

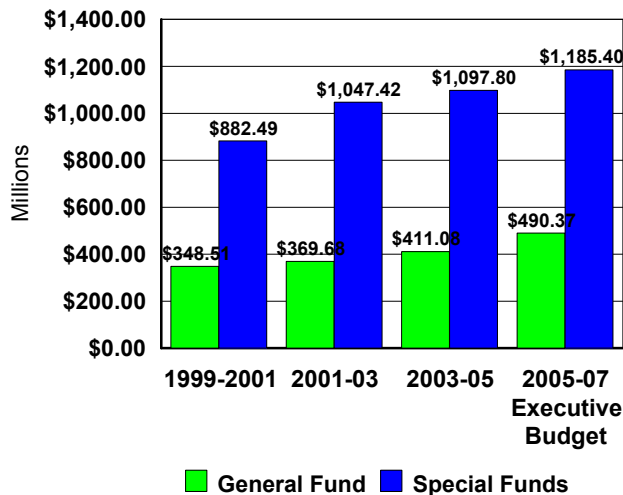
**Department 325 - Department of Human Services
 House Bill No. 1012 and Senate Bill No. 2023**

	FTE Positions	General Fund	Other Funds	Total
2005-07 Executive Budget	2,048.43	\$490,373,041	\$1,185,403,771	\$1,675,776,812
2003-05 Legislative Appropriations	2,051.42 ¹	411,081,823	1,097,801,932 ²	1,508,883,755 ²
Increase (Decrease)	(2.99)	\$79,291,218	\$87,601,839	\$166,893,057

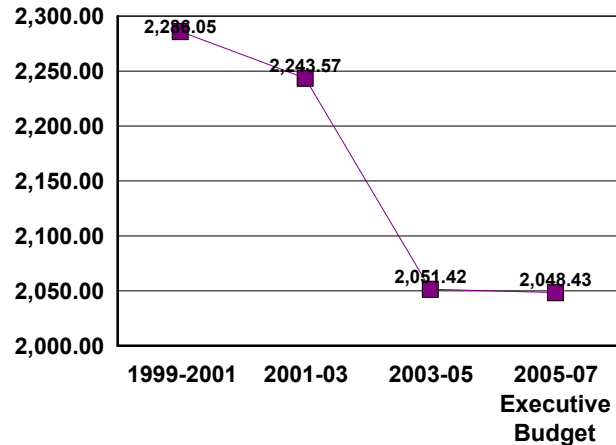
¹The number of FTE positions for the 2003-05 biennium has been reduced by 6 FTE positions to reflect the reduction of 3 FTE positions due to departmental adjustments and the reduction and transfer of 3 FTE positions relating to information technology services, including electronic mail, file and print server administration, data base administration, storage, application server, and hosting services from the Department of Human Services to the Information Technology Department as of November 1, 2003, provided for in Section 10 of House Bill No. 1505.

²The 2003-05 appropriation amounts do not include \$18,861,150 of additional special funds authority resulting from Emergency Commission action during the 2003-05 biennium.

Agency Funding



FTE Positions



Executive Budget Highlights

Departmentwide

1. Reflects the additional state matching funds required to maintain existing programs due to changes in the federal medical assistance percentage (FMAP). The FMAP determines the state and federal share of Medicaid, foster care, and other programs. The FMAP is decreasing from 67.49 percent in federal fiscal year 2005, to 65.85 percent in federal fiscal year 2006, to a projected 63.23 percent in federal fiscal year 2007.

General Fund	Other Funds	Total
\$31,952,573	(\$31,952,573)	\$0

Management

1. Removes the following positions due to 2003-05 biennium general fund budget reductions:
 - 3.0 FTE research positions
 - 2.0 FTE fiscal positions
 - 0.7 FTE human resource position
 - 2.0 FTE legal positions
2. Removes funding from the lands and minerals trust fund for making developmental disability loan payments to the common schools trust fund. Section 7 of Senate Bill No. 2013, the Land Department

(\$3,261,556)	(\$3,261,556)
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appropriations bill, as recommended by the Governor, contains a continuing appropriation to the Land Department for making these loan payments.

3. Adds funding for rewriting the Medicaid management information system (MMIS) computer application	\$3,667,820	\$25,521,039	\$29,188,859
4. Adds funding for ConnectND fees paid to the Information Technology Department	\$639,953	\$223,047	\$863,000

Economic Assistance

1. Adds 1 FTE pharmacy services position	\$22,135	\$66,403	\$88,538
2. Adds 1 FTE Healthy Steps eligibility position	\$18,231	\$63,964	\$82,195
3. Provides \$2.8 million for the Indian county allocation compared to \$2.6 million for the 2003-05 biennium. The grants are provided at 90 percent of the excess costs calculated pursuant to NDCC Section 50-01.2-03.2(3).	\$186,437		\$186,437
4. Provides \$22 million for child care assistance grants compared to the \$27.1 million appropriated for the 2003-05 biennium. Although \$27.1 million was appropriated for the 2003-05 biennium, the department anticipates that only \$21.6 million will be available for the biennium.		(\$5,098,081)	(\$5,098,081)
5. Provides \$105.8 million of federal funds for food stamps compared to \$82.9 million appropriated for the 2003-05 biennium		\$22,962,769	\$22,962,769
6. Provides \$36.5 million of federal funds for the low-income home energy assistance program (LIHEAP) compared to \$17.6 million appropriated for the 2003-05 biennium		\$18,942,781	\$18,942,781
7. Provides \$24.5 million for temporary assistance for needy families (TANF) compared to \$29.5 million for the 2003-05 biennium		(\$5,027,940)	(\$5,027,940)
8. Provides \$2.6 million of federal funds for job opportunities and basic skills (JOBS) transportation grants compared to \$3.2 million appropriated for the 2003-05 biennium		(\$589,890)	(\$589,890)
9. Adds funding for payment error rate measurement (PERM) eligibility reviews to comply with proposed federal Medicaid and children's health insurance program regulations that, if approved, will become effective October 1, 2005. The executive budget anticipates that the department will contract for these reviews; however, if the department is unable to contract for this, Section 4 of the bill allows the department to hire additional FTE positions for conducting these reviews.	\$615,000	\$615,000	\$1,230,000
10. Provides \$215,016 from the general fund for the Lake Region Child Support Enforcement Unit, the same amount provided during the 2003-05 biennium			
11. Removes funding for intergovernmental transfer payments due to the discontinuation of the program at the federal level	(\$8,682,211)	(\$18,813,444)	(\$27,495,655)
12. Increases funding for prescription drugs in the medical assistance program to \$107.9 million, of which \$38.4 million is state matching funds. The 2003 Legislative Assembly appropriated \$95.2 million, of which \$30.5 million is from state matching funds.	\$7,886,553	\$4,834,125	\$12,720,678
13. Reduces funding for outpatient hospital services in the medical assistance program to \$33.8 million, of which \$11.9 million is state matching funds. The 2003 Legislative Assembly appropriated \$36.3 million, of which \$11.6 million is state matching funds.	\$247,763	(\$2,715,002)	(\$2,467,239)
14. Adds funding to provide a 2 percent inflationary increase each year of the biennium for the department's service providers under the medical services program	\$2,369,898	\$4,492,638	\$6,862,536
15. Adds funding to allow Medicaid recipients to set aside up to \$5,500 for funeral expenses rather than \$3,000	\$445,915	\$816,585	\$1,262,500
16. Adds funding to provide a 2 percent inflationary increase each year of	\$642,489	\$391,797	\$1,034,286

the biennium for the department's service providers under the long-term care program

17. Provides \$348.8 million for nursing facility care under the long-term care program, of which \$122.6 million is from the general fund compared to \$318.4 million provided for the 2003-05 biennium, of which \$102.1 million is from the general fund. Major components of the additional funding are listed below:			
Adds funding for inflationary increases required by statute	\$7,853,115	\$16,661,188	\$24,514,303
Adds funding for rebasing nursing facility payment rates from 1999 to 2003	\$2,916,435	\$5,222,315	\$8,138,750
Changes the method of calculating nursing facility payment limits from the percentile method to a median plus method and sets the limits for direct, other direct, and indirect costs at the median plus 20 percent, 20 percent, and 10 percent, respectively	\$228,000	\$406,000	\$634,000
Reduces funding in anticipation of fewer nursing facility residents being on Medicaid	(\$978,444)	(\$1,975,707)	(\$2,954,151)
18. Provides \$12.8 million for basic care under the long-term care program, of which \$5.2 million is from the general fund compared to \$8.4 million provided for the 2003-05 biennium, of which \$750,000 is from the general fund	\$4,440,512	(\$23,515)	\$4,416,997
19. Reduces funding for aged and disabled waiver services to \$2.6 million, of which \$900,000 is from the general fund. The 2003 Legislative Assembly appropriated \$9.5 million for these services for the 2003-05 biennium, of which \$3 million is from the general fund.	(\$2,132,601)	(\$4,771,875)	(\$6,904,476)
20. Provides \$14.4 million for service payments for elderly and disabled (SPED), of which \$13.5 million is from the general fund compared to \$14.7 million for the 2003-05 biennium, of which \$13.7 million is from the general fund	(\$262,192)	(\$17,776)	(\$279,968)
21. Provides \$1.2 million from the general fund for the expanded SPED program compared to the \$800,000 provided for the 2003-05 biennium	\$354,348		\$354,348
22. Provides \$14.7 million for personal care option funding under the long-term care program, of which \$5.2 million is from the general fund compared to the \$2.8 million provided for the 2003-05 biennium, of which \$900,000 is from the general fund	\$4,254,906	\$7,605,929	\$11,860,835

Program and Policy

1. Removes the following FTE positions due to 2003-05 general fund budget reductions:			
1.5 FTE aging services positions			
1.0 FTE mental health services position			
2. Removes 1 FTE disability services assistive technology coordinator		(\$96,899)	(\$96,899)
3. Removes 1 FTE disability services office assistant II		(\$101,635)	(\$101,635)
4. Provides \$1.7 million from the general fund for senior citizen mill levy matching grants, the same as the 2003-05 biennium			
5. Provides \$62.3 million for foster care services, of which \$10.4 million is from the general fund compared to \$52.2 million, of which \$8.0 million is from the general fund for the 2003-05 biennium. Increases relate to providing a 2 percent inflationary increase for each year of the biennium, anticipated caseload and cost increases, and the FMAP change referred to above.	\$2,432,566	\$7,662,952	\$10,095,518
6. Provides \$12.9 million for adoption services, of which \$5.4 million is from the general fund compared to \$10.9 million, of which \$4.5 million is from the general fund. Increases relate to providing a 2 percent inflationary increase for each year of the biennium, anticipated caseload and cost increases, and the FMAP change referred to above.	\$896,978	\$1,113,784	\$2,010,762
7. Provides \$150,000 from the general fund for compulsive gambling treatment services, the same amount as the 2003-05 biennium. This amount is in addition to the funding provided pursuant to a continuing appropriation of 5 percent of the gross profits from the North Dakota			

lottery of up to \$400,000 per biennium to the Department of Human Services for compulsive gambling treatment services.

8. Provides \$206.2 million for developmental disabilities services grants, of which \$73.2 million is from the general fund compared to the \$190.6 million provided for the 2003-05 biennium, of which \$61.9 million is from the general fund. Major components of the additional funding are listed below:

Adds funding to provide a 2 percent inflationary increase each year of the biennium for developmental disabilities services providers	\$2,177,036	\$3,882,585	\$6,059,621
Adds funding for anticipated increases in the number of clients and utilization of services	\$2,327,468	\$4,908,414	\$7,235,882
Adds funding for anticipated provider cost increases	\$875,433	\$1,507,526	\$2,382,959

9. Provides \$1.1 million for grants to independent living centers, of which \$292,000 is from the general fund, the same as the 2003-05 biennium

State Hospital

1. Removes 20.74 FTE positions from traditional services at the State Hospital due to 2003-05 general fund budget reductions			
2. Provides additional funding and expands the secure services unit (sexual offender treatment services and services to individuals that are mentally ill and dangerous) at the State Hospital from a 22-bed unit to a 42-bed unit. The amounts shown include the addition of \$2,273,245 from the general fund for 29.85 new FTE positions.	\$3,072,744	(\$60,364)	\$3,012,380
3. Increases funding from the general fund for State Hospital traditional services to replace an anticipated reduction in third-party collections	\$1,326,431	(\$1,326,431)	\$0
4. Anticipates salaries and wages savings from vacant positions and employee turnover at the State Hospital	(\$657,288)		(\$657,288)
5. Authorizes the issuance of bonds in Senate Bill No. 2023 for replacing an electrical transformer (\$40,000), repairing a roof (\$65,000), and for repairing and painting the water tower (\$110,000) at the State Hospital		\$215,000	\$215,000

Developmental Center

1. Removes the following FTE positions due to 2003-05 general fund budget reductions: 4 FTE direct training technicians 1 FTE social worker .5 FTE speech pathologist 1 FTE vocational training technician			
2. Increases funding from the general fund for the Development Center to restore the \$1 million general fund budget reduction made by the 2003 Legislative Assembly	\$1,000,000		\$1,000,000
3. Anticipates salaries and wages savings from vacant positions and employee turnover at the Developmental Center	(\$724,930)		(\$724,930)
4. Authorizes the issuance of bonds in Senate Bill No. 2023 for roof repairs on the Cedar Grove Building (\$135,000) and for pool filtration repairs and roof repairs on the Collette Gym building (\$105,000) at the Developmental Center		\$240,000	\$240,000

Human Service Centers

1. Removes 1 FTE human service center director position at the North Central Human Service Center			
2. Adds 3 FTE community home counselors at the Northeast Human Service Center	\$53,878	\$125,714	\$179,592
3. Adds 1 FTE activity therapist at the Northeast Human Service Center	\$20,515	\$47,867	\$68,382
4. Adds a .4 FTE case manager at the Southeast Human Service Center	\$17,256	\$16,819	\$34,075
5. Adds a .4 FTE addiction counselor at the Southeast Human Service Center	\$18,549	\$18,081	\$36,630
6. Adds a .6 FTE addiction counselor at the Southeast Human Service Center	\$25,454	\$35,036	\$60,490

7. Adds 1 FTE activity therapist at the Southeast Human Service Center	\$38,534	\$53,040	\$91,574
8. Adds a .5 FTE child care licensing position at the West Central Human Service Center		\$51,118	\$51,118
9. Removes a .8 FTE vocational rehabilitation supervisor at the Badlands Human Service Center		(\$83,766)	(\$83,766)
10. Removes a .5 FTE child care licensing position at the Badlands Human Service Center		(\$35,724)	(\$35,724)
11. Removes funding for the mental health funding pool provided for the 2003-05 biennium to be distributed to human service centers for mental health and substance abuse services based on the needs of the regions	(\$250,000)		(\$250,000)
12. Adds funding to the human service centers for service provider inflationary increases of 2 percent for each year of the biennium	\$380,350		\$380,350

Other Sections in Bill

Section 4 of the bill allows the department to hire additional FTE positions to conduct payment error rate measurement (PERM) eligibility reviews if the department is unable to contract with a private organization.

Section 5 of the bill allows the department to transfer appropriation authority and FTE positions among the State Hospital, Developmental Center, and human service centers during the 2005-07 biennium.

Section 6 provides a continuing appropriation to the department of any federal funds received in addition to the amounts specifically appropriated to the department for food stamps and low-income home energy assistance during the 2005-07 biennium.

Section 7 makes the appropriation for the department's division of information technology an emergency measure, allowing these funds to be spent prior to July 1, 2005.

Major Related Legislation

House Bill No. 1029 - This bill appropriates \$50,000 from the general fund to the Department of Human Services for implementing an education and awareness campaign to inform the public about vulnerable adult abuse and neglect.

House Bill No. 1110 - This bill extends the moratorium on the expansion of bed capacity of residential treatment centers for children until July 31, 2007.

House Bill No. 1146 - This bill makes changes to reimbursement rate provisions for developmental disabilities services providers.

House Bill No. 1148 - This bill continues to require the department to provide personal care services to eligible Medicaid recipients residing in their own homes. Under current law, the provision will expire on June 30, 2005.

House Bill No. 1172 - This bill creates a revolving fund by transferring \$25,000 from the Bank of North Dakota earnings and allows the Department of Human Services to spend moneys in the fund pursuant to a continuing appropriation for reimbursing the department for reducing or writing off overpayments or disbursements made in error by the child support disbursement unit.

House Bill No. 1181 - This bill increases the funeral set-aside for Medicaid recipients from \$3,000 to \$5,500, appropriates \$1,262,500, of which \$445,915 is from the general fund for supplementing other appropriations provided for increasing the funeral set-aside amount, and directs the department to seek a federal waiver to disregard funeral funds of a Medicaid recipient in any amount provided the funds were set-aside prior to April 2004.

House Bill No. 1190 - This bill includes provisions extending the moratorium on the expansion of basic care bed capacity until July 31, 2007.

House Bill No. 1191 - This bill includes provisions extending the moratorium on the expansion of long-term care bed capacity until July 31, 2007.

House Bill No. 1204 - This bill removes statutory provisions relating to making intergovernmental transfer payments under the Medicaid program.

House Bill No. 1217 - This bill requires the department to disregard assets when considering Medicaid eligibility for an individual owning a long-term care insurance policy.

Senate Bill No. 2028 - This bill appropriates \$772,550 from the general fund to the Department of Human Services for contracting with an entity to coordinate a system for the provision of guardianship services to vulnerable adults who are ineligible for developmental disabilities case management services.

Senate Bill No. 2139 - This bill removes statutory provisions relating to making intergovernmental transfer payments under the Medicaid program.