

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

Executive Budget Comparison to Prior Biennium Appropriations

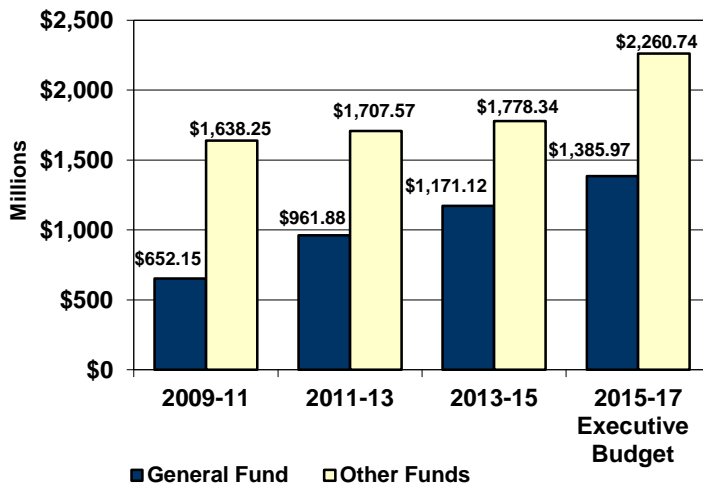
	FTE Positions	General Fund	Other Funds	Total
2015-17 Executive Budget	2,224.58	\$1,385,967,182	\$2,260,739,026	\$3,646,706,208
2013-15 Legislative Appropriations ¹	2,201.08	1,171,116,129	1,778,336,465	2,949,452,594
Increase (Decrease)	23.50	\$214,851,053	\$482,402,561	\$697,253,614

¹The 2013-15 biennium appropriation amounts do not include general fund allocations of \$2,430,898 and other funds allocations of \$467,794 to the agency from the state agency energy impact funding pool for temporary salary adjustments (\$2,898,692) for agency employees located in areas of the state affected by energy development.

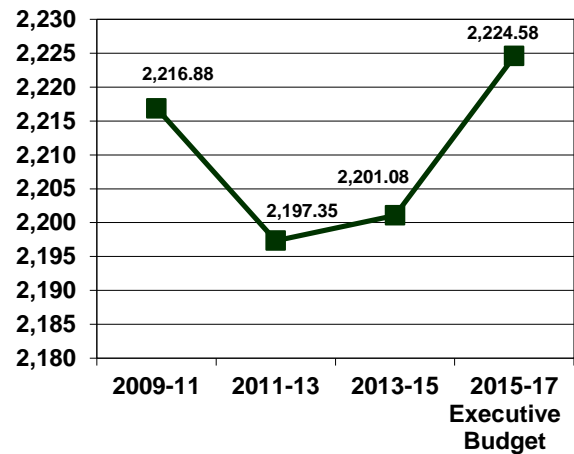
Ongoing and One-Time General Fund Appropriations

	Ongoing General Fund Appropriation	One-Time General Fund Appropriation	Total General Fund Appropriation
2015-17 Executive Budget	\$1,368,518,253	\$17,448,929	\$1,385,967,182
2013-15 Legislative Appropriations	1,166,482,508	4,633,621	1,171,116,129
Increase (Decrease)	\$202,035,745	\$12,815,308	\$214,851,053

Agency Funding



FTE Positions



Executive Budget Comparison to Base Level

	General Fund	Other Funds	Total
2015-17 Executive Budget	\$1,385,967,182	\$2,260,739,026	\$3,646,706,208
2015-17 Base Level	1,166,482,508	1,767,650,372	2,934,132,880
Increase (Decrease)	\$219,484,674	\$493,088,654	\$712,573,328

Attached as an appendix is a detailed comparison of the executive budget to the agency's base level appropriations.

Executive Budget Highlights

DEPARTMENTWIDE	General Fund	Other Funds	Total
1. Provides funding for state employee salary and benefit increases, of which \$16,557,426 relates to salary increases - performance, \$4,899,303 relates to salary increases - market equity, \$9,588,829 relates to health insurance increases, and \$1,679,822 relates to retirement contribution increases	\$27,912,349	\$4,813,031	\$32,725,380
2. Adds funding for salaries and wages for targeted equity increases and to address staff compression issues	\$5,959,527	\$248,314	\$6,207,841
3. Reduces salaries and wages by \$4,581,770 from the general fund in anticipation of savings from vacant positions and employee turnover	(\$4,581,770)	\$0	(\$4,581,770)

4. Adds 1.00 FTE licensed assisted living position (\$133,851) and related operating expenses (\$12,383)	\$146,234	\$0	\$146,234
5. Adds 1.50 FTE program specialist positions (\$194,406) and related operating expenses (\$96,734) for Children and Family Services for changes in federal child care laws	\$172,459	\$118,681	\$291,140
6. Adds 1.00 FTE nurse position (\$169,704) and related operating expenses (\$13,205) for developmental disabilities	\$91,924	\$91,924	\$183,848
7. 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 50 percent in federal fiscal year 2015. The department anticipates North Dakota's FMAP to remain at 50 percent for federal fiscal year 2016. Of the \$11.8 million, \$3.6 million relates to a reduction of the FMAP from 52.27 to 50.00 for two months, and \$8.2 million relates to a reduction in federal matching for Medicaid Expansion from 100 percent to 95 percent beginning in January 2017.	\$11,771,616	(\$11,771,616)	\$0
8. Provides a 4 percent per year inflationary increase for human service providers	\$48,060,897	\$42,063,070	\$90,123,967
9. Adds funding for cost, caseload, and utilization changes	\$62,240,238	\$417,905,634	\$480,145,872
10. Adds funding to provide additional property tax relief for counties by the state paying \$19,312,165 for the cost of the child welfare programs, the service payments to the elderly and disabled (SPED) program, and technology costs beginning January 1, 2016, and \$3.9 million for grants to counties that have imposed an emergency human services levy	\$23,212,165	(\$18,837,178)	\$4,374,987
11. Adds one-time funding to complete the eligibility system modernization computer project	\$14,012,167	\$46,860,102	\$60,872,269

PROGRAM AND POLICY

Economic assistance policy grants

12. Provides \$11.7 million for temporary assistance for needy families (TANF) , of which \$1.7 million is from the general fund, \$5 million from retained funds, \$2.4 million from child support collections, and \$2.5 million from federal funds, a decrease in total of \$2.8 million, or 19 percent, compared to the 2013-15 biennium appropriation of \$14.5 million	\$1,277,253	(\$4,083,558)	(\$2,806,305)
13. Provides \$33.7 million for child care assistance , of which \$13.3 million is from the general fund, an increase in total of \$10.3 million, or 44 percent, compared to the 2013-15 biennium appropriation of \$23.4 million; the increase includes \$2 million of funding to increase child care assistance provider rates	\$10,532,130	(\$202,658)	\$10,329,472
14. Reduce federal funding for supplemental nutrition assistance program (SNAP) or food stamp benefits to provide a total of \$164.9 million, a decrease in total of \$36.1 million, or 18 percent, compared to the 2013-15 biennium appropriation of \$201 million	\$0	(\$36,080,632)	(\$36,080,632)
15. Adds federal funding for low-income home energy assistance program (LIHEAP) to provide a total of \$53.1 million, an increase in total of \$11.8 million, or 29 percent, compared to the 2013-15 biennium appropriation of \$41.3 million	\$0	\$11,812,744	\$11,812,744
16. Provides \$5.9 million from the general fund for Indian welfare assistance to counties , an increase in total of \$345,553, or 6 percent, compared to the 2013-15 biennium appropriation of \$5.6 million	\$345,553	\$0	\$345,553

Medical services

17. Provides \$1,195.6 million for Medicaid grants, of which \$278 million is from the general fund, an increase in total of \$424.6 million, or 55.1 percent, compared to the 2013-15 biennium appropriation of \$771 million. Program changes include:

<ul style="list-style-type: none"> • \$541.8 million for Medicaid Expansion, an increase in total of \$384.3 million, of which \$8.2 million is from the general fund, compared to the 2013-15 biennium appropriation of \$157.5 million 	\$8,187,466	\$376,117,489	\$384,304,955
<ul style="list-style-type: none"> • Provides \$190.9 million for inpatient hospital, of which \$94.7 million is from the general fund, an increase in total of \$8.7 million, or 5 percent, compared to the 2013-15 biennium appropriation of \$182.2 million 	\$4,986,127	\$3,648,535	\$8,634,662
<ul style="list-style-type: none"> • Provides \$85.2 million for outpatient hospital, of which \$41.3 million is from the general fund, an increase in total of \$12.7 million, or 18 percent, compared to the 2013-15 biennium appropriation of \$72.5 million 	\$6,050,429	\$6,606,231	\$12,656,660
<ul style="list-style-type: none"> • Provides \$132.5 million for physician services, of which \$65.7 million is from the general fund, an increase in total of \$12.1 million, or 10 percent, compared to the 2013-15 biennium appropriation of \$120.4 million 	\$6,217,992	\$5,911,448	\$12,129,440
<ul style="list-style-type: none"> • Provides \$44.3 million for drugs, of which \$3.4 million is from the general fund, a decrease in total of \$57,941, compared to the 2013-15 biennium appropriation of \$44.4 million 	\$170,122	(\$228,063)	(\$57,941)
<ul style="list-style-type: none"> • Provides \$25.7 million for premiums, of which \$12.2 million is from the general fund, a decrease in total of \$153,908, compared to the 2013-15 biennium appropriation of \$25.8 million 	(\$63,794)	(\$90,114)	(\$153,908)
<ul style="list-style-type: none"> • Provides \$25.6 million for psychiatric residential treatment facilities, of which \$12.7 million is from the general fund, an increase in total of \$5.6 million, or 28 percent, compared to the 2013-15 biennium appropriation of \$20 million 	\$2,708,190	\$2,871,250	\$5,579,440
<ul style="list-style-type: none"> • Provides \$29.9 million for dental services, of which \$12.7 million is from the general fund, an increase in total of \$1.2 million, or 4 percent, compared to the 2013-15 biennium appropriation of \$28.7 million 	\$639,548	\$557,029	\$1,196,577
<ul style="list-style-type: none"> • Provides \$10.5 million for durable medical equipment, of which \$5.2 million is from the general fund, an increase in total of \$2 million, or 24 percent, compared to the 2013-15 biennium appropriation of \$8.5 million 	\$1,034,689	\$1,008,979	\$2,043,668
<ul style="list-style-type: none"> • Provides \$12 million for ambulance services, of which \$6 million is from the general fund, an increase in total of \$4.1 million, or 52 percent, compared to the 2013-15 biennium appropriation of \$7.9 million; the increase includes \$3.8 million for ambulance rate increases, of which \$1.9 million is from the general fund 	\$2,044,829	\$2,023,647	\$4,068,476
<ul style="list-style-type: none"> • Provides \$33.45 million of federal funds for Indian Health Service, an increase in total of \$3.12 million, or 11 percent, compared to the 2013-15 biennium appropriation of \$30.33 million 	\$0	\$3,120,463	\$3,120,463
18. Removes one-time funding provided in the 2013-15 biennium for critical access hospital grants authorized in Section 10 of 2013 House Bill No. 1358	\$0	(\$9,600,000)	(\$9,600,000)
Children's health insurance program (CHIP) - Healthy Steps			
19. Provides \$20.5 million for Healthy Steps (children's health insurance program), of which \$7.2 million is from the general fund, a decrease in total of \$12.2 million, or 37 percent, compared to the 2013-15 biennium appropriation of \$32.7 million	(\$4,234,185)	(\$7,984,961)	(\$12,219,146)
<ul style="list-style-type: none"> • Provides health insurance coverage for an average of 2,668 children at a monthly premium of \$319.82, compared to the 2013-15 biennium average of 4,456 children at a monthly premium of \$311.79 			
Long-term care			
20. Provides \$653.1 million for total long-term care programs, of which \$339.4 million is from the general fund, an increase in total of \$45.8 million, or 8 percent, compared to the 2013-15 biennium appropriation of \$607.3 million. Program changes include:			

<ul style="list-style-type: none"> Provides \$529.2 million for nursing facility care, of which \$264.6 million is from the general fund, an increase in total of \$30.9 million, or 6 percent, compared to the 2013-15 biennium appropriation of \$498.3 million 	\$16,911,119	\$13,965,673	\$30,876,792
<ul style="list-style-type: none"> Provides \$35.2 million for basic care assistance, of which \$22.1 million is from the general fund, a decrease in total of \$3.7 million, or 10 percent, compared to the 2013-15 biennium appropriation of \$38.9 million 	(\$2,652,418)	(\$1,076,403)	(\$3,728,821)
<ul style="list-style-type: none"> Provides \$15.4 million for SPED, of which \$15.2 million is from the general fund, an increase in total of \$101,149, or 0.7 percent, compared to the 2013-15 biennium appropriation of \$15.3 million 	\$674,051	(\$572,902)	\$101,149
<ul style="list-style-type: none"> Provides \$1.6 million from the general fund for expanded SPED, an increase in total of \$218,233, or 16 percent, compared to the 2013-15 biennium appropriation of \$1.4 million 	\$218,233	\$0	\$218,233
<ul style="list-style-type: none"> Provides \$15.4 million for home and community-based services waiver, of which \$7.7 million is from the general fund, an increase in total of \$3.2 million, or 26 percent, compared to the 2013-15 biennium appropriation of \$12.2 million 	\$1,628,705	\$1,583,748	\$3,212,453
<ul style="list-style-type: none"> Provides \$558,936 for technology dependent waiver, of which \$279,456 is from the general fund, an increase in total of \$170,820, or 44 percent, compared to the 2013-15 biennium appropriation of \$388,116 	\$85,870	\$84,950	\$170,820
<ul style="list-style-type: none"> Provides \$574,056 for children's medically fragile waiver, of which \$287,028 is from the general fund, an increase in total of \$434,892, or 313 percent, compared to the 2013-15 biennium appropriation of \$139,164 	\$217,686	\$217,206	\$434,892
<ul style="list-style-type: none"> Provides \$1.8 million for targeted case management, of which \$913,362 is from the general fund, an increase in total of \$115,930, or 7 percent, compared to the 2013-15 biennium appropriation of \$1.7 million 	\$61,083	\$54,847	\$115,930
<ul style="list-style-type: none"> Provides \$31.27 million for personal care option, of which \$15.46 million is from the general fund, an increase in total of \$3.04 million, or 11 percent, compared to the 2013-15 biennium appropriation of \$28.23 million 	\$1,399,069	\$1,640,127	\$3,039,196
<ul style="list-style-type: none"> Provides \$21.66 million for program of all-inclusive care for the elderly (PACE), of which \$10.83 million is from the general fund, an increase in total of \$11.35 million, or 110 percent, compared to the 2013-15 biennium appropriation of \$10.31 million 	\$5,691,475	\$5,658,197	\$11,349,672
<ul style="list-style-type: none"> Provides \$120,000 from the general fund for community of care program, of which there was no change from the 2013-15 biennium appropriation 	\$0	\$0	\$0
<ul style="list-style-type: none"> Provides \$193,200 from the general fund for personal needs allowance supplemental security income (SSI), an increase in total of \$14,325, or 8 percent, compared to the 2013-15 biennium appropriation of \$178,875 	\$14,325	\$0	\$14,325
<ul style="list-style-type: none"> Provides \$121,540 for children's hospice waiver, of which \$60,758 is from the general fund, an increase in total of \$1,689, or 1 percent, compared to the 2013-15 biennium appropriation of \$119,851 	\$1,026	\$663	\$1,689
21. Provides \$1.2 million for spousal impoverishment , of which \$617,544 is from the general fund to rebase the monthly maintenance needs allowance to the SSI spousal impoverishment standards	\$617,544	\$617,544	\$1,235,088
22. Provides \$1.3 million for personal care with supervision , of which \$649,118 is from the general fund to provide an increase rate to providers and to increase the program from 13 individuals to 20 individuals	\$649,118	\$649,118	\$1,298,236

Developmental disabilities

23. Provides \$566.3 million for developmental disabilities long-term care grants , of which \$278.7 million is from the general fund, and increase of \$63.6 million, or 13 percent, compared to the 2013-15 biennium appropriation of \$502.7 million	\$27,049,302	\$36,548,866	\$63,598,168
25. Adds funding for equipment over \$5,000 for a tympanometer	\$0	\$10,000	\$10,000

Aging services

26. Adds funding for vulnerable adult protective services to increase resources for the implementation of mandatory reporting requirements. Total funds recommended for the 2015-17 biennium are \$1.7 million.	\$1,080,073	\$0	\$1,080,073
27. Adds funding for guardian establishments to support additional requests. Total funds recommended for the 2015-17 biennium are \$940,500.	\$130,000	\$0	\$130,000

Mental health and substance abuse

28. Adds funding of \$454,800 for the severely mentally ill extended services to increase the number of slots from 164 to 214 to provide more individuals access to employment support services, and \$100,189 for the administrative costs of additional slots and the maintenance of the extended service data system	\$554,989	\$0	\$554,989
29. Adds funding for TBI prevocational skills services to increase the number of slots from 24 to 50 and to increase hours of service to adequately prepare individuals to work from 2 hours to 8 hours per month	\$422,000	\$0	\$422,000
30. Adds funding for trauma-informed system of care to support ongoing statewide implementation of a trauma-informed system of care with training and consultation	\$229,130	\$58,500	\$287,630
31. Adds funding for support of the ND Cares Task Force which provides support for service members, veterans, families, and survivors	\$130,000	\$0	\$130,000
32. Transfers to the Department of Corrections and Rehabilitation for the high-risk sex offender treatment program	(\$2,290,297)	\$0	(\$2,290,297)

Vocational rehabilitation

33. Adds funding for centers for independent living to provide a total of \$2.9 million	\$500,000	\$0	\$500,000
34. Adds funding for TBI extended services to increase the number of slots from 46 to 70 for extended services	\$180,783	\$0	\$180,783

Autism services

35. Provides \$6.1 million for autism waivers , of which \$3.1 million is from the general fund, an increase in total of \$3.3 million compared to the 2013-15 biennium appropriation of \$2.9 million. Includes funding of \$1.8 million for 20 additional autism waiver slots and \$704,640 to increase the age limit of the autism waiver from seven years old to nine years old and adds 12 additional autism waiver slots. Total autism waiver slots are 89.	\$1,635,599	\$1,628,163	\$3,263,762
36. Provides \$1.6 million from the general fund for autism vouchers , an increase in total of \$1 million compared to the 2013-15 biennium appropriation of \$539,186. Includes funding of \$500,002 for 20 additional autism voucher slots. Total autism voucher slots are 63.	\$1,035,824	\$0	\$1,035,824
37. Adds 1 FTE autism administrative staff officer position (\$153,703) and related expenses (\$20,375) to provide administrative support for the autism services division	\$114,829	\$59,249	\$174,078

INSTITUTIONS**State Hospital**

38. Adds funding for a 15-bed unit at the Tompkins Rehabilitation and Corrections Center , which includes adding 2 FTE addiction counselor positions (\$355,716), 2 FTE direct care supervisor positions (\$248,138), and 7 FTE direct care staff positions (\$738,980), and related other expenses (\$177,535) for treating addiction and preventing addicted individuals from reoffending and returning to the corrections system	\$1,520,369	\$0	\$1,520,369
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39. Adds funding for heating and cooling repairs and upgrades for the State Hospital (\$1,509,156), central air for the Tompkins Building (\$557,606), and adds additional surveillance cameras (\$390,000) for the State Hospital campus	\$2,456,762	\$0	\$2,456,762
40. Adds funding for extraordinary repairs , which includes: <ul style="list-style-type: none"> • Street and parking lot resurfacing (\$100,000) • Sanitary sewer system replacement (\$63,500) • Asbestos and lead-based paint abatement (\$275,000) • Roof repair maintenance (\$100,000) • Heating plant roof repair (\$206,600) • Vehicle garage roof replacement (\$135,405) • Flooring replacement (\$100,000) • Sidewalk repairs (\$25,000) • Water main improvements (\$40,000) • Ash Tower - Painting (\$30,000) • HVAC for pharmacy (\$119,000) • Electrical outlets for bedrooms (\$95,000) • Water shutoff valve replacements (\$70,000) 	\$1,359,505	\$0	\$1,359,505
41. Adds funding for equipment over \$5,000 , which includes: <ul style="list-style-type: none"> • Four wheel drive loader (\$140,000) • Diesel mower (\$17,900) • Rake attachment for skid-steer (\$8,000) • Tugs (\$17,966) • DocuMed (\$50,000) • Unit dose packaging system (\$21,372) • X-ray machine (\$80,000) • Exercise equipment (\$6,000) • Bariatric examination table (\$8,000) • High-low examination tables (\$12,000) • Whirlpool (\$28,000) • Blanket warmer (\$5,000) • High-low stretcher (\$5,000) 	\$399,238	\$0	\$399,238
Life Skills and Transition Center			
42. Adds funding to create two adjoining medically fragile ICF units to serve eight individuals at the Life Skills and Transition Center. The department anticipates leasing two buildings for the medically fragile ICF units.	\$750,000	\$750,000	\$1,500,000
43. Adds funding to remodel six living area kitchens at the Life Skills and Transition Center, to provide decentralized kitchens to accommodate "person-centered care" to engage direct care staff and residents in choices at mealtime	\$750,000	\$0	\$750,000
44. Adds funding for heating plant repairs and upgrades to maintain functionality of the boilers on the campus	\$230,000	\$0	\$230,000
45. Adds funding for extraordinary repairs , which includes: <ul style="list-style-type: none"> • Card access project (\$6,000) • Asbestos abatement (\$60,000) • Chapel steeple (\$43,200) • Cottage repairs (\$15,000) • Pleasant View and Refectory demolition (\$695,570) • Maplewood and Cedar Grove fire alarms (\$60,000), front doors (\$53,000), and windows (\$100,000) • Chill water piping system repairs (\$50,000) • Flooring replacement (\$61,590) • Concrete repairs (\$25,000) • Paint (\$15,000) • Preventative maintenance and repairs (\$50,000) • Repair cracks and eliminate water leaks (\$25,000) • Heating system component repairs (\$15,000) • Duct work and air handler repairs (\$30,000) • Pool-related repairs (\$12,000) • Skylight repairs (\$140,000) • Repair and replace doors (\$20,000) 	\$1,571,360	\$0	\$1,571,360

• Shop overhead door replacement (\$10,000)			
• Stream distribution system (\$50,000)			
• Fire alarm panel updates and replacements (\$35,000)			
46. Adds funding for equipment over \$5,000 , which includes:	\$375,000	\$0	\$375,000
• Computerized radiography x-ray system (\$40,000)			
• Hematology analyzer (\$40,000)			
• Plate heater for Aladdin dishes (\$5,000)			
• Cafeteria frost top on hot wells (\$50,000)			
• Combination oven (\$71,000)			
• Dryers (\$17,900)			
• VFD on central vacuum (\$82,000)			
• Scissor lift (\$25,000)			
• Mower (\$39,000)			
• Table saw (\$5,100)			

HUMAN SERVICE CENTERS

47. Adds 1 FTE advanced clinical specialist position, 1 FTE registered nurse II position, and 1 FTE human service aide II position, to expand the integrated dual-disorder treatment (IDDT) program in the west central region to meet the staffing needs of the co-occurring mental health and substance abuse treatment model, which has specific guidelines regarding caseload per FTE	\$393,295	\$0	\$393,295
48. Adds 3 FTE child welfare regional supervisor positions for the North Central, Southeast, and West Central Human Service Centers, for increases in foster care cases, child protective service investigations, and institutional child protective service investigations	\$437,771	\$52,273	\$490,044
49. Adds 3 FTE developmental disability case manager positions for the North Central, Lake Region, and Northeast Human Service Centers	\$249,669	\$188,349	\$438,018
50. Adds funding to expand mobile on-call crisis services , currently in the Southeast region, to a statewide program	\$1,000,000	\$0	\$1,000,000
51. Adds funding for a 10-bed short-term residential facility to provide crisis residential and intoxication management services in the Badlands region	\$601,699	\$0	\$601,699
52. Adds funding for a five-bed crisis residential unit in the North Central region to reduce admissions to the State Hospital, and a five-bed transitional living unit in the North Central region	\$685,895	\$218,088	\$903,983
53. Adds funding for a four-bed alternative care services unit in the West Central region for short term residential care for stabilization, which is anticipated to decrease admissions to local hospitals, inpatient psychiatric units, and the State Hospital	\$283,500	\$0	\$283,500
54. Adds funding for extraordinary repairs , which includes:	\$49,956	\$0	\$49,956
• Replace exterior windows (\$8,120)			
• Replace stucco (\$29,425)			
• Replace carpet (\$12,411)			
55. Adds funding for equipment over \$5,000 , which includes:	\$34,000	\$0	\$34,000
• Copier (\$15,000)			
• Utility tractor (\$19,000)			

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 2015-17 biennium. The department is to report to the Budget Section after June 30, 2016, on any transfers made in excess of \$50,000 and to the Appropriations Committees of the 65th Legislative Assembly any transfers made.

Medicaid management information system replacement project - Section 4 provides for the continuation of the legislative appropriation for the Medicaid management information system replacement project in the 2015-17 biennium.

Modification of the eligibility systems project - Section 5 provides for the continuation of the legislative appropriation for the modification of the eligibility systems project in the 2015-17 biennium.

Autism spectrum disorder program pilot project - Section 6 continues the Department of Human Services autism spectrum disorder voucher program pilot project.

Developmental disabilities system reimbursement project - Section 7 amends the payment system for developmental disabilities to relate funding to support intensity scale assessed needs of clients aged 16 and older and to a state-approved assessment that assesses needs of clients younger than 16 years of age.

Consumer price index annual percentage increases - Section 8 provides for TANF annual percentage increases for benefits equal to the consumer price index for urban consumers.

Monthly maintenance needs allowance - Section 9 provides the department establish a monthly maintenance needs allowance for a community spouse equal to the annual increase in the consumer price index for urban consumers when determining eligibility for medical assistance applicants and recipients. Section 12 provides an effective date of January 1, 2016.

Payments to county for local expenses of administration of Medicaid program - Section 10 provides the department may reimburse counties for a part of local expenses of administration when determining eligibility for services for the Medicaid program.

Appropriation - Section 11 provides an appropriation of special funds and federal funds to the department for reimbursing counties under Section 10 beginning July 1, 2015 and ending June 30, 2017.

Payments to county for local expenses of administration of Medicaid program - Effective date - Section 13 provides Sections 10 and 11 become effective on the effective date of the Centers for Medicare and Medicaid Services' certification for the department's eligibility system has met the seven conditions and standards for receipt of enhanced match.

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.

Transition to independence - Section 50-06-34 - Allows the department to receive grants and other sources of funding for the development of a program for services to transition-aged youth at risk.

Significant Audit Findings

The operational audit for the Department of Human Services conducted by the State Auditor's office for the biennium ended June 30, 2013, identified the following significant audit findings:

- Proper capitalization of software purchased from outside vendors and internally developed software.
- Control/fraud risk assessment not completed.
- State Hospital's commissary internal control weakness.
- Online child care provider records improvements.

Major Related Legislation

Senate Bill No. 2041 - Master Plan - State Hospital and James River Correctional Center - Provides an appropriation of \$250,000 to the Department of Human Services to develop a master plan in conjunction with the Department of Corrections and Rehabilitation for the State Hospital and the James River Correctional Center.

Senate Bill No. 2044 - Traumatic Brain Injury - Provides an appropriation of \$250,000 to the Department of Human Services for a traumatic brain injury flex fund program.

Senate Bill No. 2045 - Addiction Treatment Services - Provides an appropriation of \$2 million to the Department of Human Services for a voucher system for addiction treatment services provided by private providers. Services eligible for the voucher program include only those services recognized as effective by the American Society of Addiction Medicine.

Senate Bill No. 2046 - Behavioral Health Services - Legislative Management Study - Provides medical assistance coverage for behavioral health services provided by licensed marriage and family therapists and licensed professional clinical counselors and directs the Department of Human Services to develop an outcomes-based data system for behavioral health services. In addition, provides an appropriation of \$3 million to the Department of Human Services for expanding adult and youth substance abuse treatment services, including detoxification services, and an appropriation of \$25,000 to the Highway Patrol for providing mental health first-aid training, and provides for a Legislative Management study of the structure and services of the Department of Human Services during the 2015-16 interim.

Senate Bill No. 2048 - Behavioral Health Services - Legislative Management Study - Provides an appropriation of \$6 million to the Department of Human Services for an adult and youth mental health assessment network and \$175,000 for a pilot project to develop planning protocols for discharge or release of individuals with behavioral health issues and \$50,000 to the Department of Public Instruction to provide mental health first-aid training for teachers and child care providers. In addition, provides for a Legislative Management study of mental health screening and assessment programs for children and continues the study of behavioral health needs of youth and adults in the 2015-16 interim.

Senate Bill No. 2049 - Mental Health - Amends law to include marriage and family therapists in the definition of mental health professionals.

Senate Bill No. 2050 - SPED - Prohibits the Department of Human Services from requiring an individual to apply for services under the state's medical assistance program as a condition of being eligible to apply for services under the SPED program. The department anticipates 65 individuals are receiving personal care through Medicaid and are below the SPED cap. If individuals were allowed to receive personal care services through the SPED program, general fund expenditures would increase by \$1,060,938 and other funds would decrease by \$1,060,938, of which \$1,087,596 is federal funds and \$26,658 is county funds as a result of losing the federal Medicaid match.

Senate Bill No. 2062 - TANF - Amends sections of the administration of TANF. The department anticipates changes will remove the asset limitation dollar amount and the consideration to establish an electronic funds transfer system which has already been implemented.

Senate Bill No. 2073 - Training - Department of Human Services - Amends Section 50-06-30 relating to training, consultation, and assistance provided by the Department of Corrections and Rehabilitation to the Department of Human Services.

Senate Bill No. 2079 - Basic Care and Nursing Facilities - Amends the moratoria on basic care and nursing facility bed capacity.

Senate Bill No. 2080 - Early Childhood Services - Relates to the definition of self-declaration, early childhood services licensing requirements, prerequisites for issuance of a license or self-declaration, background investigations, penalty for provision of services, and early childhood services support services and grant program.

Senate Bill No. 2082 - Basic Care Assistance - Amends eligibility for basic care assistance. Establishes asset requirements for the basic care assistance program, for individuals eligible under Medicaid Expansion, consistent with those used for the Medicaid aged, blind, and disabled populations.

Senate Bill No. 2199 - Human Trafficking Victims Treatment and Support Services Pilot Project - Provides an appropriation of \$1 million to the Department of Human Services to implement a human trafficking victims treatment and support services pilot project.

House Bill No. 1037 - Department of Human Services 2015-16 Interim Study - Provides for the Department of Human Services during the 2015-16 interim to study options for implementing income-based cost-sharing provisions for Medicaid and Medicaid Expansion programs.

House Bill No. 1041 - Medicaid Expansion - Amends the Medicaid Expansion law to provide if the Department of Human Services implements the Medicaid Expansion program through a contract with a private carrier, the department issue one request for proposal for the health insurance component of Medicaid Expansion, and one request for proposal for the pharmacy benefit management component of Medicaid Expansion or provide the pharmacy benefit management service through the department.

House Bill No. 1046 - Traumatic Brain Injury - Provides an appropriation to the State Department of Health of \$251,083 for a traumatic brain injury registry and to the Department of Human Services of \$20,000 for traumatic brain injury registry marketing and training, \$1,305,000 for coordinating traumatic brain injury regional resource facility, and brain injury services, and \$650,000 for expanding the level of services, including return to work programming.

House Bill No. 1047 - Prevocational Services - Exempts providers of prevocational services licensed or certified by the Department of Human Services from registering with the Labor Commissioner.

House Bill No. 1049 - Addiction Counselors - Provides appropriations to the State Board of Higher Education of \$180,000 for forgivable loans and grants relating to certain behavioral health professionals, the Bank of North Dakota of \$1 million for the addiction counselor internship loan program revolving fund, and the Department of Human Services of \$200,000 for annual grants to private entities which provide clinical training experiences for individuals pursuing licensure as addiction counselors.

House Bill No. 1050 - Volunteer-Based Services for Elderly and Disabled Persons - Provides an appropriation of \$350,000 to the Department of Human Services to assist communities in establishing organizations to provide volunteer-based services for elderly and disabled persons.

House Bill No. 1108 - Developmentally Disabled Persons - Changes statutory references from "developmentally disabled persons" to "individual with a developmental disability" or "individuals with developmental disabilities".

House Bill No. 1109 - Health Care Facility Residents' Rights - Amends Section 50-10.2-02 relating to health care facility residents' rights.

House Bill No. 1173 - Home Health Services and Hospice Programs - Budget Section Report - Provides an appropriation of \$550,000 to the Department of Human Services for administering a grant program for home health services and hospice programs in oil-producing counties and in counties contiguous to an oil-producing county to address the effects of oil and gas-related economic development activities.

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

2015-17 BIENNIUM DEPARTMENT OF HUMAN SERVICES BUDGET - SUMMARY OF PROPOSED EXECUTIVE RECOMMENDATIONS

	<u>FTE</u>	<u>General Fund</u>	<u>Estimated Income</u>	<u>Total</u>
2013-15 Legislative Appropriation				
Management	147.10	\$40,751,529	\$54,269,125	\$95,020,654
Program/Policy Management	347.50	942,216,920	1,597,999,557	2,540,216,477
Field Services	1,706.48	188,147,680	126,067,783	314,215,463
Total 2013-15 Legislative Appropriation	<u>2,201.08</u>	<u>\$1,171,116,129</u>	<u>\$1,778,336,465</u>	<u>\$2,949,452,594</u>
Remove one-time items				
Management	0.00	(\$2,648,907)	(\$661,093)	(\$3,310,000)
Program/Policy Management	0.00	(900,000)	(10,025,000)	(10,925,000)
Field Services	0.00	(1,084,714)	0	(1,084,714)
Total one-time items	<u>0.00</u>	<u>(\$4,633,621)</u>	<u>(\$10,686,093)</u>	<u>(\$15,319,714)</u>
2015-17 Base Level				
Management	147.10	\$38,102,622	\$53,608,032	\$91,710,654
Program/Policy Management	347.50	941,316,920	1,587,974,557	2,529,291,477
Field Services	1,706.48	187,062,966	126,067,783	313,130,749
2015-17 Biennium Base Level	<u>2,201.08</u>	<u>\$1,166,482,508</u>	<u>\$1,767,650,372</u>	<u>\$2,934,132,880</u>
Executive changes				
Management	0.00	\$38,568,809	\$65,689,982	\$104,258,791
Program/Policy Management	4.50	141,863,608	420,767,186	562,630,794
Field Services	19.00	39,052,257	6,631,486	45,683,743
Total Executive Recommendation - Changes	<u>23.50</u>	<u>\$219,484,674</u>	<u>\$493,088,654</u>	<u>\$712,573,328</u>
Executive budget				
Management	147.10	\$76,671,431	\$119,298,014	\$195,969,445
Program/Policy Management	352.00	1,083,180,528	2,008,741,743	3,091,922,271
Field Services	1,725.48	226,115,223	132,699,269	358,814,492
Total Executive Recommendation - Budget	<u>2,224.58</u>	<u>\$1,385,967,182</u>	<u>\$2,260,739,026</u>	<u>\$3,646,706,208</u>

Department of Human Services - Management - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE			
	Positions	General Fund	Other Funds	
			Total	
2015-17 Biennium Base Level	147.10	\$38,102,622	\$53,608,032	\$91,710,654
2015-17 Ongoing Funding Changes				
Transfers - Division adjustments		\$451,393	\$739,337	\$1,190,730
Base payroll changes		554,239	43,839	598,078
Salary increase - Performance		879,108	441,590	1,320,698
Salary increase - Market		4,080,535	818,768	4,899,303
Health insurance increase		456,989	229,552	686,541
Retirement contribution increase		89,123	44,768	133,891
Administration				
Salary increase - Target equity increases		5,959,527	248,314	6,207,841
Continued program changes		(133,885)	53,990	(79,895)
Energy impact pool funds		1,033,645	186,838	1,220,483
Informational Technology				
Continued program changes		9,812,819	17,801,914	27,614,733
Property tax relief for counties		1,317,405	(1,317,405)	0
Total ongoing funding changes	0.00	\$24,500,898	\$19,291,505	\$43,792,403
One-time funding items				
Administration				
Informational Technology				
Eligibility system computer modernization project		\$14,067,911	\$46,398,477	\$60,466,388
Total one-time funding changes	0.00	\$14,067,911	\$46,398,477	\$60,466,388
Total Changes to Base Level Funding	0.00	\$38,568,809	\$65,689,982	\$104,258,791
2015-17 Total Funding	147.10	\$76,671,431	\$119,298,014	\$195,969,445

Department of Human Services - Program and Policy - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	347.50	\$941,316,920	\$1,587,974,557	\$2,529,291,477
2015-17 Ongoing Funding Changes				
Transfers - Division adjustments		\$178,487	(\$318,781)	(\$140,294)
Base payroll changes		308,090	1,762,536	2,070,626
Salary increase - Performance		1,321,304	1,413,655	2,734,959
Health insurance increase		729,583	780,577	1,510,160
Retirement contribution increase		135,633	145,113	280,746
Economic Assist Policy - Grants				
Continued program changes		352,082	(4,890,596)	(4,538,514)
Grant cost and caseload changes		9,787,284	(25,554,104)	(15,766,820)
Property tax relief for counties		209,304	(209,304)	0
Child care assistance provider increase		2,022,099		2,022,099
Child Support Enforcement				
Continued program changes		104,500	156,082	260,582
Medical Services				
Continued program changes		987,987	2,844,238	3,832,225
Grant cost and caseload changes		6,256,705	391,662,352	397,919,057
Provider inflationary increases 4 and 4 percent		12,613,459	13,215,534	25,828,993
Federal medical assistance percentage (FMAP)		9,319,904	(9,319,904)	0
Property tax relief for counties		1,374,020	(1,374,020)	0
Ambulance rate increase		1,904,746	1,904,746	3,809,492
Assisted living position	1.00	146,234		146,234
Long-Term Care				
Grant cost and caseload changes		9,744,115	12,854,613	22,598,728
Provider inflationary increases 4 and 4 percent		10,995,761	9,678,517	20,674,278
Federal medical assistance percentage (FMAP)		1,118,948	(1,118,948)	0
Funding source changes		546,786	(546,786)	0
Property tax relief for counties		577,952	(577,952)	0
Rebase spousal impoverishment allowance		617,544	617,544	1,235,088
Adds funding for personal care with supervision program		649,118	649,118	1,298,236
DD Council				
Continued program changes			(122,641)	(122,641)
Aging Services				
Continued program changes, grant cost and caseload changes		51,476	75,701	127,177
Provider inflationary increases 4 and 4 percent		768,231		768,231
Increases vulnerable adult protective services		1,080,073		1,080,073
Guardianship establishment		130,000		130,000
Children and Family Services				
Continued program changes		(248,821)	3,746,403	3,497,582
Grant cost and caseload changes		7,111,035	7,590,592	14,701,627
Provider inflationary increases 4 and 4 percent		5,036,642	2,992,466	8,029,108
Federal medical assistance percentage (FMAP)		119,140	(119,140)	0
Property tax relief for counties		15,564,517	(15,089,530)	474,987
Emergency human services levy grants	1.50	3,900,000		3,900,000
New positions due to federal child care law changes		172,459	118,681	291,140
Increases post adoption services		169,140	91,195	260,335

Department of Human Services - Program and Policy - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
Early childhood service grants (Section 3 of 2013 HB 2018)		\$400,000		\$400,000
Mental Health - Substance Abuse				
Continued program changes		673,359	(4,691,871)	(4,018,512)
Provider inflationary increases 4 and 4 percent		208,176	8,512	216,688
Property tax relief for counties		128,145	(128,145)	0
Increases severely mentally ill extended services		554,989		554,989
Increases TBI prevocational skills services		422,000		422,000
Increases trauma-informed system of care		229,130	58,500	287,630
Adds ND Cares Task Force funding		130,000		130,000
Transfers high-risk sex offender treatment to DOCR		(2,290,297)		(2,290,297)
Vocational Rehabilitation				
Continued program changes		187,825	(286,372)	(98,547)
Provider inflationary increases 4 and 4 percent		25,087		25,087
Increases TBI extended services		180,783		180,783
Centers for independent living increase		500,000		500,000
Developmental Disabilities				
Continued program changes		27,971	(1,078,211)	(1,050,240)
Grant cost and caseload changes		14,691,101	16,982,757	31,673,858
Provider inflationary increases 4 and 4 percent		16,048,117	16,062,573	32,110,690
Federal medical assistance percentage (FMAP)		989,247	(989,247)	0
Developmental disabilities nurse	1.00	91,454	91,455	182,909
Autism Services				
Continued program changes		20,532	(22,334)	(1,802)
Grant cost and caseload changes		827,175	303,633	1,130,808
Provider inflationary increases 4 and 4 percent		105,468	105,468	210,936
Federal medical assistance percentage (FMAP)		9,858	(9,858)	0
Autism administrative staff officer	1.00	114,829	59,249	174,078
Adds 30 autism waiver slots		880,800	880,800	1,761,600
Increases age limit of autism waiver from 7 to 9 years old		352,320	352,320	704,640
Adds 20 autism voucher slots		500,002		500,002
Total ongoing funding changes	4.50	\$141,863,608	\$420,757,186	\$562,620,794
One-time funding items				
Developmental Disabilities				
Equipment over \$5,000			\$10,000	\$10,000
Total one-time funding changes	0.00	\$0	\$10,000	\$10,000
Total Changes to Base Level Funding	4.50	\$141,863,608	\$420,767,186	\$562,630,794
2015-17 Total Funding	352.00	\$1,083,180,528	\$2,008,741,743	\$3,091,922,271

Department of Human Services - Field Services - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes

	Executive Budget Recommendation			
	FTE Positions	General Fund	Other Funds	Total
2015-17 Biennium Base Level	1,706.48	\$187,062,966	\$126,067,783	\$313,130,749
2015-17 Ongoing Funding Changes				
Transfers - Division adjustments		(\$629,880)	(\$420,556)	(\$1,050,436)
Base payroll changes		8,305,246	4,780,177	13,085,423
Salary increase - Performance		11,946,959	554,810	12,501,769
Health insurance increase		7,064,077	328,051	7,392,128
Retirement contribution increase		1,209,038	56,147	1,265,185
Vacant position and employee turnover savings - Institutions		(2,435,679)		(2,435,679)
Vacant position and employee turnover savings - Human Service Centers		(2,146,091)		(2,146,091)
Institutions				
Continued program changes		(2,228,498)	1,194,197	(1,034,301)
Federal medical assistance percentage (FMAP)		113,728	(113,728)	0
15-bed unit for Tompkins Program - State Hospital	11.00	1,520,369		1,520,369
Medically Fragile Intensive Care Facility (ICF) in Grafton, ND		750,000	750,000	1,500,000
Transfers central receiving position to Department of Corrections and Rehabilitation	(1.00)			0
Extraordinary repairs		2,930,865		2,930,865
Equipment over \$5,000		774,238		774,238
Removes 2013-15 extraordinary repairs		(428,413)		(428,413)
Removes 2013-15 equipment over \$5,000		(1,511,949)		(1,511,949)
Human Service Centers				
Continued program changes		2,821,174	(714,709)	2,106,465
Grant cost and caseload changes		1,394,302		1,394,302
Adds provider inflationary increases 4 and 4 percent		2,259,956		2,259,956
Property tax relief for counties		140,822	(140,822)	0
Federal medical assistance percentage (FMAP)		100,791	(100,791)	0
Adds child welfare regional supervisors - NC, SE, WC	3.00	437,771	52,273	490,044
10 bed crisis residential/transitional living - Badlands		685,895	218,088	903,983
DD case managers, NC, NE, Lake Region	3.00	249,669	188,349	438,018
4-bed unit alternative care services - WC		283,500		283,500
Integrated dual disorder treatment program - WC	3.00	393,295		393,295
10-bed unit short-term residential facility - Badlands		601,699		601,699
Expands mobile on-call crisis services - Statewide		1,000,000		1,000,000
Extraordinary repairs		49,956		49,956
Equipment over \$5,000		34,000		34,000
Removes 2013-15 extraordinary repairs		(37,000)		(37,000)
Removes 2013-15 equipment over \$5,000		(34,345)		(34,345)
Total ongoing funding changes	19.00	\$35,615,495	\$6,631,486	\$42,246,981
One-time funding items				
Institutions				
Heating plant repairs and upgrades - State Hospital		\$1,509,156		\$1,509,156
Surveillance cameras - State Hospital campus		390,000		390,000
Central air for Tompkins Building - State Hospital		557,606		557,606
Heating plant repairs and upgrades - LSTC		230,000		230,000
6 living area kitchens - LSTC		750,000		750,000
Human Service Centers				
Total one-time funding changes	0.00	\$3,436,762	\$0	\$3,436,762
Total Changes to Base Level Funding	19.00	\$39,052,257	\$6,631,486	\$45,683,743
2015-17 Total Funding	1,725.48	\$226,115,223	\$132,699,269	\$358,814,492

Department of Human Services - Field Services - Budget No. 325
Senate Bill No. 2012
Base Level Funding Changes
Other Sections in Senate Bill No. 2012

	<u>Executive Budget Recommendation</u>
Funding 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 2015-17 biennium. The department is to report to the Budget Section after June 30, 2016, on any transfers made in excess of \$50,000 and to the Appropriations Committees of the 65 th Legislative Assembly any transfers made.
Medicaid management information system replacement project - Continuation	Section 4 provides for the continuation of the legislative appropriation for the Medicaid management information system replacement project in the 2015-17 biennium.
Modification of the eligibility systems project - Continuation	Section 5 provides for the continuation of the legislative appropriation for the modification of the eligibility systems project in the 2015-17 biennium.
Autism spectrum disorder program pilot project	Section 6 continues the Department of Human Services autism spectrum disorder voucher program pilot project.
Developmental disabilities system reimbursement project	Section 7 amends the payment system for developmental disabilities to tie funding to support intensity scale assessed needs of clients aged 16 and older and to a state-approved assessment that assesses needs of clients younger than 16 years of age.
Temporary assistance for needy families - Consumer price index annual percentage increases	Section 8 creates a subsection to North Dakota Century Code Section 50-09-29 to provide annual percentage increases for benefits equal to the consumer price index for urban consumers.
Monthly maintenance need allowance	Section 9 provides the department establishes a monthly maintenance needs allowance for a community spouse equal to the annual increase in the consumer price index for urban consumers when determining eligibility for medical assistance applicants and recipients. Section 12 provides an effective date of January 1, 2016.
Payments to county for local expenses of administration of Medicaid program	Section 10 provides the department may reimburse counties for a part of local expenses of administration when determining eligibility for services for the Medicaid program.
Appropriation - Reimbursing counties	Section 11 provides an appropriation from special funds derived from federal funds to the department for reimbursing counties under Section 10 beginning July 1, 2015 and ending June 30, 2017.
Payments to county for local expenses of administration of Medicaid program	Section 13 provides Sections 10 and 11 become effective on the effective date of the Centers for Medicare and Medicaid Services' certification for the department's eligibility system has met the seven conditions and standards for receipt of enhanced match.