(\$110,108)</b>	<b>(\$95,934)</b>	<b>(\$206,042)</b>
<b>Total North Central Human Service Center</b>	<b>116.85</b>	<b>\$8,404,429</b>	<b>\$5,797,056</b>	<b>\$14,201,485</b>

**Lake Region Human Service Center**

Executive budget recommendation 69.00 \$4,600,599 \$3,658,411 \$8,259,010

Legislative action:

Removed a vacant position. The center may determine the specific position to remove.	(1.00)	(44,534)	(40,224)	(84,758)
Reduced salaries and wages relating to a human relations counselor position that has been reclassified		(10,800)	(10,800)	(21,600)

Reduced funding for operating expenses		(11,200)	(8,800)	(20,000)
Reduced funding for grants		(10,000)		(10,000)
Total legislative adjustments - Lake Region Human Service Center	<u>(1.00)</u>	<u>(\$76,534)</u>	<u>(\$59,824)</u>	<u>(\$136,358)</u>
<b>Total Lake Region Human Service Center</b>	<b><u>68.00</u></b>	<b><u>\$4,524,065</u></b>	<b><u>\$3,598,587</u></b>	<b><u>\$8,122,652</u></b>
<b>Northeast Human Service Center</b>				
Executive budget recommendation	144.40	\$7,800,231	\$11,282,528	\$19,082,759
Legislative action:				
Removed funding for adult protective services		(40,700)		(40,700)
Reduced funding for operating expenses		(40,000)		(40,000)
Reduced funding for grants		(62,500)	(87,500)	(150,000)
Reduced general fund support for the center. Section 19 was added providing legislative intent that any budget adjustments made as a result of this reduction be made to areas of the budget other than funding for contracts with private providers.		(175,000)		(175,000)
Total legislative adjustments - Northeast Human Service Center	<u>0.00</u>	<u>(\$318,200)</u>	<u>(\$87,500)</u>	<u>(\$405,700)</u>
<b>Total Northeast Human Service Center</b>	<b><u>144.40</u></b>	<b><u>\$7,482,031</u></b>	<b><u>\$11,195,028</u></b>	<b><u>\$18,677,059</u></b>
<b>Southeast Human Service Center</b>				
Executive budget recommendation	189.75	\$9,240,626	\$11,146,427	\$20,387,053
Legislative action:				
Removed a vacant office assistant III	(1.00)	(50,971)	(4,326)	(55,297)
Removed funding for adult protective services		(53,300)		(53,300)
Reduced funding for operating expenses		(17,600)	(22,400)	(40,000)
Reduced funding for grants		(25,000)		(25,000)
Total legislative adjustments - Southeast Human Service Center	<u>(1.00)</u>	<u>(\$146,871)</u>	<u>(\$26,726)</u>	<u>(\$173,597)</u>
<b>Total Southeast Human Service Center</b>	<b><u>188.75</u></b>	<b><u>\$9,093,755</u></b>	<b><u>\$11,119,701</u></b>	<b><u>\$20,213,456</u></b>
<b>South Central Human Service Center</b>				
Executive budget recommendation	90.00	\$5,783,215	\$5,531,495	\$11,314,710
Legislative action:				
Removed a vacant addiction counselor	(1.00)	(42,656)	(35,629)	(78,285)

Removed funding for adult protective services		(37,500)		(37,500)
Reduced funding for temporary and overtime salaries		(10,200)	(9,800)	(20,000)
Reduced funding for operating expenses		(20,400)	(19,600)	(40,000)
Reduced funding for grants		(10,000)		(10,000)
Total legislative adjustments - South Central Human Service Center	(1.00)	(\$120,756)	(\$65,029)	(\$185,785)
<b>Total South Central Human Service Center</b>	<b>89.00</b>	<b>\$5,662,459</b>	<b>\$5,466,466</b>	<b>\$11,128,925</b>
<b>West Central Human Service Center</b>				
Executive budget recommendation	141.15	\$8,427,678	\$10,490,557	\$18,918,235
Legislative action:				
Removed the assistant director position	(1.00)	(107,913)	(10,284)	(118,197)
Removed funding for adult protective services		(58,100)		(58,100)
Reduced funding for operating expenses		(22,500)	(27,500)	(50,000)
Reduced funding for grants		(75,000)		(75,000)
Total legislative adjustments - West Central Human Service Center	(1.00)	(\$263,513)	(\$37,784)	(\$301,297)
<b>Total West Central Human Service Center</b>	<b>140.15</b>	<b>\$8,164,165</b>	<b>\$10,452,773</b>	<b>\$18,616,938</b>
<b>Badlands Human Service Center</b>				
Executive budget recommendation	88.50	\$4,503,248	\$5,165,874	\$9,669,122
Legislative action:				
Removed funding relating to a vacant human relations counselor II		(49,444)	(33,652)	(83,096)
Removed funding for adult protective services		(20,400)		(20,400)
Reduced funding for operating expenses		(14,100)	(15,900)	(30,000)
Reduced funding for respite care grants		(5,000)		(5,000)
Reduced funding for psychiatric services		(15,000)		(15,000)
Added funding for chemical dependency alcohol and drug services		8,400	11,600	20,000
Total legislative adjustments - Badlands Human Service Center	0.00	(\$95,544)	(\$37,952)	(\$133,496)
<b>Total Badlands Human Service Center</b>	<b>88.50</b>	<b>\$4,407,704</b>	<b>\$5,127,922</b>	<b>\$9,535,626</b>
<b>Total Department of Human Services</b>				
Executive budget recommendation	2,252.57	\$340,546,370	\$1,016,554,663	\$1,357,101,033

Total legislative adjustments	(14.00)	\$27,904,990	\$14,156,098	\$42,061,088
<b>Legislative appropriation</b>	<b>2,238.57</b>	<b>\$368,451,360</b>	<b>\$1,030,710,761</b>	<b>\$1,399,162,121</b>

**Other Sections in House Bill No. 1012**

**DD loan fund payments** - Section 2 provides that \$2,261,556 appropriated from the lands and minerals trust fund in the **Management** subdivision is for making principal and interest payments to the common schools trust fund on DD loans from funds Nos. 2 and 3.

**DD loan fund income** - Section 3 authorizes the department to spend \$871,765 from the cash balance of DD loan fund No. 1 which is appropriated in the **Management** subdivision.

**Transfer authority** - Section 4 allows the department to transfer appropriation authority between its agencies and institutions, subject to Emergency Commission approval. Section 5 allows the department to transfer appropriation authority and FTE positions between the institutions and the human service centers to correlate fiscal and staff resources with the flow of institutional residents and human service center clients. Section 8 was added authorizing the department to transfer up to \$250,000 from operating expenses to equipment in the **Management** subdivision and to report any transfers to the Office of Management and Budget.

**Native American alcohol and drug program** - Section 6 precludes the \$200,000 provided for the Native American alcohol and drug abuse education program from being used for tribal administrative costs and requires the local grant recipient to provide matching funds equal to the grant amount either with funding or in-kind services.

**Report to 2003 Legislative Assembly** - Section 7 was added requiring the department to provide a report to the Appropriations Committees during the 2003 legislative session on any transfers of funding or FTE positions made between the agencies and institutions of the department during the 2001-03 biennium.

**Medical services utilization review** - Section 9 was added providing legislative intent that the department enhance the effectiveness of its utilization review efforts in the medical services program during the 2001-03 biennium.

**Sharing of workstations** - Section 10 was added providing legislative intent that the department consider requiring the sharing of workstations by its employees for the 2001-03 biennium.

**Telephone cost savings** - Section 11 was added providing legislative intent that the department consider distributing prepaid telephone calling cards to its employees for use when making allowable long-distance personal telephone calls when traveling on official state business for the 2001-03 biennium.

**Printing cost savings** - Section 12 was added providing legislative intent that the department consider expanding its use of e-mail for distributing information to reduce printing costs for the 2001-03 biennium.

**Spending priority** - Section 13 was added providing legislative intent that for any programs receiving appropriations from both the general fund and health care trust fund, the department spend moneys appropriated from the general fund before spending moneys from the health care trust fund for the 2001-03 biennium.

**State Hospital landfill closure** - Section 14 was added providing legislative intent that the State Hospital seek the assistance of the Adjutant General in the closure of the State Hospital landfill and that the Adjutant General complete the project, subject to the approval of the Associated General Contractors of North Dakota. Section 23 was also added authorizing the State Hospital, during the second year of the 2001-03 biennium, to use projected savings from other areas of the State Hospital budget for the costs of closing the landfill. The section also authorizes the hospital to transfer appropriation authority between line items to provide the funding needed for the project, subject to Emergency Commission and Budget Section approval.

**Federal family caregiver funds** - Section 15 was added providing legislative intent that the department determine the requirements related to the acceptance of federal family caregiver funds, including allowable uses, maintenance of effort, and future funding projections.

**Critical access hospitals** - Section 16 was added providing legislative intent that the department implement a charge-based payment schedule for critical access hospitals for the 2001-03 biennium.

**Legislative Council studies** - Section 17 was added providing for a Legislative Council study of state administration of child support, including the fiscal effect on counties and the state. Section 18 was added providing for a Legislative Council study of the senior citizen mill levy matching grant program.

**Northeast Human Service Center funding** - Section 19 was added providing legislative intent that any budget reductions made by the Northeast Human Service Center relating to the unspecified \$175,000 reduction in general fund support made by the Legislative Assembly not be made in areas of the budget that provide funding for contracts with private providers.

**Medicaid funding report** - Section 20 was added providing that the department report to the Budget Section on the status of medical assistance expenditures and its utilization review efforts and, if the department anticipates that actual expenditures will exceed legislative appropriations for medical assistance grants, that the department report to the Budget Section on its efforts to provide for the shortfall and, if necessary, seek Budget Section approval to spend funds at a level which would require a request for a general fund deficiency appropriation from the 2003 Legislative Assembly.

**Department of Human Services 2003-05 biennium appropriations bill** - Section 21 was added requiring the Office of Management and Budget to submit for introduction the Department of Human Services appropriations bill for the 2003-05 biennium to the 2003 Legislative Assembly at the same funding levels by line item and employee levels authorized by the 2001 Legislative Assembly for the 2001-03 biennium. Any executive budget changes are to be submitted as a recommendation for change to the bill as introduced. **(The Governor vetoed this section.)**

**Contingent funding for compulsive gambling services** - Section 22 was added providing that \$50,000 of the \$150,000 appropriated in House Bill No. 1012 for compulsive gambling services may be spent only if the Mental Health Association of North Dakota receives at least \$220,000 of funding from Indian gaming sources for compulsive gambling services during the 2001-03 biennium.

**Basic care facility private room rates** - Section 24 was added, as an emergency measure, allowing basic care facilities to charge a higher rate for private rooms.

**Per diem for State Hospital Governing Body members** - Section 25 was added increasing the per diem rate for members of the State Hospital Governing Body by \$37.50 per day, from \$62.50 to \$100 per day.

**Indian county allocation** - Section 26 of House Bill No. 1012 was added amending NDCC Section 50-01.2-03.2(3) to provide that grant payments to Indian counties for their economic assistance program administrative costs that are in excess of the statewide average would be a percentage of excess costs based on legislative appropriations rather than the total excess costs. This same NDCC subsection, however, was subsequently amended by Section 25 of House Bill No. 1015 to provide that these grants be allocated at 90 percent of the affected county's administrative expenses for economic assistance programs that are in excess of the statewide average.

**Assignment of child support** - Section 27 was added amending NDCC Section 50-09-06.1 to preclude the department from assigning child support collections for any child that is subject to the benefit cap under the state's TANF program, effective January 1, 2002.

**Eligibility for children's special health services** - Section 28 was added setting eligibility for children's special health services at 185 percent of poverty, except for individuals with phenylketonuria (PKU) who may receive treatment services, regardless of income.

### Related Legislation

**Indian county allocation** - House Bill No. 1015 appropriates an additional \$125,000 from the general fund for providing grants to Indian counties that have economic assistance program administrative costs that are in excess of the statewide average. The bill amends NDCC Section 50-01.2-03.2(3) to provide that these grants be allocated at 90 percent of the affected county's administrative costs that exceed the statewide average.

**Basic care and assisted living facilities** - House Bill No. 1109 expands the definition of a basic care facility to include an Alzheimer's, dementia, or special memory care facility. The bill requires assisted living facilities to register with the Department of Human Services and pay an annual registration fee of \$75. Basic care facilities will continue to be licensed by the State Department of Health. The bill also increases the personal care allowance for individuals residing in a basic care facility by \$15 per month, from \$45 to \$60.

**State Hospital land sale** - House Bill No. 1114 authorizes the Department of Human Services to sell certain State Hospital land to the city of Jamestown.

**Personal care option** - House Bill No. 1115 authorizes the Department of Human Services to implement a personal care option benefit program for qualified individuals residing in basic care facilities. This program is expected to allow the department to access an estimated \$5,609,666 of federal Medicaid funds for the 2001-03 biennium.

**Targeted case management** - House Bill No. 1117 requires the Department of Human Services to establish targeted case management services for eligible elderly and disabled individuals who are at risk of requiring long-term care services. This will allow the department to access an estimated \$429,229 of additional federal funds to replace general fund moneys in the SPED program for the 2001-03 biennium.

**Intergovernmental transfer program** - House Bill No. 1196 continues the intergovernmental transfer program that allows the state to claim additional federal Medicaid funds by making government nursing facility funding pool payments to government nursing facilities in the state--Dunseith and McVile, having these facilities return the funding to the state, less a \$50,000 transaction fee, and depositing the federal funds in the health care trust fund.

The bill appropriates \$38,750,000, of which \$11,650,000 is from the general fund and \$27,100,000 of federal funds to the Department of Human Services for making **government nursing facility funding pool payments** during the 2001-03 biennium. The general fund share of each payment will be returned to the general fund within one business day of the payment being made; therefore, general fund revenues also increase by \$11,650,000. If income in excess of the \$27,100,000 becomes available for making additional government nursing facility funding pool payments for the 2001-03 biennium, any additional state matching funds required are appropriated as a continuing appropriation from the general fund for making the additional payments and any general fund moneys spent for this purpose must be returned to the general fund within two days.

The bill appropriates \$800,000 from the health care trust fund to the Department of Human Services for making an **additional transaction fee payment** of \$400,000 to each of the government nursing facilities (Dunseith and McVile) during the 1999-2001 biennium. These payments are in addition to the \$10,000 transaction fee that each facility retained for each of the two payments made during the 1999-2001 biennium. For payments made after July 1, 2001, each government nursing facility may retain a transaction fee of \$50,000 for payments processed in a calendar year.

For Department of Human Services **management programs**, the bill appropriates \$8,055,347, of which \$3,000,000 is from the health care trust fund and \$5,055,347 is from federal funds to the Department of Human Services for costs associated with complying with the federal Health Insurance Portability and Accountability Act (**HIPAA**) and for other technology projects.

For Department of Human Services **economic assistance programs**, the bill makes the following appropriations:

Description	Health Care Trust Fund	Federal Funds	Total
Intergovernmental transfer program administration	\$71,158		\$71,158
Nursing facility grants committed during the 1999-2001 biennium	100,226		100,226
Nursing facility renovation project loans (\$7,040,000) and loans committed but not paid during the 1999-2001 biennium (\$4,960,000)	12,000,000		12,000,000
Long-term care needs assessment	241,006		241,006
Nursing home bed reduction incentive - The department may pay incentives of up to: \$15,000 per bed if a facility eliminates its entire licensed bed capacity \$12,000 per bed if a facility reduces at least eight beds \$8,000 per bed if a facility reduces fewer than eight beds	4,000,000		4,000,000
Nursing facility employee salary and benefit enhancements	8,189,054	\$19,107,793	27,296,847
Nursing facility rate limit increase due to rebasing to 1999	681,846	1,590,974	2,272,820
Nursing facility and intermediate care facility for the mentally retarded personal care allowance increase by \$10 per month, from \$40 to \$50 per month	309,600	708,000	1,017,600
Basic care employee salary and benefit enhancements	202,080	471,520	673,600
Basic care personal care allowance increase by \$15 per month, from \$45 to \$60 per month	180,000		180,000
Training grants for qualified service providers	140,000		140,000
Medical assistance grants relating to targeted case management services	338,530	769,220	1,107,750
<b>Total</b>	<b>\$26,453,500</b>	<b>\$22,647,507</b>	<b>\$49,101,007</b>

For the Department of Human Services **program and policy programs**, the bill makes the following appropriations:

Description	Health Care Trust Fund	Federal Funds	Total
Grants for service payments for the elderly and disabled (SPED)	\$6,898,302		\$6,898,302
Grants for the senior citizen mill levy match	250,000		250,000
Grants for independent living centers	100,000		100,000
<b>Total</b>	<b>\$7,248,302</b>	<b>\$0</b>	<b>\$7,248,302</b>

Section 7 of the bill provides that the moneys in the health care trust fund be invested by the **State Investment Board**.

Section 8 of the bill creates a **long-term care nursing scholarship and loan repayment program** in the State Department of Health for providing grants of up to \$5,500 to each eligible nursing facility during the first year of the biennium for the facility to use for providing scholarships to nursing staff or others to obtain a nursing education or for assisting nurses employed by the facility to repay their nursing student loans. Each nursing facility must provide an equal amount as matching. The Legislative Assembly provided \$489,500 from the health care trust fund for this program for the 2001-03 biennium. If appropriation authority remains after the first year of the biennium, the State Health Council may provide additional matching grants to nursing facilities for the same purpose.

Sections 9 and 10 of the bill relate to the **moratorium on the expansion of nursing facility or basic care bed capacity**. Provisions are added that allow, not more than once in a 12-month period, a nursing facility to convert licensed nursing facility bed capacity to basic care bed capacity and a basic care facility to convert basic care bed capacity that was licensed after July 2001 to nursing facility bed capacity. In addition, these sections allow the transfer of existing nursing facility or basic care bed capacity from a municipality to a tribal reservation during the 2001-03 biennium only to the extent that the transferring facility reduces its licensed capacity by twice the number of beds transferred.

Section 17 of the bill provides legislative intent that the June 30, 2003, unobligated **balance in the health care trust fund** and any investment earnings on that amount during the 2003-05 biennium not be appropriated but be retained in the fund to be used to continue, for periods subsequent to the 2003-05 biennium, the increased funding levels authorized by House Bill No. 1196 for the 2001-03 biennium.

Section 29 of the bill provides for a Legislative Council **study of long-term care needs and the nursing facility payment system** in North Dakota.

Section 39 of the bill **precludes the State Treasurer from allowing expenditures** from the health care trust fund that would reduce the unobligated balance below \$13 million during the 2001-03 biennium unless the Department of Human Services certifies that the federal government's claim for the return of \$13 million of the state's first-year payment has been resolved.

**Medical assistance coverage for ambulance services** - House Bill No. 1282 requires the Department of Human Services to pay for ambulance service calls for Medicaid-covered individuals even if the service call does not result in a transport.

**Moratorium on the expansion of foster care facilities** - House Bill No. 1415 continues the moratorium on the expansion of residential treatment center or residential child care facility bed capacity through June 30, 2003, unless the Department of Human Services determines that a need exists for additional bed capacity. The bill also includes group homes in the moratorium.

**Medical assistance eligibility** - House Bill No. 1441 removes the asset test for children and families coverage groups and pregnant women to be eligible for medical assistance and directs the Department of Human Services to seek an amendment to its state plan to maximize federal reimbursement for the low-income children covered under Medicaid rather than Healthy Steps. The removal of the asset test becomes effective when the state plan amendment is approved, but not before January 1, 2002, and becomes ineffective on June 30, 2003.

**Coordination of medical assistance and Healthy Steps study** - House Bill No. 1441 also provides for a Legislative Council study of the coordination of the medical assistance and the children's health insurance programs.

**Medical assistance coverage for breast or cervical cancer** - House Bill No. 1472 appropriates \$544,120, of which \$114,755 is from the community health trust fund, and \$429,365 is federal funds for medical assistance coverage for breast and cervical cancer for the 2001-03 biennium. Coverage is provided up to 200 percent of poverty, and federal funds are provided at a 79/21 matching rate. The coverage is authorized only for the 2001-03 biennium.

**Healthy Steps eligibility** - Senate Bill No. 2095 changes the method of determining eligibility for the children's health insurance program (Healthy Steps) for self-employed applicants. Eligibility will be determined based on the lower of the applicant's previous year's adjusted gross income or the previous three-year average rather than basing eligibility only on the average adjusted gross income for the previous three years.

**Moratorium on the expansion of long-term care and basic care bed capacity** - Senate Bill No. 2098 contains the same provisions as House Bill No. 1196 regarding the moratorium on the expansion of long-term care and basic care bed capacity. Provisions are added that allow, not more than once in a 12-month period, a nursing facility to convert licensed nursing facility bed capacity to basic care bed capacity and a basic care facility to convert basic care bed capacity that was licensed after July 2001 to nursing facility bed capacity. In addition, these sections allow the transfer of existing nursing facility or basic care bed capacity from a municipality to a tribal reservation during the 2001-03 biennium only to the extent that the transferring facility reduces its licensed capacity by twice the number of beds transferred.

**DD provider reimbursement system recommendation** - Senate Bill No. 2307 requires the Department of Human Services, in cooperation with DD services providers, to prepare a joint recommendation regarding a new statewide developmental disability services provider reimbursement system for consideration by the 2003 Legislative Assembly.



**Compulsive gambling services** - Senate Bill No. 2308 appropriates \$89,000 from the general fund to the Department of Human Services for compulsive gambling prevention, awareness, rehabilitation, and treatment services. Of this appropriation, \$1,000 may be used for per diem and travel expenses for in-state professional boards to gather information and set certification standards for gambling counselors.

**Covered medical assistance services** - Senate Bill No. 2403 requires the Department of Human Services to make available orthodontic services in conjunction with oral maxillofacial surgical services to certain Medicaid recipients.