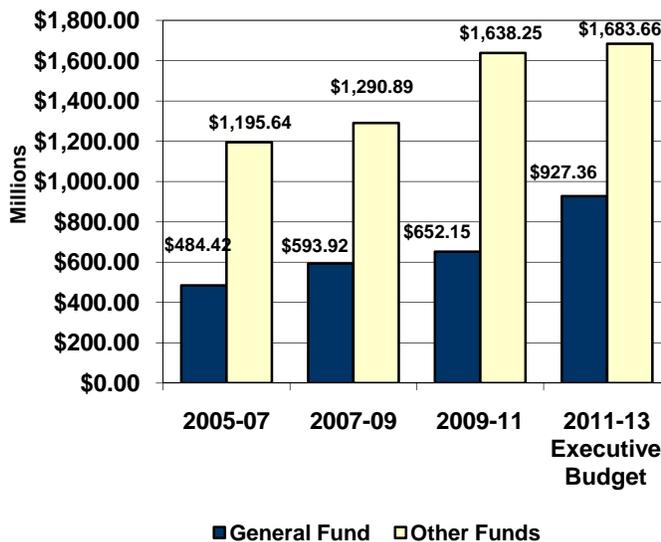


**Department 325 - Department of Human Services
 Senate Bill No. 2012**

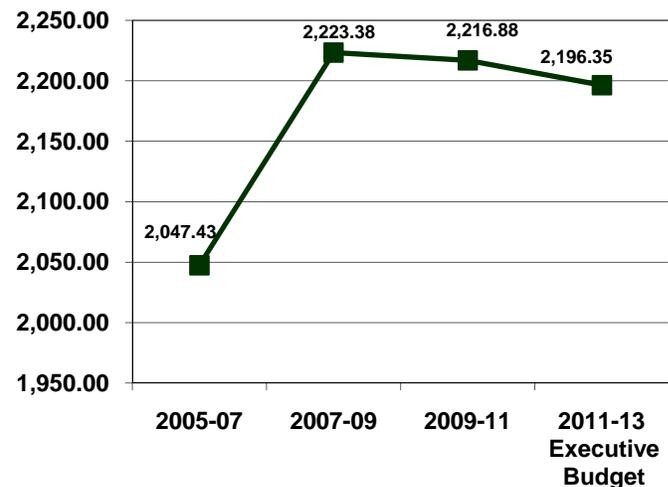
	FTE Positions	General Fund	Other Funds	Total
2011-13 Executive Budget	2,196.35	\$927,363,658	\$1,683,661,250	\$2,611,024,908
2009-11 Legislative Appropriations	2,216.88	652,145,814	1,638,250,137	2,290,395,951 ¹
Increase (Decrease)	(20.53)	\$275,217,844	\$45,411,113	\$320,628,957

¹The 2009-11 appropriation amounts include \$2.65 million, \$1.5 million of which is from the general fund, for the agency's share of the \$16 million funding pool appropriated to the Office of Management and Budget for special market equity adjustments for executive branch employees. The 2009-11 appropriation amounts do not include \$31,704,000, of which \$2,465,760 is from the general fund, for carryover from the 2007-09 biennium and \$11,264,771 of additional special funds authority resulting from Emergency Commission action during the 2009-11 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
2011-13 Executive Budget	\$925,563,658	\$1,800,000	\$927,363,658
2009-11 Legislative Appropriations	647,849,516	4,296,298	652,145,814
Increase (Decrease)	\$277,714,142	(\$2,496,298)	\$275,217,844

First House Action

Attached is a summary of first house changes.

**Executive Budget Highlights
 (With First House Changes in Bold)**

	General Fund	Other Funds	Total
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 60.35 percent in federal fiscal year 2011 to 55.40 percent in federal fiscal year 2012. The department anticipates North Dakota's FMAP to remain at 55.40 percent for federal fiscal year 2013. These changes are also reflected in selected program amounts below.	\$104,887,387	(\$104,904,779)	(\$17,392)
2. Replaces federal fiscal stimulus funding relating to FMAP and child support enforcement appropriated for the 2009-11 biennium with funding from the general fund and removes other	\$69,307,001	(\$99,095,205)	(\$29,788,204)

federal fiscal stimulus funding provided in the 2009-11 biennium. These changes are also reflected in selected program amounts below.

3. Provides a 3 percent per year inflationary increase for human service providers. The 2009 Legislative Assembly approved a 6 percent inflationary increase for the second year of the 2009-11 biennium for rebased services (hospitals, physicians, chiropractors, and ambulances) and dentists and a 6 percent per year inflationary increase for providers of other services.	\$25,516,808	\$28,757,382	\$54,274,190
4. Changes the funding source for medical services and long-term care services from the Bank of North Dakota loan proceeds in the 2009-11 biennium to the general fund. These changes are also reflected in selected program amounts below.	\$8,500,000	(\$8,500,000)	\$0
5. Changes the funding source for breast and cervical cancer assistance from the community health trust fund in the 2009-11 biennium to the general fund. These changes are also reflected in selected program amounts below.	\$790,015	(\$790,015)	\$0
6. Changes the funding source for nursing facility payments from the health care trust fund in the 2009-11 biennium to the general fund. These changes are also reflected in selected program amounts below.	\$4,124,506	(\$4,124,506)	\$0
7. Removes funding from the general fund for medical services and long-term care program expenditures and allows the department to continue general fund appropriations for the 2009-11 biennium and utilize unexpended funds in the 2011-13 biennium. These changes are also reflected in selected program amounts below.	(\$12,800,000)		(\$12,800,000)
8. Reduces funding for salaries and wages by \$2,935,680 from the general fund in anticipation of savings resulting from employee turnover and position vacancies.	(\$2,935,680)	\$0	(\$29,35,680)
9. Includes funding for paying accrued annual leave and sick leave of employees anticipated to retire during the 2011-13 biennium.	\$186,370	\$305,094	\$491,464
Management			
1. Adds 4 FTE positions in information technology services as requested by the department in its hold-even budget request	\$171,236	\$283,803	\$455,039
2. Removes federal fiscal stimulus funding provided in the 2009-11 biennium		(\$307,000)	(\$307,000)
3. Adjusts funding for program and cost changes (detailed changes not identified)	\$3,811,984	\$11,591,551	\$15,403,535
4. Adds funding for telepharmacy equipment over \$5,000		\$138,400	\$138,400
Program and Policy			
1. Provides \$4,990,361, of which \$3,025,754 is from the general fund and \$1,964,607 is from retained funds, for Indian county payments	\$1,066,213	(\$99)	\$1,066,114
2. Reduces funding for temporary assistance for needy families (TANF) costs to \$16,739,250, of which \$5,531,958 is from the general fund and \$5,785,053 is from retained funds. The funding level is anticipated to provide services for an average monthly caseload of 2,253 and to provide an average payment of \$309.57 per case.		(\$7,668,672)	(\$7,668,672)
3. Provides \$20,554,852, of which \$252,686 is from the general fund, \$6,894,858 is from retained funds, and the remainder from federal funds, for child care grants . The change reflects a decrease of \$97,511 from the general fund, an increase of \$631,497 in retained funds, and a decrease of \$2,338,968 in federal funds.	(\$97,511)	(\$1,707,471)	(\$1,804,982)
4. Increases federal funding for supplemental nutrition assistance program (SNAP) or food stamp benefits to provide a total of \$241,942,496		\$30,506,121	\$30,506,121
5. Decreases funding for the low-income home energy assistance program (LIHEAP) to provide a total of \$39,436,277		(\$13,126,445)	(\$13,126,445)

6. Provides \$632,712,356, of which \$200,203,906 is from the general fund, for medical assistance grants in the medical services program compared to \$491,365,038 provided for the 2009-11 biennium, of which \$119,205,576 was from the general fund. Major components of the additional funding are listed below:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	\$15,043,064	\$116,988,725	\$132,031,789
Adds additional general fund support as a result of FMAP changes	\$35,291,452	(\$35,291,452)	\$0
Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$21,302,590	(\$21,302,590)	\$0
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers	\$3,954,780	\$5,360,749	\$9,315,529
7. Increases funding for Healthy Steps (children's health insurance program) to provide a total of \$27,990,521, of which \$8,661,586 is from the general fund, to provide health insurance coverage for an average of 4,256 children at a monthly premium of \$274.03. The executive budget recommends maintaining eligibility requirements for the program at 160 percent of the federal poverty level based on net income. The Senate added funding of \$1,834,357, of which \$567,367 is from the general fund, for increasing the eligibility for Healthy Steps from 160 percent to 175 percent of the federal poverty level. A section was added to the bill to provide for the related statutory change.	\$3,062,787	\$3,295,198	\$6,357,985
8. Includes \$26,307,479, of which \$25,152,575 is from the general fund and \$1,154,904 is from estate collections, for making Medicare Part D prescription drug " clawback " 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 \$6,891,217 from the 2009-11 biennium appropriation of \$19,416,262, of which \$18,624,262 was from the general fund.	\$6,528,313	\$362,904	\$6,891,217
9. Provides \$459,123,033, of which \$195,559,601 is from the general fund, for nursing facility care under the long-term care program compared to \$425,713,210, of which \$132,267,271 was from the general fund, provided for the 2009-11 biennium. Major components of the additional funding are listed below:			
Changes the funding source from Bank of North Dakota loan proceeds in the 2009-11 biennium to the general fund	\$2,692,917	(\$2,692,917)	\$0
Changes the funding source from the health care trust fund in the 2009-11 biennium to the general fund	\$4,124,506	(\$4,124,506)	\$0
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	\$11,920,336	\$23,364,899	\$35,285,235
Adds general fund support as a result of FMAP changes	\$32,078,542	(\$32,078,542)	\$0
Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$20,409,761	(\$20,409,761)	\$0
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers and a portion of a \$12.8 million general fund reduction relating to authorizing 2009-11 carryover funding in the 2011-13 biennium	(\$7,933,732)	\$6,058,320	(\$1,875,412)
10. Provides \$25,972,395, of which \$14,812,502 is from the general fund, for basic care services compared to \$18,113,925, of which \$8,219,552 was from the general fund, for the 2009-11 biennium. Major components of the additional funding are listed below:			

Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	\$4,146,608	\$2,575,848	\$6,722,456
Adds general fund support as a result of FMAP changes	\$1,169,030	(\$1,169,030)	\$0
Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$524,151	(\$524,151)	\$0
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers	\$753,161	\$382,853	\$1,136,014
11. Decreases funding for service payments for elderly and disabled (SPED) and expanded SPED to \$14,759,712, of which \$14,070,562 is from the general fund, compared to the 2009-11 biennium appropriation of \$18,221,905, of which \$17,347,138 was from the general fund. Major changes include:			
Reduces funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	(\$3,890,633)	(\$215,669)	(\$4,106,302)
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers	\$614,057	\$30,052	\$644,109
12. Increases funding for the home and community-based care waiver to \$10,268,386, of which \$4,538,744 is from the general fund, compared to the 2009-11 biennium appropriation of \$8,707,606, of which \$2,831,505 was from the general fund. Major changes include:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	\$352,436	\$757,866	\$1,110,302
Adds general fund support as a result of FMAP changes	\$690,477	(\$690,477)	\$0
Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$464,566	(\$464,566)	\$0
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers	\$199,760	\$250,718	\$450,478
13. Decreases funding for targeted case management to \$1,564,749, of which \$690,422 is from the general fund, compared to the 2009-11 biennium appropriation of \$1,957,896, of which \$641,694 was from the general fund. Major changes include:			
Reduces funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	(\$152,133)	(\$309,333)	(\$461,466)
Adds general fund support as a result of FMAP changes	\$74,544	(\$74,544)	\$0
Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$96,026	(\$96,026)	\$0
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers	\$30,291	\$38,028	\$68,319
14. Increases funding for the personal care option to \$29,149,905, of which \$12,886,305 is from the general fund, compared to the 2009-11 biennium appropriation of \$25,044,599, of which \$8,214,016 was from the general fund. Major changes include:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	\$893,104	\$1,937,517	\$2,830,621
Adds general fund support as a result of FMAP changes	\$2,057,413	(\$2,057,413)	\$0
Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$1,156,599	(\$1,156,599)	\$0
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers	\$565,173	\$709,512	\$1,274,685

15. Provides \$396,996,033, of which \$174,231,307 is from the general fund, for developmental disabilities services under the long-term care program compared to \$341,542,546, of which \$110,730,341 was from the general fund, provided for the 2009-11 biennium. Major components of the additional funding are:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	\$13,015,970	\$25,476,514	\$38,492,484
Adds general fund support as a result of FMAP changes	\$36,993,542	(\$36,993,542)	\$0
Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$23,091,088	(\$23,091,088)	\$0
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers	\$7,475,018	\$9,503,377	\$16,978,395
The Senate added funding of \$11,364,049, of which \$5,021,489 is from the general fund, for a supplemental payment to developmental disabilities providers to allow for a 50-cent per hour salary and benefit increase for employees beginning July 1, 2011.			
16. Provides \$66,850,710, of which \$12,122,010 is from the general fund, for foster care services compared to \$58,089,459, of which \$6,961,934 was from the general fund, provided for the 2009-11 biennium. Major components of the additional funding are:			
Adds funding for cost and caseload/utilization changes, including the cost to continue inflationary increases provided in the 2009-11 biennium	\$1,703,728	\$4,119,388	\$5,823,116
Adds general fund support as a result of FMAP changes	\$455,959	(\$455,959)	\$0
Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$1,683,112	(\$1,683,112)	\$0
Executive budget changes, including 3 percent per year inflationary adjustments for human services providers	\$1,666,421	\$1,271,714	\$2,938,135
17. Provides \$20,208,724, of which \$9,159,965 is from the general fund, for subsidized adoption compared to the 2009-11 biennium appropriation of \$17,847,086, of which \$7,003,216 was from the general fund	\$2,156,749	\$204,889	\$2,361,638
18. Provides funding and 7 FTE positions to perform functions necessary to comply with the provisions of federal health care reform	\$225,507	\$305,588	\$531,095
19. Adds funding for a grant to the Silver Haired Legislative Assembly. The Senate removed this funding.	\$10,000		\$10,000
20. Increases funding for senior service providers to assist with the costs of providing meals to the elderly	\$300,000		\$300,000
21. Provides one-time federal funding for completion of vocational rehabilitation training and information technology contracts funded with federal fiscal stimulus funds in the 2011-13 biennium		\$519,175	\$519,715
22. Adds 1 FTE position in medical services as requested by the department in its hold-even budget request	\$19,668	\$61,236	\$80,904
23. Adds 6 FTE positions in mental health and substance abuse as requested by the department in its hold-even budget request	\$23,730	\$861,666	\$885,396
State Hospital			
1. Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$337,029	(\$337,029)	\$0
2. Reflects the additional state matching funds required due to changes in the state's FMAP	\$97,624	(\$97,624)	\$0
3. Adds 1 FTE pharmacist position	\$190,305	\$45,105	\$235,410

4. Adjusts funding for program, cost, and caseload/utilization changes	\$3,341,627	(\$2,696,650)	\$644,977
5. Provides ongoing funding for extraordinary repairs	\$733,650		\$733,650
6. Provides one-time funding for capital projects. The Senate increased funding for capital projects by \$161,840, from \$1,800,000 to \$1,961,840.	\$1,800,000		\$1,800,000
7. Removes funding provided in the 2009-11 biennium for equipment over \$5,000	(\$246,220)		(\$246,220)
8. Removes funding provided in the 2009-11 biennium for bond payments (The bonds were paid in full in the 2009-11 biennium.)	(\$437,729)		(\$437,729)
9. Removes one-time funding provided in the 2009-11 biennium for extraordinary repairs (The amount shown does not reflect extraordinary repair carryover funding from the 2007-09 biennium.)	(\$2,731,017)		(\$2,731,017)
Developmental Center			
1. Deletes 40.53 FTE positions not requested by the department for the Developmental Center	(\$1,448,609)		(\$1,448,609)
2. Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$2,531,825	(\$2,531,825)	\$0
3. Reflects the additional state matching funds required due to changes in the state's FMAP	\$1,899,418	(\$1,899,418)	\$0
4. Adjusts funding for program, cost, and caseload/utilization changes	(\$1,836,244)	\$1,856,344	\$20,100
5. Provides ongoing funding for extraordinary repairs	\$579,469		\$579,469
6. Removes funding provided in the 2009-11 biennium for equipment over \$5,000	(\$75,000)		(\$75,000)
7. Removes funding provided in the 2009-11 biennium for bond payments (The bonds were paid in full in the 2009-11 biennium.)	(\$501,657)		(\$501,657)
8. Removes one-time funding provided in the 2009-11 biennium for extraordinary repairs (The amount shown does not reflect extraordinary repair carryover funding from the 2007-09 biennium.)	(\$712,675)		(\$712,675)
Human Service Centers			
1. Adds 1 FTE position at the North Central Human Service Center as requested by the department in its hold-even budget request	\$284,474	\$148,977	\$433,451
2. Removes funding provided in the 2009-11 biennium for equipment over \$5,000	(\$26,966)	(\$28,534)	(\$55,500)
3. Replaces federal fiscal stimulus funding relating to FMAP appropriated for the 2009-11 biennium with funding from the general fund	\$2,513,432	(\$2,513,432)	\$0
4. Reflects the additional state matching funds required due to changes in the state's FMAP	\$1,372,441	(\$1,372,441)	\$0
5. Adjusts funding for program, cost, and caseload/utilization changes	\$2,131,783	(\$1,675,992)	\$455,791
6. Provides ongoing funding for extraordinary repairs	\$35,671		\$35,671
7. Provides funding for equipment over \$5,000	\$34,372	\$4,628	\$39,000
8. Provides for inflationary increases of 3 percent for each year of the 2011-13 biennium	\$1,093,928	\$147,348	\$1,241,276
9. Provides funding for contracting for beds in a crisis stabilization unit for the seriously mental ill (North Central Human Service Center)	\$1,444,661		\$1,444,661
10. Provides funding for increasing psychiatric inpatient hospitalization contract rates at the human service centers	\$3,431,017		\$3,431,017
11. Provides funding for contracting for chemical dependency residential services (Southeast Human Service Center)	\$939,159		\$939,159

12. Provides funding for expanding residential adult crisis bed capacity from 10 beds to 14 beds (West Central Human Service Center)	\$309,128		\$309,128
13. Provides funding for leasing a new office facility for nonvocational rehabilitation operations (Badlands Human Service Center)	\$174,110	\$16,105	\$190,215

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 2011-13 biennium. The department is to report to the Budget Section after June 30, 2012, on any transfers made in excess of \$50,000 and to the Appropriations Committees of the 63rd Legislative Assembly any transfers made.

Medicaid management information system replacement project - Section 4 provides for the continuation of the 2007-09 legislative appropriation for the Medicaid management information system replacement project in the 2011-13 biennium.

Continuation of appropriation authority - Section 5 provides for the continuation of the department's unexpended 2009-11 general fund appropriation authority to the 2011-13 biennium. The continued funding is to be used for medical assistance grants during the 2011-13 biennium. The department estimates \$12.8 million of funding from the general fund will be unexpended on June 30, 2011.

Office space lease limitation - Section 6 provides that the department may not expend more than \$12.50 per square foot per year for leasing office space in the Prairie Hills Plaza in Bismarck in the 2011-13 biennium.

FTE positions - Section 8 provides legislative intent that the department only fill the 7 new FTE positions relating to implementing federal health care reform after receiving applicable rules from the federal Department of Health and Human Services.

Continuing Appropriations

Child support collection and disbursement - North Dakota Century Code 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 - 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.

Child support cooperative agreements - Section 50-09-33 - Allows the department to accept federal funds and other income generated by the department under a cooperative agreement with an Indian tribe for child support enforcement services for hiring staff and payment of other expenses as necessary for carrying out the department's duties under the agreement.

Significant Audit Findings

There were no significant audit findings for the department.

Major Related Legislation

House Bill No. 1040 extends the moratorium on the state's licensed basic care bed capacity and the state's nursing facility bed capacity from July 31, 2011, to July 31, 2013.

House Bill No. 1152 appropriates \$3,454,061, of which \$1,527,802 is from the general fund, for supplemental payments to critical access hospitals.

House Bill No. 1169 increases the allowable annual education expenditures used in nursing home rates.

House Bill No. 1199 provides that the Legislative Management is to contract with a consultant to study guardianship services for vulnerable adults in the state.

House Bill No. 1320 allows a deduction from income claimed for medical assistance eligibility for real estate taxes paid on rental property for individuals screened as requiring nursing home care.

House Bill No. 1325 extends the moratorium on the state's licensed basic care bed capacity and the state's nursing facility bed capacity from July 31, 2011, to July 31, 2013, and creates a 24-month bed layaway program for up to 25 percent of a nursing facility's bed.

House Bill No. 1373 provides a \$1 million general fund appropriation to the department for grants to federally designated Head Start programs.

House Bill No. 1395 requires the department to establish a substance abuse services pilot voucher payment program.

Senate Bill No. 2043 provides that the Department of Human Services is to implement a prospective or related payment system rate model for developmental disabilities service providers.

Senate Bill No. 2075 relates to excess assets in pre-need funeral service contracts.

Senate Bill No. 2121 repeals Chapter 6-09.6 relating to the developmentally disabled facility loan program and transfers the remaining loans in the program to the Bank of North Dakota.

Senate Bill No. 2163 appropriates \$110,000 from the general fund to the department for traumatic brain injury services.

Senate Bill No. 2192 relates to foster care services.

Senate Bill No. 2242 increases funding in the senior citizen services and programs fund.

Senate Bill No. 2298 relates to the establishment of early childhood services inclusion support services and a grant program for licensed early childhood services providers who care for children with special needs.

ATTACH:1