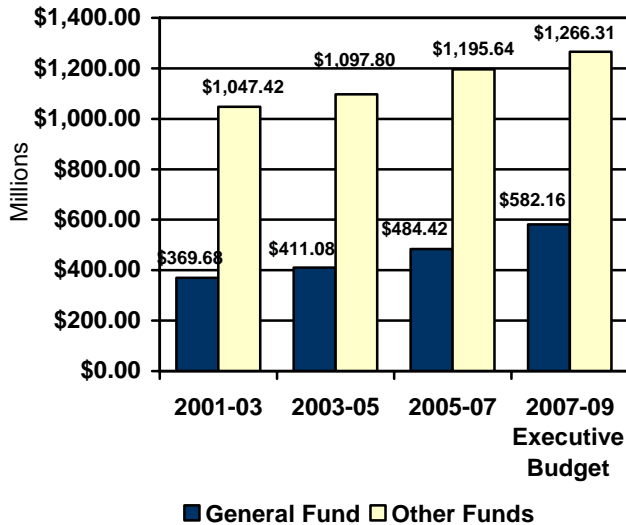


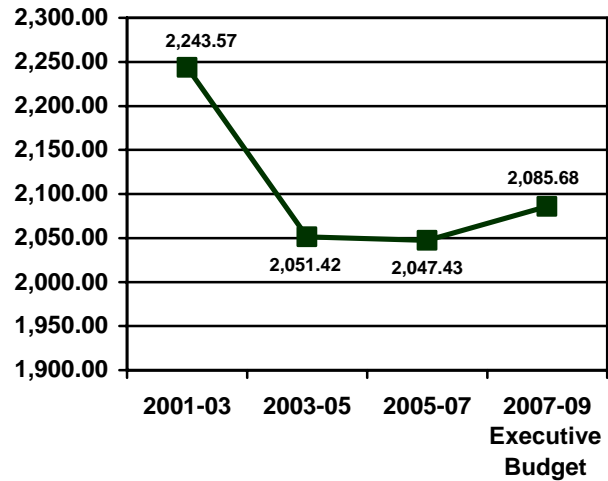
**Department 325 - Department of Human Services**  
**Senate Bill Nos. 2012 and 2024**

	FTE Positions	General Fund	Other Funds	Total
2007-09 Executive Budget	2,085.68	\$582,160,899	\$1,266,310,102	\$1,848,471,001
2005-07 Legislative Appropriations	2,047.43	484,421,474	1,195,640,833	1,680,062,307
Increase (Decrease)	38.25	\$97,739,425	\$70,669,269	\$168,408,694

**Agency Funding**



**FTE Positions**



**Executive Budget Highlights**

**Departmentwide**

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 64.72 percent in federal fiscal year 2007 to 63.75 percent in federal fiscal year 2008, and then increasing to an estimated 64.08 percent in federal fiscal year 2009. These changes are also reflected in selected program amounts below.
2. Adds general fund support to continue programs funded from the **health care trust fund** in the 2005-07 biennium. These changes are also reflected in selected program amounts below.
3. Adds general fund support to replace an anticipated reduction in the federal social services block grant
4. Provides **inflationary increases** to the department's service providers of 3 percent for each year of the biennium. The 2005 Legislative Assembly approved 2.65 percent annual inflationary increases for the 2005-07 biennium. These increases are also reflected in selected program amounts below.

**General Fund**

**Other Funds**

**Total**

\$9,120,000	(\$9,120,000)	\$0
\$3,200,000	(\$3,200,000)	\$0
\$1,385,023	(\$1,385,023)	\$0
\$14,126,950	\$24,148,237	\$38,275,187

**Management**

1. Provides funding in Senate Bill No. 2024 for additional costs of rewriting the Medicaid management information system (**MMIS**) computer application. The 2005 Legislative Assembly provided \$29.2 million, of which the state matching share of \$3.7 million is from the permanent oil tax trust fund. The 2005-07 funding is recommended to be continued in the 2007-09 biennium by Section 2 of Senate Bill No. 2024.
2. Includes funding for developing a **client information sharing computer system**

\$3,643,133	\$27,429,508	\$31,072,641
\$423,800	\$576,200	\$1,000,000

3. Includes funding for paying accrued annual leave and sick leave of employees anticipated to retire during the 2007-09 biennium	\$58,255	\$45,035	\$103,290
<b>Program and Policy</b>			
1. Removes 1 FTE in economic assistance policy not requested by the agency			\$0
2. Includes funding for paying accrued annual leave and sick leave of employees anticipated to retire during the 2007-09 biennium	\$81,036	\$186,297	\$267,333
3. Provides \$3,536,807, of which \$1,572,200 is from the general fund and \$1,964,607 is from retained funds for the <b>Indian county allocation</b> . The grants are provided at 100 percent of the excess costs calculated, pursuant to North Dakota Century Code Section 50-01.2-03.2(3).	\$425,026		\$425,026
4. Reduces funding for temporary assistance for needy families ( <b>TANF</b> ) to \$22,439,980, of which \$4,314,942 is from the general fund and \$6,174,667 is retained funds. The funding level is anticipated to provide services for an average monthly caseload of 2,750 and to provide an average monthly payment of \$340 per case.	\$376,500	(\$2,196,520)	(\$1,820,020)
5. Provides \$3,000,000 of federal funds for job opportunities and basic skills ( <b>JOBS</b> ) transportation grants compared to the \$2,544,480 appropriated for the 2005-07 biennium		\$455,520	\$455,520
6. Provides \$21,136,608, of which \$5,225,819 is from retained funds and the remainder from federal funds for <b>child care</b> grants. The change reflects an additional \$998,924 of retained funds and a \$1,825,440 reduction in federal funds.		(\$826,516)	(\$826,516)
7. Increases federal funding for <b>food stamps</b> to provide a total of \$107,017,992 of federal funds		\$1,177,333	\$1,177,333
8. Increases federal funding for the low-income home energy assistance program ( <b>LIHEAP</b> ) to provide a total of \$40,540,430 of federal funds		\$4,033,861	\$4,033,861
9. Continues providing general fund support for the <b>Devils Lake Child Support Enforcement Unit</b> in the amount of \$215,016, the same as the 2005-07 biennium			\$0
10. Adds operating expense funding for <b>child support enforcement</b> relating to a parental employment project, a receivables project, an electronic parent locator network, and medical insurance matching	\$197,810	\$168,300	\$366,110
11. Transfers the <b>children's special health services</b> program to the State Department of Health, including 8 FTE positions	(\$949,241)	(\$1,120,339)	(\$2,069,580)
12. Provides \$382,231,740, of which \$118,873,801 is from the general fund and retained funds for medical assistance grants in the <b>medical services</b> program compared to \$369,706,833 provided for the 2005-07 biennium, of which \$101,239,259 is from the general fund and retained funds. Major components of the additional funding are listed below:			
Adds funding for cost and caseload/utilization changes for medical assistance grants in the <b>medical services</b> program, including the cost of continuing the July 2006 inflationary increase for providers of 2.65 percent for both years of the 2007-09 biennium	\$4,648,142	(\$4,208,204)	\$439,938
Adds additional general fund support for medical assistance grants in the <b>medical services</b> program as a result of FMAP changes and the removal of funding from the health care trust fund	\$3,540,752	(\$3,540,752)	\$0
Provides for inflationary increases of 3 percent for each year of the 2007-09 biennium for <b>medical service providers</b>	\$3,931,101	\$8,153,868	\$12,084,969
13. Increases funding for <b>Healthy Steps</b> (children's health insurance program) to provide a total of \$19,690,305, of which \$4,965,555 is from the general fund to provide health insurance coverage for an average of 3,958 children at a monthly premium of \$207.31	\$2,046,142	\$5,568,621	\$7,614,763

14. Includes \$19,149,615 from the general fund for making Medicare Part D prescription drug <b>"clawback" payments</b> to the federal government for the estimated prescription drug costs paid by Medicare for individuals eligible for both Medicare and Medicaid. During the 2005-07 biennium, the payments were made for 18 months (January 2006 through June 2007). The payments will be made for 24 months in 2007-09.	\$3,297,906		\$3,297,906
15. Provides \$378,455,376, of which \$136,360,652 is from the general fund for <b>nursing facility care</b> under the long-term care program compared to \$343,013,040, of which \$120,807,641 is from the general fund provided for the 2005-07 biennium. Major components of the additional funding are listed below:			
Adds funding for <b>cost and caseload/utilization changes</b> for nursing homes, including the cost of continuing the July 2006 inflationary increase of 2.65 percent for both years of the 2007-09 biennium	\$8,485,881	\$15,758,612	\$24,244,493
Adds funding for <b>rebasings</b> nursing home rates effective January 1, 2009, pursuant to North Dakota Century Code Section 50-24.4-10	\$375,175	\$626,625	\$1,001,800
Adds general fund support for nursing homes as a result of <b>FMAP</b> changes and the removal of funding from the <b>health care trust fund</b>	\$3,016,472	(\$3,016,472)	\$0
Provides for <b>inflationary increases</b> of 3 percent for each year of the 2007-09 biennium for nursing homes	\$3,479,535	\$6,172,510	\$9,652,045
Adds funding to change the nursing home <b>rebasings</b> formula to use the RS means construction index rather than the consumer price index	\$195,948	\$348,050	\$543,998
16. Provides \$14,401,246, of which \$6,323,372 is from the general fund for <b>basic care</b> services compared to \$13,301,971, of which \$5,374,918 is from the general fund for the 2005-07 biennium. Major components of the additional funding are listed below:			
Adds funding for <b>cost and caseload/utilization changes</b> for basic care, including the cost of continuing the July 2006 inflationary increase of 2.65 percent for both years of the 2007-09 biennium	\$505,014	\$272,834	\$777,848
Adds additional general fund support for basic care as a result of <b>FMAP</b> changes and the removal of funding from the <b>health care trust fund</b>	\$216,537	(\$216,537)	\$0
Provides for <b>inflationary increases</b> of 3 percent for each year of the 2007-09 biennium for basic care facilities	\$226,903	\$94,524	\$321,427
17. Reduces funding for service payments for the elderly and disabled ( <b>SPED</b> ) and <b>expanded SPED</b> to \$9,769,510, of which \$9,314,437 is from the general fund compared to the 2005-07 biennium appropriation of \$13,859,300, of which \$12,839,169 is from the general fund. Major changes include:			
Reduces funding for <b>cost and caseload/utilization changes</b> for SPED and expanded SPED and includes the cost of continuing the July 2006 inflationary increase of 2.65 percent for both years of the 2007-09 biennium	(\$4,077,388)	(\$429,844)	(\$4,507,232)
Provides for <b>inflationary increases</b> of 3 percent for each year of the 2007-09 biennium for SPED and expanded SPED providers	\$398,025	\$19,417	\$417,442
18. Provides \$5,007,179, of which \$1,757,075 is from the general fund for the <b>aged and disabled waiver</b> . The additional funding reflects cost and caseload/utilization changes, the cost of continuing the July 2006 inflationary increase for both years of the 2007-09 biennium, FMAP and health care trust fund changes, and the cost of providing a 3 percent inflationary increase for each year of the 2007-09 biennium.	\$595,349	\$1,011,927	\$1,607,276
19. Reduces funding for <b>targeted case management</b> to \$892,602, of which \$321,632 is from the general fund. The reduction reflects cost and caseload/utilization changes, the cost of continuing the July 2006 inflationary increase for both years of the 2007-09 biennium, FMAP and health care trust fund changes, and the cost of providing a 3 percent inflationary	(\$403,559)	(\$768,532)	(\$1,172,091)

increase for each year of the 2007-09 biennium.			
20. Increases funding for the <b>personal care option</b> to \$19,357,368, of which \$6,974,676 is from the general fund. The additional funding reflects cost and caseload/utilization changes, the cost of continuing the July 2006 inflationary increase for both years of the 2007-09 biennium, FMAP and health care trust fund changes, and the cost of providing a 3 percent inflationary increase for each year of the 2007-09 biennium.	\$1,528,318	\$2,320,666	\$3,848,984
21. Provides \$267,128,377, of which \$96,812,766 is from the general fund for <b>developmental disabilities services</b> under the long-term care program compared to \$211,329,320, of which \$74,502,161 is from the general fund provided for the 2005-07 biennium. Major components of the additional funding are:			
Adds funding for <b>cost and caseload/utilization changes</b> for developmental disabilities services, including the cost of continuing the July 2006 inflationary increase of 2.65 percent for both years of the 2007-09 biennium	\$10,932,195	\$22,992,798	\$33,924,993
Adds general fund support for developmental disabilities services as a result of <b>FMAP</b> changes and the removal of funding from the <b>health care trust fund</b>	\$3,436,146	(\$3,436,146)	\$0
Provides for <b>inflationary increases</b> of 3 percent for each year of the 2007-09 biennium for developmental disabilities service providers	\$4,057,735	\$7,128,142	\$11,185,877
Provides for <b>increasing the average wage</b> of employees of developmental disabilities service providers by 60 cents per hour. The 2005 Legislative Assembly added funding to increase the average wage of these employees by 15 cents for the first year of the 2005-07 biennium and by an additional 20 cents for the second year.	\$3,884,529	\$6,804,874	\$10,689,403
22. Adds funding to register and conduct background checks on certified nurse aides	\$75,081	\$225,176	\$300,257
23. Increases <b>state matching</b> funds for Title III aging services funds to provide a total of \$1,000,000	\$280,000		\$280,000
24. Provides \$59,965,754, of which \$8,867,456 is from the general fund for <b>foster care</b> services compared to the 2005-07 biennium appropriation of \$58,311,009, of which \$9,433,499 is from the general fund. Major components of the additional funding are:			
Reduces funding for <b>cost and caseload/utilization changes</b> for foster care services, including the cost of continuing the July 2006 inflationary increase of 2.65 percent for both years of the 2007-09 biennium	(\$1,615,374)	\$1,090,065	(\$525,309)
Adds general fund support for foster care services as a result of <b>FMAP</b> changes and the removal of funding from the <b>health care trust fund</b>	\$597,912	(\$597,912)	\$0
Provides for <b>inflationary increases</b> of 3 percent for each year of the 2007-09 biennium for foster care providers	\$451,419	\$1,728,635	\$2,180,054
25. Provides \$14,620,467, of which \$6,038,361 is from the general fund for <b>subsidized adoption</b> compared to the 2005-07 biennium appropriation of \$10,970,862, of which \$4,237,273 is from the general fund. The additional funding reflects cost and caseload/utilization changes and FMAP changes.	\$1,801,088	\$1,848,517	\$3,649,605
26. Adds funding to recruit and retain foster homes	\$112,500	\$37,500	\$150,000
27. Phases in a community-based <b>sex offender treatment</b> program to provide services for up to 140 offenders	\$2,774,562		\$2,774,562
28. Adds funding for a second residential treatment center for providing <b>methamphetamine treatment</b> services for 24 months of the 2007-09 biennium	\$700,000		\$700,000
29. Increases funding for <b>corporate guardianship</b> for individuals with developmental disabilities	\$483,860		\$483,860
30. Provides \$1,131,457 for <b>independent living centers</b> , of which \$296,040 is from the general fund	\$4,040	\$32,878	\$36,918

**State Hospital**

1. Reduces funding for salaries and wages in the traditional services program in anticipation of <b>salary savings</b> from vacant positions and employee turnover	(\$1,059,046)		(\$1,059,046)
2. Adds 1 FTE security position in the secure services unit	\$98,102	\$2,053	\$100,155
3. Adds 1 FTE vocational training position in the secure services unit	\$69,028	\$1,445	\$70,473
4. Provides funding to continue the 19 FTE positions approved by the Emergency Commission during the 2005-07 biennium and related operating expenses for the State Hospital's <b>secure services unit</b> (sex offender treatment program)	\$2,191,341	\$158,432	\$2,349,773
5. Expands the State Hospital's <b>secure services unit</b> by an additional 20 beds for a total of 82 beds. An additional 17 FTE positions are included at a cost of \$1,102,904 and related operating expenses of \$206,837.	\$1,309,741		\$1,309,741
6. Provides funding to construct a <b>high security addition</b> to the GM building at the State Hospital for individuals requiring a high level of security within the secure services unit ( <b>executive budget identified as one-time funding</b> )	\$3,100,000		\$3,100,000
7. Reduces funding for <b>extraordinary repairs</b> from \$412,600 in 2005-07 to \$180,000 in 2007-09 (see No. 8 directly below)	(\$232,600)		(\$232,600)
8. Provides additional funding for <b>extraordinary repairs</b> ( <b>executive budget identified as one-time funding</b> )	\$1,153,500		\$1,153,500
9. Provides funding for the following <b>capital improvement</b> projects at the State Hospital: upgrading the electrical service - \$2,498,757, road improvements - \$614,000, and lift station repairs - \$250,000 ( <b>executive budget identified as one-time funding</b> )	\$3,362,757		\$3,362,757

**Developmental Center**

1. Reduces funding for salaries and wages in anticipation of <b>salary savings</b> from vacant positions and employee turnover	(\$1,047,908)		(\$1,047,908)
2. Provides funding for <b>capital improvements</b> , including roof repairs, flooring replacements, road repairs, steam distribution repairs, heating plant electrical panel replacement, etc. ( <b>executive budget identified as one-time funding</b> )	\$947,092	\$51,108	\$998,200
3. Provides funding for <b>extraordinary repairs</b> ( <b>executive budget identified as one-time funding</b> )	\$600,000		\$600,000
4. Provides funding for <b>equipment</b> purchases ( <b>executive budget identified as one-time funding</b> )	\$80,782	\$11,858	\$92,640

**Human Service Centers**

1. Removes 1.15 FTE infant development positions at the Northeast Human Service Center and a .6 FTE infant development position at the South Central Human Service Center. The services are being provided by private contract providers in these regions.			\$0
2. Includes funding for paying accrued annual leave and sick leave of human service center employees anticipated to retire during the 2007-09 biennium	\$102,056	\$100,312	\$202,368
3. Adds funding for the following human service centers to enhance <b>drug court activities</b> :			
<b>North Central</b> - 1 FTE	\$64,227	\$25,027	\$89,254
<b>Northeast</b> - 1 FTE - \$95,934 and operating expenses - \$1,116	\$58,232	\$38,818	\$97,050
<b>Southeast</b> - 1 FTE	\$94,070	\$4,164	\$98,234
<b>West Central</b> - 1 FTE - \$100,002 and operating expenses - \$3,373	\$84,395	\$18,980	\$103,375
4. Adds funding to increase the <b>service capacity</b> at the following centers:			
<b>Lake Region</b> - 1 FTE human service aide II that was previously a temporary position	\$23,286		\$23,286

<b>Northeast</b> - 1 FTE SMI case manager - \$81,596 and operating expenses for contracting for additional crisis beds - \$651,016	\$541,912	\$190,700	\$732,612
<b>Southeast</b> - 1 FTE addiction counselor for the Off Main program - \$98,234 and 3 FTE SMI case managers that were previously temporary positions - \$255,396	\$165,031	\$188,599	\$353,630
<b>West Central</b> - Operating expenses for providing additional adolescent residential substance abuse treatment services	\$95,800		\$95,800
5. Adds 1 FTE sexual abuse therapist at the <b>Southeast Human Service Center</b> for the treatment of adolescent sex offenders in the southeast region	\$89,900	\$9,990	\$99,890
6. Adds funding to contract for community residential services at the <b>South Central Human Service Center</b> as an alternative to admission to the State Hospital	\$1,480,474	\$24,130	\$1,504,604
7. Provides for <b>inflationary increases</b> of 3 percent for each year of the 2007-09 biennium for contract providers of the human service centers as follows:			
<b>Northwest</b>	\$61,124		\$61,124
<b>North Central</b>	\$136,712		\$136,712
<b>Lake Region</b>	\$89,263		\$89,263
<b>Northeast</b>	\$101,088	\$12,494	\$113,582
<b>Southeast</b>	\$183,962		\$183,962
<b>South Central</b>	\$87,751	\$30,831	\$118,582
<b>West Central</b>	\$87,875	\$49,430	\$137,305
<b>Badlands</b>	\$41,741	\$422	\$42,163

### Other Sections in Bill

#### Senate Bill No. 2012

**Section 4** authorizes the department to transfer appropriation authority between line items and subdivisions of the bill during the 2007-09 biennium, the same authority provided during the 2005-07 biennium. The section also authorizes the department to increase its number of FTE positions over the number authorized by the Legislative Assembly for the 2007-09 biennium. This authorization was not provided for the 2005-07 biennium.

**Sections 5 through 11** relate to the transfer of the children's special health services program from the Department of Human Services to the State Department of Health as recommended in the executive budget.

#### Senate Bill No. 2024

**Sections 2 and 3** allow the department to continue the unspent 2005-07 biennium appropriation authority relating to the MMIS computer project.

### 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

**Senate Bill No. 2041** - This bill appropriates \$110,000 of federal TANF block grant funds to the Department of Human Services to establish a voucher system for providing a reduced marriage license fee for individuals completing premarital counseling.

**Senate Bill No. 2066** - This bill continues the moratorium on the expansion of bed capacity of residential treatment centers and residential child care facilities for children that is scheduled to expire on July 31, 2007.

**Senate Bill No. 2069** - This bill makes changes to self-employment income eligibility determinations for Healthy Steps--the children's health insurance program.

**Senate Bill No. 2070** - This bill appropriates \$840,000, of which \$40,000 is from the general fund and \$800,000 of federal funds, to the Department of Human Services to establish and operate an aging and disability resource center.

**Senate Bill No. 2071** - This bill changes Medicaid provisions relating to transfers involving annuities.

**Senate Bill No. 2109** - This bill continues the moratorium on the expansion of basic care bed capacity and nursing facility bed capacity that is scheduled to expire on July 31, 2007.

**Senate Bill No. 2124** - This bill makes changes to Medicaid provisions relating to long-term care insurance policies and estate recoveries.

**Senate Bill No. 2132** - This bill authorizes the Department of Human Services to recover medical assistance benefits paid on behalf of a recipient from responsible third-party payers.

**Senate Bill No. 2133** - This bill provides for consumer-directed care for medical assistance recipients.

**Senate Bill No. 2136** - This bill transfers the State Hospital's sex offender treatment program from the Department of Human Services to the Department of Corrections and Rehabilitation during the 2007-09 biennium.

**House Bill No. 1047** - This bill changes the income eligibility limit of Healthy Steps--the children's health insurance program--from 140 to 200 percent of poverty.