

DEPARTMENT OF HUMAN SERVICES - SUMMARY OF KEY RECOMMENDATIONS

DEPARTMENTWIDE

- Changes the source of funding for salaries and wages from the general fund to special funds by a total of \$1.2 million for all divisions to recognize **anticipated savings from vacant employee positions and employee turnover**. This represents a two percent reduction of general fund salaries for the human service centers and a one percent reduction of general fund salaries for the remainder of the department, including the State Hospital and Developmental Center. In addition, the executive budget changes the funding source from the general fund to special funds for 10.65 FTE vacant positions at the State Hospital that the hospital has no immediate plans to fill totaling \$853,908. The changes by divisions are as follows:

Division	General Fund
Management	(\$68,209)
Economic assistance	(39,030)
Program and policy	(30,998)
Human service centers	(691,285)
State Hospital	(287,303)
Developmental Center	(78,188)
Subtotal	(\$1,195,013)
State Hospital - 10.65 FTE	(853,908)
Total	(\$2,048,921)

This compares to a reduction of \$3,498,200 for the 1999-2001 biennium.

- Uses **health care trust fund** moneys for the following:

Grants and loans	\$4,020,226
Health Insurance Portability and Accountability Act (HIPAA) state matching funds	3,870,794
Medical assistance state matching funds	25,000,000
Statewide long-term care needs assessment	241,006
Service payments for elderly and disabled (SPED)	4,262,410
State Hospital landfill closure	413,255
Administrative costs	71,158
Total	\$37,878,849

- Increases funding provided from **retained funds** by \$2,494,569 to a total of \$31,940,419. Retained funds are federal funds received by the state

for administrative costs incurred by counties that the state retains pursuant to the "swap" agreement with the counties.

MANAGEMENT

- Adds \$8,926,141, \$5,055,347 of which is from federal funds and \$3,870,794 of health care trust fund moneys for the **HIPAA** computer system project.
- Adds \$412,225 from the general fund for the **ATM network**.
- Adds \$1,416,440, \$481,589 from the general fund, for **child support computer system** changes.
- Adds \$1.5 million, \$750,000 from the general fund, for integrating the remaining children and family services systems into the comprehensive child welfare information and payment system (**CCWIPS**).

ECONOMIC ASSISTANCE

- Increases funding by \$995,559, \$582,206 of which is from the general fund for **Indian county allocation** pursuant to Section 9 of 1999 Senate Bill No. 2012.
- Requires the department to seek a **Medicaid personal care waiver** to allow Medicaid funds to be used for a portion of **basic care** costs. This results in a funding source change from the general fund to federal funds of \$5,391,869.
- Provides \$562.4 million, \$129.8 million of which is from the general fund and \$25 million from the health care trust fund for the **medical assistance program**, excluding the intergovernmental transfer program. Compared to the 1999-2001 biennium appropriation, the executive budget recommends an increase of \$48.1 million. Although the general fund share is reduced by \$15.7 million, \$25 million is provided from the health care trust fund. Without the health care trust fund moneys, there would be a general fund increase of \$9.3 million. Major funding increases within medical assistance relate to **prescription drugs** that are estimated to increase by \$28.7 million or 57 percent and funding for **nursing facilities** which is increasing by \$12.2 million or 4.8 percent.
- Increases funding for **Healthy Steps** (children's health insurance program) by \$5 million, \$1.1 million of which is from the general fund. The executive recommendation provides funding for continuing eligibility

requirements at 140 percent of poverty, an average caseload of 2,885 children each month, and an annual inflation rate on the insurance premiums of 16.4 percent. Total funding for Healthy Steps is \$8.9 million, \$1.9 million of which is from the general fund.

- Increases funding for **developmental disabilities grants** by \$7.9 million, \$2.1 million of which is from the general fund to provide a total of \$156.9 million, \$51.4 million of which is from the general fund. The major funding increase for developmental disabilities grants is funding for community intermediate care facilities for the mentally retarded (ICF/MR) care which is increasing by \$4.4 million, or 7.7 percent.

PROGRAM AND POLICY

- Increases funding for the **senior citizen mill levy match** by \$400,000 from the general fund to a total of \$1,662,945.
- Increases funding for **SPED** by \$1,153,005, \$649,931 of which is from the general fund. The executive budget recommends a total of \$13,967,295 for SPED, \$8,561,099 of which is from the general fund, \$4,262,410 from the health care trust fund, \$445,432 of federal funds, and \$698,354 from the counties. The executive budget recommends the department include targeted case management for SPED in its state Medicaid plan which allows this service to receive federal Medicaid funding. This change results in a general fund reduction and federal funds increase of \$445,432.
- Increases funding for **expanded SPED** by \$523,036, providing a total of \$1,421,080 from the general fund for expanded SPED.

HUMAN SERVICE CENTERS

- Reduces **partnership program** funding at the human service centers by \$2,035,184. General fund support for the program is increasing by \$337,515, and federal funding is decreasing by \$2,372,699. The executive budget recommends a total of \$5,796,110, \$2,139,990 of which is from the general fund for the partnership program at the human service

centers. The executive budget replaces \$600,000 of general fund support with funding from the children's services coordinating committee for mental health partnership project core services at the human service centers (\$75,000 per center).

- Restores \$484,000 of the general fund budget reductions made by the **Northeast Human Service Center** to comply with the 1999 Legislative Assembly directive that the department identify budget savings totaling \$500,000 for the 2001-03 biennium relating to the efficiencies and collocation of service delivery that has resulted from being located in the city/county building in Grand Forks.
- Adds \$441,125 from the general fund for **Southeast Human Service Center** capital construction lease payments. These funds will be paid to the Industrial Commission for repayment on bonds issued on behalf of the Southeast Human Service Center. Previously, these general fund moneys were appropriated directly to the Industrial Commission.

STATE HOSPITAL

- Provides that special funds of \$2,139,284 be received from the Department of Corrections and Rehabilitation for driving under the influence (DUI) offender treatment services provided to corrections inmates at the State Hospital. With this special funds increase, the general fund support is reduced by \$2,139,284.
- Adds \$566,500 from the general fund for State Hospital capital construction lease payments. These funds will be paid to the Industrial Commission for repayment on bonds issued on behalf of the State Hospital. Previously, these general fund moneys were appropriated directly to the Industrial Commission.

DEVELOPMENTAL CENTER

- Adds \$649,234 from the general fund for Developmental Center capital construction lease payments. These funds will be paid to the Industrial Commission for repayment on bonds issued on behalf of the Developmental Center. Previously, these general fund moneys were appropriated directly to the Industrial Commission.