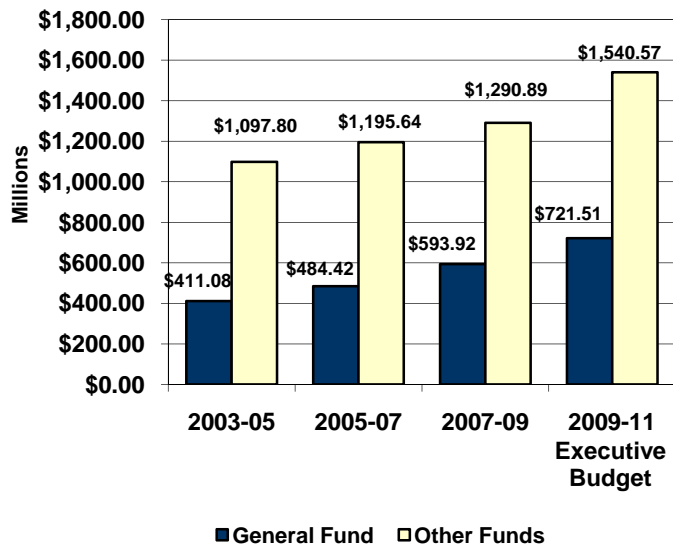


**Department 325 - Department of Human Services  
 House Bill No. 1012**

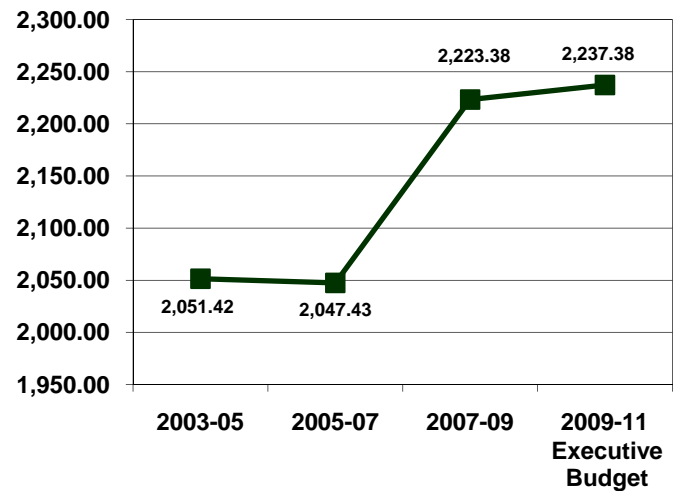
	FTE Positions	General Fund	Other Funds	Total
2009-11 Executive Budget	2,237.38	\$721,512,545	\$1,540,574,416	\$2,262,086,961
2007-09 Legislative Appropriations	2,223.38	593,916,230	1,290,890,297	1,884,806,527 <sup>1</sup>
Increase (Decrease)	14.00	\$127,596,315	\$249,684,119	\$377,280,434

<sup>1</sup>The 2007-09 appropriation amounts include \$2,759,109, \$1,953,442 of which is from the general fund, for the agency's share of the \$10 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for classified employees. The 2007-09 appropriation amounts do not include \$1,820,303 of general fund and \$22,670,431 of special funds carryover from the 2005-07 biennium.

**Agency Funding**



**FTE Positions**



**Ongoing and One-Time General Fund Appropriations**

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2009-11 Executive Budget	\$717,216,247	\$4,296,298	\$721,512,545
2007-09 Legislative Appropriations	582,028,966	11,887,264	593,916,230
Increase (Decrease)	\$135,187,281	(\$7,590,966)	\$127,596,315

**Executive Budget Highlights**

	General Fund	Other Funds	Total
<b>Departmentwide</b>			
1. Reflects the additional state matching funds required due to changes in the state's federal medical assistance percentage (FMAP). The FMAP determines the federal and state share of Medicaid, foster care, and other program expenditures. North Dakota's FMAP is decreasing from 63.15 percent in federal fiscal year 2009 to 63.01 percent in federal fiscal year 2010. The department anticipates North Dakota's FMAP to remain at 63.01 percent for federal fiscal year 2011. These changes are also reflected in selected program amounts below.	\$10,177,538	(\$10,202,442)	(\$24,904)
2. Increases support from the <b>health care trust fund</b> from \$525,597 in the 2007-09 biennium to \$3,000,000 for the 2009-11 biennium. This change is also reflected in selected program amounts below.	\$0	\$2,474,403	\$2,474,403

3. Provides a 7 percent <b>inflationary increase</b> in the second year of the biennium for rebased services (hospitals, physicians, chiropractors, and ambulances) and a 7 percent per year inflationary increase to providers of other services. The 2007 Legislative Assembly provided a 4 percent inflationary increase for the first year of the 2007-09 biennium and a 5 percent inflationary increase for the second year. These increases are also reflected in selected program amounts below.	\$37,156,758	\$57,582,866	\$94,739,624
4. Provides funding of \$5,033,569 to address <b>salary equity</b> issues, including funding of \$277,790 for the related second-year salary increase	\$3,458,505	\$1,575,064	\$5,033,569
5. Reduces funding for salaries and wages by \$1 million from the general fund in anticipation of savings resulting from employee turnover and position vacancies	(\$1,000,000)	\$0	(\$1,000,000)
6. Includes funding for paying accrued leave and sick leave of employees anticipated to retire during the 2009-11 biennium	\$113,998	\$277,948	\$391,946
<b>Management</b>			
1. Adds 1 FTE position to perform additional duties required by Statement on Auditing Standards No. 112 regarding communicating internal control matters, including \$126,265 for salaries and wages and \$2,790 for related operating expenses	\$56,724	\$72,331	\$129,055
2. Removes one-time funding provided for the 2007-09 biennium for the Medicaid management information system replacement project	(\$3,643,133)		(\$3,643,133)
<b>Program and Policy</b>			
1. Provides \$3,374,210, of which \$1,409,603 is from the general fund and \$1,964,607 is from retained funds, for <b>Indian county payments</b> . The grants are provided at 100 percent of the excess costs calculated, pursuant to North Dakota Century Code (NDCC) Section 50-01.2-03.2(3).	\$454,479	\$0	\$454,479
2. Reduces funding for temporary assistance for needy families ( <b>TANF</b> ) to \$23,477,922, of which \$5,531,958 is from the general fund and \$6,174,667 is from retained funds. The funding level is anticipated to provide services for an average monthly caseload of 2,851 and to provide an average monthly payment of \$343.12 per case.	\$1,217,016	(\$3,124,633)	(\$1,907,617)
3. Provides \$22,359,834, of which \$350,197 is from the general fund and \$6,263,361 is from retained funds and the remainder from federal funds, for <b>child care grants</b> . The change reflects an increase of \$350,197 from the general fund, an increase of \$1,037,542 in retained funds, and an increase of \$1,241,647 in federal funds.	\$350,197	\$2,279,189	\$2,629,386
4. Increases federal funding for <b>food stamps</b> to provide a total of \$204,336,375 of federal funds	\$0	\$97,318,383	\$97,318,383
5. Increases federal funding for the low-income home energy assistance program ( <b>LIHEAP</b> ) to provide a total of \$52,562,722 of federal funds	\$0	\$12,022,292	\$12,022,292
6. Provides \$482,133,759, of which \$138,162,168 is from the general fund, for <b>medical assistance grants</b> in the medical services program compared to \$394,784,291 provided for the 2007-09 biennium, of which \$112,382,988 was from the general fund. Major components of the additional funding are listed below:			
Adds funding for cost and caseload/utilization changes for medical assistance grants in the medical services program, including the cost of continuing the July 2008 inflationary increase for providers of 4 percent for the first year of the 2007-09 biennium and 5 percent for the second year	\$10,123,581	\$43,040,717	\$53,164,298
Adds additional general fund support for medical assistance grants in the medical services program as a result of FMAP changes	\$3,197,129	(\$3,197,129)	\$0

Adds funding to rebase payment rates for the following services:			
Hospitals	\$8,140,450	\$13,872,664	\$22,013,114
Physicians	4,899,850	8,350,150	13,250,000
Chiropractors	153,836	262,164	416,000
Ambulances	743,710	1,267,404	2,011,114
Total	\$13,937,846	\$23,752,382	\$37,690,228
Provides for inflationary increases of 7 percent for the second year of the biennium for the rebased services and 7 percent per year for all other services	\$6,734,524	\$14,301,146	\$21,035,670
Adds funding for increasing medical services dental payments to a minimum of an average of 75 percent of billed charges	\$904,167	\$1,540,971	\$2,445,138
Adds funding to increase medically needy income levels to 83 percent of the federal poverty level	\$2,041,614	\$3,479,245	\$5,520,859
7. Increases funding for <b>Healthy Steps</b> (children's health insurance program) to provide a total of \$35,248,129, of which \$9,122,897 is from the general fund, to provide health insurance coverage for an average of 6,021 children at a monthly premium of \$243.93. The executive budget recommends raising eligibility requirements for the program to 200 percent of the federal poverty level. As of October 1, 2008, the Healthy Steps income level is 150 percent of the federal poverty level. (includes the addition of 1.5 FTE positions)	\$4,473,765	\$10,569,618	\$15,043,383
8. Includes \$19,416,262, of which \$18,624,262 is from the general fund and \$792,000 is from estate collections, for making Medicare Part D prescription drug " <b>clawback</b> " payments to the federal government for the estimated prescription drug costs paid by Medicare for individuals eligible for both Medicare and Medicaid. The amount provided is an increase of \$266,647 from the 2007-09 biennium appropriation of \$19,149,615 from the general fund.	(\$525,353)	\$792,000	\$266,647
9. Provides \$422,244,637, of which \$153,236,194 is from the general fund, for <b>nursing facility care</b> under the long-term care program compared to \$370,080,827, of which \$132,817,907 was from the general fund, provided for the 2007-09 biennium. Major components of the additional funding are listed below:			
Adds funding for cost and caseload/utilization changes for nursing homes, including the cost of continuing the July 2008 inflationary increase of 5 percent for both years of the 2009-11 biennium	\$9,061,002	\$16,095,248	\$25,156,250
Adds general fund support for nursing homes as a result of FMAP changes	\$3,748,295	(\$3,748,295)	\$0
Provides for an inflationary increase of 7 percent for each year of the 2009-11 biennium for nursing homes, including an increase in funding from the health care trust fund from \$525,597 for 2007-09 to \$3 million for 2009-11	\$9,935,325	\$16,924,167	\$26,859,492
Adds funding to increase the personal needs allowance from \$30 to \$50 per month for individuals in an institutional setting who are "SSI only" and receive their personal needs allowance from Social Security (funding is based on a January 1, 2010, start date)	\$148,068	\$0	\$148,068
10. Provides \$17,070,865, of which \$7,859,036 is from the general fund, for <b>basic care services</b> compared to \$14,083,121, of which \$6,097,305 was from the general fund, for the 2007-09 biennium. Major components of the additional funding are listed below:			
Adds funding for cost and caseload/utilization changes for basic care, including the cost of continuing the July 2008 inflationary increase of 5 percent for both years of the 2009-11 biennium	\$199,962	\$617,468	\$817,430
Adds additional general fund support for basic care as a result of FMAP changes	\$92,129	(\$92,129)	\$0

	Provides for inflationary increases of 7 percent for each year of the 2009-11 biennium for basic care facilities	\$1,469,640	\$700,674	\$2,170,314
11.	Adds funding to increase the funeral set-aside for Medicaid recipients from \$5,000 to \$7,000	\$208,571	\$357,429	\$566,000
12.	Increases funding for service payments for elderly and disabled <b>(SPED) and expanded SPED</b> to \$18,057,693, of which \$17,190,678 is from the general fund, compared to the 2007-09 biennium appropriation of \$12,708,265, of which \$12,111,009 was from the general fund. Major changes include:			
	Increases funding for cost and caseload/utilization changes for SPED and expanded SPED and includes the cost of continuing the July 2008 inflationary increase of 5 percent for both years of the 2009-11 biennium	\$2,846,777	\$156,058	\$3,002,835
	Provides for inflationary increases of 7 percent for each year of the 2009-11 biennium for SPED and expanded SPED providers	\$1,628,744	\$82,017	\$1,710,761
	Adds funding for revising the SPED fee schedule based on the actual cost-of-living adjustment through January 2008 and an estimated cost-of-living adjustment for January 2009 to allow individuals with higher income levels to receive SPED services without paying a fee	\$571,472	\$30,077	\$601,549
13.	Increases funding for the <b>home and community-based care waiver</b> to \$9,607,825, of which \$3,552,959 is from the general fund, compared to the 2007-09 biennium appropriation of \$4,943,345, of which \$1,855,465 was from the general fund. Major changes include:			
	Increases funding for cost and caseload/utilization changes for the home and community-based care waiver and includes the cost of continuing the July 2008 inflationary increase of 5 percent for both years of the 2009-11 biennium	\$962,033	\$1,913,938	\$2,875,971
	Adds additional general fund support for the home and community-based care waiver as a result of FMAP changes	\$74,048	(\$74,048)	\$0
	Provides for inflationary increases of 7 percent for each year of the 2009-11 biennium for home and community-based care waiver providers	\$314,701	\$536,242	\$850,943
	Adds funding for implementing a waiver for children's hospice services (funding is for the second year of the 2009-11 biennium)	\$316,700	\$539,710	\$856,410
14.	Increases funding for <b>targeted case management</b> to \$1,985,916, of which \$734,368 is from the general fund, compared to the 2007-09 biennium appropriation of \$923,325, of which \$332,692 was from the general fund. Major changes include:			
	Increases funding for cost and caseload/utilization changes for targeted case management and includes the cost of continuing the July 2008 inflationary increase of 5 percent for both years of the 2009-11 biennium	\$313,440	\$556,467	\$869,907
	Adds additional general fund support for targeted case management as a result of FMAP changes	\$16,972	(\$16,972)	\$0
	Provides for inflationary increases of 7 percent for each year of the 2009-11 biennium for targeted case management providers	\$71,264	\$121,420	\$192,684
15.	Increases funding for the <b>personal care option</b> to \$23,919,788, of which \$8,845,373 is from the general fund, compared to the 2007-09 biennium appropriation of \$19,086,421, of which \$6,876,755 was from the general fund. Major changes include:			
	Increases funding for cost and caseload/utilization changes for the personal care option and includes the cost of continuing the July 2008 inflationary increase of 5 percent for both years of the 2009-11 biennium	\$247,518	\$438,335	\$685,853

Adds additional general fund support for the personal care option as a result of FMAP changes	\$187,359	(\$187,359)	\$0
Provides for inflationary increases of 7 percent for each year of the 2009-11 biennium for personal care option providers	\$511,819	\$872,249	\$1,384,068
Adds funding for the addition of a third tier of personal care that would allow a maximum of 1,200 units of care per month (Funding is based on a January 1, 2010, start date. Currently, the maximum number of units of care available is 960 units per month.)	\$1,021,922	\$1,741,524	\$2,763,446
16. Provides \$323,056,043, of which \$118,885,733 is from the general fund, for <b>developmental disabilities services</b> under the long-term care program compared to \$274,423,470, of which \$95,952,600 was from the general fund, provided for the 2007-09 biennium. Major components of the additional funding are:			
Adds funding for cost and caseload/utilization changes for developmental disabilities services, including the cost of continuing the July 2008 inflationary increase of 5 percent for both years of the 2009-11 biennium	\$6,371,084	\$11,099,000	\$17,470,084
Adds general fund support for developmental disabilities services as a result of FMAP changes and the removal of funding from Bank of North Dakota loan proceeds	\$5,073,875	(\$5,098,779)	(\$24,904)
Provides for inflationary increases of 7 percent for each year of the 2009-11 biennium for developmental disabilities services providers	\$10,508,471	\$18,028,646	\$28,538,117
Adds general fund support to continue developmental disabilities grants funded with Bank of North Dakota loan proceeds in the 2007-09 biennium	\$3,500,000	(\$3,500,000)	\$0
Adds funding for developmental disabilities services to compensate families at the same level as ICF/MR providers serving children with similar intense medical needs	\$238,274	\$406,056	\$644,330
Adds funding to compensate developmental disabilities services providers serving adults at the same level as ICF/MR providers serving adults with similar intense medical needs	\$297,842	\$507,570	\$805,412
Adds funding to increase the personal needs allowance for individuals in an ICF/MR facility from \$50 to \$60 per month	\$38,341	\$65,339	\$103,680
Adds funding to implement a home and community-based care waiver to provide intensive support for young children who have a diagnosis of autism spectrum disorder (funding is for the second year of the 2009-11 biennium) (includes the addition of 1 new FTE position)	\$450,724	\$721,019	\$1,171,743
17. Reduces funding for foster care to \$58,900,156, of which \$8,207,265 is from the general fund, for <b>foster care services</b> compared to the 2007-09 biennium appropriation of \$60,897,869, of which \$8,335,697 is from the general fund. Major components of the additional funding are:			
Adds funding for cost and caseload/utilization changes for foster care services, including the cost of continuing the July 2008 inflationary increase of 5 percent for both years of the 2009-11 biennium	(\$1,315,147)	(\$6,250,955)	(\$7,566,102)
Adds general fund support for foster care services as a result of FMAP changes	\$146,163	(\$146,163)	\$0
Provides for inflationary increases of 7 percent for each year of the 2009-11 biennium for foster care providers	\$1,764,636	\$5,573,792	\$7,338,428
18. Provides \$18,104,961, of which \$7,407,980 is from the general fund, for <b>subsidized adoption</b> compared to the 2007-09 biennium appropriation of \$13,894,075, of which \$5,738,361 was from the general fund	\$1,669,619	\$2,541,267	\$4,210,886
19. Adds funding to establish a pilot <b>aging and disability resource center</b>	\$600,000	\$0	\$600,000

20. Increases funding for <b>family preservation services</b> with Native American tribes (Currently, the department contracts with the Three Affiliated Tribes - Mandan, Hidatsa, and Arikara Nation and the Turtle Mountain Band of Chippewa Indians to deliver family preservation services. The additional funding would extend the contracts to the Standing Rock Sioux Tribe and the Spirit Lake Nation.)	\$300,000	\$0	\$300,000
21. Increases funding for <b>centers of independent living</b> from \$1,344,539, of which \$530,958 is from the general fund, to \$2,144,539, of which \$1,330,958 is from the general fund	\$980,000	\$0	\$980,000
22. Provides funding for <b>senior service providers</b> to supplement Older Americans Act funds	\$900,000	\$0	\$900,000
23. Provides funding and 1 FTE position for <b>background checks</b> for child care providers	\$323,921	\$0	\$323,921
24. Adds funding for <b>Governor's Prevention and Advisory Council</b> grants (For the 2007-09 biennium, funding of \$100,000 from the community health trust fund was appropriated to the Governor's office for the grants.)	\$200,000	\$0	\$200,000
25. Provides funding of \$700,000, of which \$300,000 is from the general fund, for <b>compulsive gambling services</b> compared to \$400,000 of special funds from lottery proceeds provided for the 2007-09 biennium	\$300,000	\$0	\$300,000
26. Deletes 7.5 FTE positions in the child support enforcement program	(\$264,174)	(\$357,796)	(\$621,970)
<b>State Hospital</b>			
1. Removes one-time funding provided for the 2007-09 biennium (\$3,100,000 for a sexual offender treatment addition, \$3,062,757 for capital improvements, and \$1,153,500 for extraordinary repairs)	(\$7,316,257)		(\$7,316,257)
2. Reduces funding for salaries and wages in anticipation of savings resulting from employee turnover and position vacancies	(\$917,041)	(\$439,733)	(\$1,356,774)
3. Adds funding and 6 FTE positions for a <b>global behavioral health initiative</b> to address the capacity issues at the community level by providing a consistent rate among all regions for behavioral services	\$516,815		\$516,815
4. Adds general fund support as the result of FMAP changes	\$61,040	(\$61,040)	\$0
5. Provides <b>one-time funding</b> for extraordinary repairs	\$3,231,017		\$3,231,017
6. Provides <b>one-time funding</b> for equipment over \$5,000	\$246,220		\$246,220
<b>Developmental Center</b>			
1. Removes one-time funding provided for the 2007-09 biennium (\$300,000 for capital improvements, \$547,092 for extraordinary repairs, and \$80,782 for equipment)	(\$972,874)		(\$972,874)
2. Adds general fund support as the result of FMAP changes	\$471,861	(\$471,861)	\$0
3. Provides <b>one-time funding</b> for extraordinary repairs	\$712,675		\$712,675
4. Provides <b>one-time funding</b> for equipment over \$5,000	\$75,000		\$75,000
<b>Human Service Centers</b>			
1. Adds general fund support as the result of FMAP changes	\$439,838	(\$439,838)	\$0
2. Adds funding and 5 FTE positions at the following human service centers for a <b>global behavioral health initiative</b> to address the capacity issues at the community level by providing a consistent rate among all regions for behavioral services:			
<b>North Central</b> - Grants	\$1,358,307	\$100,000	\$1,458,307
<b>Northeast</b> - Grants	280,663	81,200	361,863
<b>Southeast</b> - 4 FTE positions (\$406,535), operating expenses (\$7,840), and grants (\$959,495)	1,190,124	183,746	1,373,870
<b>South Central</b> - 1 FTE position (\$113,079) and operating expenses (\$14,590)	127,669		127,669

<b>West Central - Grants</b>	279,546		279,546
<b>Badlands - Grants</b>	665,000	140,000	805,000
Total	\$3,901,309	\$504,946	\$4,406,255
3. Adds funding and 4 FTE positions at the following human service centers for providing additional <b>oversight</b> and <b>monitoring</b> of developmental disabilities cases as required by the Centers for Medicare and Medicaid Services:			
<b>North Central - 1 FTE case manager position</b>	\$58,793	\$52,354	\$111,147
<b>Northeast - 1 FTE case manager position</b>	58,793	52,354	111,147
<b>Southeast - 1 FTE case manager position</b>	58,793	52,354	111,147
<b>West Central - 1 FTE case manager position</b>	58,793	52,354	111,147
Total	\$235,172	\$209,416	\$444,588
4. Adds funding and 1 FTE program coordinator position for the <b>partnership program</b> at the Southeast Human Service Center (\$99,970 for salaries and wages and \$1,960 for related operating expenses)	\$61,490	\$40,440	\$101,930
5. Provides funding for <b>young adult transition residential services</b> at the Southeast Human Service Center (\$426,844) and the West Central Human Service Center (\$750,000)	\$834,622	\$342,222	\$1,176,844
6. Provides funding and 1 FTE MI case manager position to complete vulnerable adult protection services at the South Central Human Service Center (\$58,020 for salaries and wages and \$15,108 for related operating expenses)	\$73,128		\$73,128
7. Provides for inflationary increases of 7 percent for each year of the 2009-11 biennium for providers of the human service centers as follows:			
<b>Northwest</b>	\$193,462	\$1,064	\$194,526
<b>North Central</b>	387,170	21,789	408,959
<b>Lake Region</b>	208,670		208,670
<b>Northeast</b>	443,799	169,774	613,573
<b>Southeast</b>	405,117	1,172	406,289
<b>South Central</b>	325,991		325,991
<b>West Central</b>	490,149	6,751	496,900
<b>Badlands</b>		25,217	25,217
Total	\$2,454,358	\$225,767	\$2,680,125
8. Provides <b>one-time funding</b> for equipment over \$5,000	\$26,966	\$28,534	\$55,500

### Other Sections in Bill

**Transfers** - Section 3 provides that the Department of Human Services may transfer appropriation authority between line items within each subdivision and between subdivisions for the 2009-11 biennium. The department is to report to the Budget Section after June 30, 2010, any transfers made in excess of \$50,000 and to the Appropriations Committees of the 62<sup>nd</sup> Legislative Assembly any transfers made.

**Aging and disability resource center** - Section 5 amends NDCC Section 50-06-29 to provide that the Department of Human Services shall plan and implement an aging and disability resource center.

**Funeral set-aside** - Section 6 amends NDCC Section 50-24.1-02.3 to increase the funeral set-aside for Medicaid recipients from \$5,000 to \$7,000.

**Healthy Steps** - Section 7 amends NDCC Section 50-29-04 to increase the eligibility income limits for Healthy Steps to 200 percent of the federal poverty level.

### Continuing Appropriations

**Child support collection and disbursement** - NDCC Section 14-09-25 - Allows the department to receive child support payments and provide the funds to the custodial parent or appropriate governmental entity for those custodial parents receiving governmental assistance.

**Child support improvement account** - NDCC Section 50-09-15.1 - Allows the department to receive federal child support incentive funds and spend the funds in accordance with its business plan to improve the child support collection process.

### Major Related Legislation

**House Bill No. 1043** - This bill directs the Department of Human Services to contract for a dementia care services program in each area of the state served by a regional human service center to provide personalized care consultation services, training, and education

relating to dementia; provides a \$1.2 million general fund appropriation for the program; and provides for a report to the Legislative Council regarding the outcomes of the program.

**House Bill No. 1044** - This bill requires the Department of Human Services to develop or contract for a program for services to transition-aged youth at risk. The bill identifies services, including individualized assessments, coordinated services, self-advocacy training, vocational rehabilitation, in-home support, and independent living skills training. The bill provides for the use of a wraparound planning process, provides a transition-aged youth at risk pilot project, and appropriates \$700,000 from the general fund for the program and pilot project.

**House Bill No. 1090** - This bill identifies the child care program currently administered by the Department of Human Services in statute.

**House Bill No. 1175** - This bill provides statutory changes regarding child support enforcement.

**Senate Bill No. 2123** - This bill allows the Department of Human Services to require criminal history record checks in certain circumstances.

**Senate Bill No. 2162** - This bill relates to early childhood services.