

**FIRST ENGROSSMENT
with Conference Committee Amendments****ENGROSSED HOUSE BILL NO. 1012**

Introduced by

Appropriations Committee

(At the request of the Governor)

1 A BILL for an Act to provide an appropriation for defraying the expenses of the department of
2 human services; to provide for the transfer of appropriation authority between agencies and
3 institutions; to provide for legislative council studies; to provide an exception to section
4 54-44.1-06 of the North Dakota Century Code, relating to the preparation of the department of
5 human services appropriations bill for the 2003-05 biennium; to provide statements of
6 legislative intent; to provide an exception to section 54-16-04 of the North Dakota Century
7 Code, relating to emergency commission approval for line item transfers; to provide for basic
8 care facility rates; to create and enact a new subsection to section 50-10-06 of the North
9 Dakota Century Code, relating to eligibility for children's special health services; to amend and
10 reenact subsection 2 of section 25-02-01.1, subsection 3 of section 50-01.2-03.2, and section
11 50-09-06.1 of the North Dakota Century Code, relating to compensation for members of the
12 state hospital governing body, county reimbursements, and assignment of support rights; to
13 provide an effective date; and to declare an emergency.

14 BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

15 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the
16 funds as may be necessary, are appropriated out of any moneys in the general fund in the state
17 treasury, not otherwise appropriated, and from special funds derived from federal funds and
18 other income, to the department of human services and its various divisions, for the purpose of
19 defraying their expenses, for the biennium beginning July 1, 2001, and ending June 30, 2003,
20 as follows:

21 Subdivision 1.

22 **MANAGEMENT**

23 Salaries and wages \$11,810,001

24 Operating expenses 34,511,962

Fifty-seventh
Legislative Assembly

1	Equipment	1,185,704
2	Capital improvements	1,308
3	Loan fund - DD	<u>2,261,556</u>
4	Total all funds	\$49,770,531
5	Less estimated income	<u>31,715,182</u>
6	Total general fund appropriation	\$18,055,349

7 Subdivision 2.

8 ECONOMIC ASSISTANCE

9	Salaries and wages	\$11,679,203
10	Operating expenses	17,297,140
11	Equipment	17,950
12	Capital improvements	2,543
13	Grants - assistance payments	126,393,606
14	Grants - medical assistance	<u>736,187,339</u>
15	Total all funds	\$891,577,781
16	Less estimated income	<u>678,799,617</u>
17	Total general fund appropriation	\$212,778,164

18 Subdivision 3.

19 PROGRAM AND POLICY

20	Salaries and wages	\$9,650,689
21	Operating expenses	11,388,152
22	Equipment	53,728
23	Capital improvements	789
24	Grants	<u>132,341,763</u>
25	Total all funds	\$153,435,121
26	Less estimated income	<u>123,325,366</u>
27	Total general fund appropriation	\$30,109,755

28 Subdivision 4.

29 NORTHWEST HUMAN SERVICE CENTER

Fifty-seventh
Legislative Assembly

1	Total all funds	\$8,157,433
2	Less estimated income	<u>4,083,037</u>
3	Total general fund appropriation	\$4,074,396
4	NORTH CENTRAL HUMAN SERVICE CENTER	
5	Total all funds	\$14,201,485
6	Less estimated income	<u>5,797,056</u>
7	Total general fund appropriation	\$8,404,429
8	LAKE REGION HUMAN SERVICE CENTER	
9	Total all funds	\$8,122,652
10	Less estimated income	<u>3,598,587</u>
11	Total general fund appropriation	\$4,524,065
12	NORTHEAST HUMAN SERVICE CENTER	
13	Total all funds	\$18,677,059
14	Less estimated income	<u>11,195,028</u>
15	Total general fund appropriation	\$7,482,031
16	SOUTHEAST HUMAN SERVICE CENTER	
17	Capital improvements	\$573,124
18	Human service center operations	<u>19,640,332</u>
19	Total all funds	\$20,213,456
20	Less estimated income	<u>11,119,701</u>
21	Total general fund appropriation	\$9,093,755
22	SOUTH CENTRAL HUMAN SERVICE CENTER	
23	Total all funds	\$11,128,925
24	Less estimated income	<u>5,466,466</u>
25	Total general fund appropriation	\$5,662,459
26	WEST CENTRAL HUMAN SERVICE CENTER	
27	Total all funds	\$18,616,938
28	Less estimated income	<u>10,452,773</u>
29	Total general fund appropriation	\$8,164,165
30	BADLANDS HUMAN SERVICE CENTER	

Fifty-seventh
Legislative Assembly

1	Total all funds	\$9,535,626
2	Less estimated income	<u>5,127,922</u>
3	Total general fund appropriation	\$4,407,704

4 STATE HOSPITAL

5	Capital improvements	\$970,176
6	Operations	<u>50,154,275</u>
7	Total all funds	\$51,124,451
8	Less estimated income	<u>17,961,143</u>
9	Total general fund appropriation	\$33,163,308

10 DEVELOPMENTAL CENTER

11	Capital improvements	\$864,363
12	Operations	<u>39,823,524</u>
13	Total all funds	\$40,687,887
14	Less estimated income	<u>30,020,107</u>
15	Total general fund appropriation	\$10,667,780
16	Total all funds - subdivision 4	\$200,465,912
17	Total estimated income - subdivision 4	\$104,821,820
18	Total general fund appropriation - subdivision 4	\$95,644,092
19	Grand total general fund appropriation H.B. 1012	\$356,587,360
20	Grand total special fund appropriation H.B. 1012	\$938,661,985
21	Grand total all funds H.B. 1012	\$1,295,249,345

22 **SECTION 2. LANDS AND MINERALS TRUST FUND.** The amount of \$2,261,556, or
23 so much of the sum as may be necessary, as appropriated in the developmentally disabled
24 facility loan fund line item in section 1 of this Act, may be expended by the department of
25 human services from the lands and minerals trust fund for the purpose of making payments of
26 principal and interest to the common schools trust fund on any loans made from it pursuant to
27 the developmentally disabled loan fund program nos. 2 and 3 for the biennium beginning
28 July 1, 2001, and ending June 30, 2003.

29 **SECTION 3. DEVELOPMENTAL DISABILITIES REVOLVING LOAN FUND.** There
30 may be expended by the department of human services, on or before June 1, 2003, from the
31 cash balance of, any payments deposited in, the revolving loan fund created under section

6-09.6-01, the sum of \$871,765, or so much of the sum as may be necessary, which is appropriated in section 1 of this Act.

SECTION 4. TRANSFER. Subject to the provisions of chapter 54-16, the director of the department of human services may transfer appropriation authority between agencies and institutions included in subdivisions 1 through 4 of section 1 of this Act.

SECTION 5. CORRELATION OF RESOURCES FOR DEPARTMENTAL CLIENTS. Notwithstanding section 4 of this Act, the director of the department of human services may transfer appropriation authority and authorized positions between agencies and institutions included within subdivision 4 of section 1 of this Act to correlate fiscal and staff resources with the flow of institutional residents and human service center clients between community-based programs and institutions. The transfers from human service centers require prior consultation with the regional human service center advisory boards.

SECTION 6. ALCOHOL AND DRUG EDUCATION PROGRAM - EXPENDITURE - LIMITATIONS. The moneys appropriated in the grants line item in subdivision 3 of section 1 of this Act for the native American alcohol and drug abuse education program may not be spent for the services provided by the tribes to administer the program. The local grant recipient is required to provide matching equal to the grant amount with funding or in-kind service.

SECTION 7. DEPARTMENT OF HUMAN SERVICES - FUNDING OR EMPLOYEE TRANSFERS - REPORT TO FIFTY-EIGHTH LEGISLATIVE ASSEMBLY. The department of human services shall prepare and present a report to the appropriations committees of the fifty-eighth legislative assembly on any transfers of funding or employee full-time equivalent positions made between the department's subdivisions or institutions and human service centers during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 8. LINE ITEM TRANSFER AUTHORITY. Notwithstanding section 54-16-04, the department of human services may transfer amounts of up to \$250,000 from the operating expenses line item in subdivision 1 of section 1 of this Act to the equipment line item in subdivision 1 of section 1 of this Act for the biennium beginning July 1, 2001, and ending June 30, 2003. The department shall notify the office of management and budget of each transfer.

SECTION 9. LEGISLATIVE INTENT - MEDICAL SERVICES - UTILIZATION REVIEW. It is the intent of the legislative assembly that the department of human services

enhance the effectiveness of its utilization review efforts in the medical services program during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 10. LEGISLATIVE INTENT - DEPARTMENT OF HUMAN SERVICES -

SHARING OF WORKSTATIONS. It is the intent of the legislative assembly that the department of human services consider requiring the sharing of workstations by its employees for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 11. LEGISLATIVE INTENT - DEPARTMENT OF HUMAN SERVICES -

TELEPHONE COST-SAVINGS. It is the intent of the legislative assembly that the department of human services consider distributing prepaid telephone calling cards to its employees for use when making allowable long-distance personal telephone calls when traveling on official state business during the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 12. LEGISLATIVE INTENT - DEPARTMENT OF HUMAN SERVICES -

PRINTING COST-SAVINGS. It is the intent of the legislative assembly that the department of human services consider expanding its use of e-mail for distributing information to reduce printing costs for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 13. LEGISLATIVE INTENT - GENERAL FUND AND HEALTH CARE

TRUST FUND MONEYS - SPENDING PRIORITY. It is the intent of the legislative assembly that for any programs receiving appropriations from both the general fund and health care trust fund, the department of human services spend moneys appropriated from the general fund before spending moneys from the health care trust fund for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 14. LEGISLATIVE INTENT - STATE HOSPITAL LANDFILL CLOSURE. It

is the intent of the legislative assembly that the state hospital seek the assistance of the adjutant general in the closure of the state hospital landfill and that the adjutant general complete the project subject to the approval of the associated general contractors of North Dakota for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 15. LEGISLATIVE INTENT - FEDERAL FAMILY CAREGIVER FUNDS. It

is the intent of the legislative assembly that the department of human services determine the requirements related to the acceptance of federal family caregiver funds, including allowable uses, maintenance of effort, and future funding projections.

SECTION 16. LEGISLATIVE INTENT - PAYMENT SCHEDULE FOR CRITICAL

ACCESS HOSPITALS. It is the intent of the legislative assembly that the department of human services implement a charge-based payment schedule for critical access hospitals, for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 17. LEGISLATIVE COUNCIL STUDY - STATE ADMINISTRATION OF

CHILD SUPPORT. The legislative council shall consider studying, during the 2001-02 interim, the feasibility and desirability of state administration of child support, including the fiscal effect on counties and the state. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 18. LEGISLATIVE COUNCIL STUDY - SENIOR CITIZEN MILL LEVY

MATCHING PROGRAM. The legislative council shall consider studying during the 2001-02 interim, the senior citizen mill levy matching grant program. If chosen, the study must address the appropriateness of whether the program match a percentage of the total mills levied by each county or match funds only on the first mill levied by each county. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the fifty-eighth legislative assembly.

SECTION 19. LEGISLATIVE INTENT - NORTHEAST HUMAN SERVICE CENTER

FUNDING. It is the intent of the legislative assembly that any budget adjustments made by the northeast human service center relating to the unspecified \$175,000 reduction in general fund support made by the fifty-seventh legislative assembly not be made in areas of the budget that provide funding for contracts with private providers for the biennium beginning July 1, 2001, and ending June 30, 2003.

SECTION 20. MEDICAID FUNDING - REPORTS TO BUDGET SECTION.

The department of human services shall report to each meeting of the budget section during the 2001-02 interim on the status of actual medical assistance expenditures to projections based on legislative appropriations for the biennium beginning July 1, 2001, and ending June 30, 2003. Each report must include the department's medical services utilization review efforts and the effect of these efforts on utilization and expenditures. If the department of human services anticipates that actual expenditures will exceed the funding provided by the legislative assembly for medical assistance grants, the department shall report to the budget section on

1 the department's efforts to manage the funds appropriated to the department to provide for the
2 anticipated shortfall and, if necessary, seek budget section approval to spend funds at a level
3 which would require a request for a general fund deficiency appropriation from the next
4 legislative assembly.

5 **SECTION 21. DEPARTMENT OF HUMAN SERVICES APPROPRIATIONS BILL -**
6 **EXECUTIVE BUDGET RECOMMENDATION.** Notwithstanding North Dakota Century Code
7 section 54-44.1-06, the office of the budget shall submit for introduction to the fifty-eighth
8 legislative assembly the department of human services appropriations bill reflecting the same
9 funding levels by line item and employee levels authorized by the fifty-seventh legislative
10 assembly for the 2001-03 biennium. Any budget changes recommended by the office of the
11 budget for the department of human services for the 2003-05 biennium must be presented to
12 the appropriations committees of the fifty-eighth legislative assembly as a recommendation for
13 change to the bill as introduced.

14 **SECTION 22. COMPULSIVE GAMBLING SERVICES - CONTINGENT FUNDING.**
15 The operating expenses line item in subdivision 3 of section 1 of this Act includes \$150,000
16 from the general fund for compulsive gambling services. The department of human services
17 may spend \$50,000 of this funding for compulsive gambling services only if the mental health
18 association of North Dakota certifies to the department of human services that it has received
19 at least \$220,000 of funding from Indian gaming sources for compulsive gambling services
20 during the biennium beginning July 1, 2001, and ending June 30, 2003.

21 **SECTION 23. STATE HOSPITAL LANDFILL CLOSURE - PROJECTED SAVINGS.**
22 During the second year of the biennium beginning July 1, 2001, and ending June 30, 2003, the
23 state hospital may use projected savings from other areas of the state hospital budget for the
24 costs of closing the state hospital landfill. The state hospital may transfer appropriation
25 authority between line items to provide the funding needed for the project, subject to
26 emergency commission and budget section approval.

27 **SECTION 24. Basic care facility private room rates.** The department of human
28 services shall allow a basic care facility to charge a higher rate for a private room used by a
29 recipient of benefits under chapter 50-24.5 if the private room is not necessary to meet the
30 resident's care needs; the resident, or a person acting on behalf of the resident, has requested
31 the private room and the facility informs the person making the request, at the time of the

1 request, of the amount of payment and that the payment must come from sources other than a
2 resident's monthly income; and the payment does not exceed the amount charged to private
3 pay residents.

4 **SECTION 25. AMENDMENT.** Subsection 2 of section 25-02-01.1 of the 1999
5 Supplement to the North Dakota Century Code is amended and reenacted as follows:

- 6 2. The department, in consultation with the state hospital, shall create a state hospital
7 governing body and shall by rules describe the powers and duties of the governing
8 body. The department shall compensate members not employed by the
9 department in the amount of sixty-two one hundred dollars ~~and fifty cents~~ per day
10 and reimburse members for expenses incurred in attending meetings in the
11 amounts provided by sections 44-08-04 and 54-06-09."

12 **SECTION 26. AMENDMENT.** Subsection 3 of section 50-01.2-03.2 of the North
13 Dakota Century Code is amended and reenacted as follows:

- 14 3. Notwithstanding any other provisions of law, the department shall reimburse
15 county social service boards for expenses of locally administered economic
16 assistance programs in counties in which more than twenty percent of the
17 caseload for these programs consists of people who reside on a federally
18 recognized Indian reservation or property tax-exempt tribal trust lands. The
19 reimbursement must be such that:
- 20 a. An affected county's expenses for locally administered economic assistance
21 programs in excess of the statewide average of such costs, expressed in
22 mills, for all other counties will be reimbursed at ~~one hundred percent~~ a
23 percentage based on the level of legislative appropriations;
- 24 b. Each calendar year the affected counties will receive quarterly allocations
25 based on the actual county expenses for the state fiscal year ending the
26 previous June thirtieth and the most recent taxable valuations published
27 pursuant to section 57-13-07 available on that date;
- 28 c. The reimbursement will be calculated for each county and reported to the
29 county social service board prior to August first of the year preceding the
30 allocation; ~~and.~~

d. ~~For calendar year 2000, up to fifteen percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement. For the first six months of calendar year 2001, up to seven and one-half percent of the social service block grant funds available to all counties during that calendar year or general fund equivalents of social service block grant funds must be used for part of this reimbursement.~~

SECTION 27. AMENDMENT. Section 50-09-06.1 of the North Dakota Century Code, as amended in section 3 of House Bill No. 1108, as approved by the fifty-seventh legislative assembly, is amended and reenacted as follows:

50-09-06.1. Assignment of support rights. An application under this chapter is deemed to create and effect an assignment of all rights to support, which a family member or foster child may have or come to have, to the state agency. The assignment:

1. Is effective as to all current and accrued support obligations and periods of eligibility;
2. Is limited to the total cost of benefits provided to the family or foster child; ~~and~~
3. Terminates when eligibility ceases, except with respect to any support obligation unpaid at that time; and
4. Is not effective as to any child subject to a benefit cap imposed under section 50-09-29.

SECTION 28. A new subsection to section 50-10-06 of the North Dakota Century Code is created and enacted as follows:

Establish eligibility criteria for services under this chapter at one hundred eighty-five percent of the poverty line, except for criteria relating to phenylketonuria or maple syrup urine disease treatment services for which income is not to be considered when determining eligibility. For purposes of this chapter, "poverty line" has the same meaning as defined in section 50-29-01.

SECTION 29. EFFECTIVE DATE. Section 27 of this Act becomes effective January 1, 2002.

1 **SECTION 30. EMERGENCY.** Section 24 of this Act is declared to be an emergency
2 measure. The department of human services shall authorize the basic care facility private
3 room rate through emergency rulemaking.