

**FIRST ENGROSSMENT
with House Amendments
ENGROSSED SENATE BILL NO. 2012**

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 an exemption; to provide legislative intent; to provide for legislative
3 management studies; and to provide for a department of human services study.

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

5 **SECTION 1. APPROPRIATION.** The funds provided in this section, or so much of the funds
6 as may be necessary, are appropriated out of any moneys in the general fund in the state
7 treasury, not otherwise appropriated, and from special funds derived from federal funds and
8 other income, to the department of human services for the purpose of defraying the expenses of
9 its various divisions, for the biennium beginning July 1, 2011, and ending June 30, 2013, as
10 follows:

11 Subdivision 1.

12 MANAGEMENT

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
13				
14				
15	Salaries and wages	\$14,231,353	\$2,226,715	\$16,458,068
16	Operating expenses	46,548,787	15,735,631	62,284,418
17	Capital assets	<u>0</u>	<u>138,400</u>	<u>138,400</u>
18	Total all funds	\$60,780,140	\$18,100,746	\$78,880,886
19	Less estimated income	<u>34,477,817</u>	<u>13,285,595</u>	<u>47,763,412</u>
20	Total general fund	\$26,302,323	\$4,815,151	\$31,117,474

21 Subdivision 2.

22 PROGRAM AND POLICY

Sixty-second
Legislative Assembly

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
1				
2				
3	Salaries and wages	\$41,389,716	\$8,330,668	\$49,720,384
4	Operating expenses	75,461,417	16,961,863	92,423,280
5	Capital assets	8,580	(8,580)	0
6	Grants	452,990,742	34,015,295	487,006,037
7	Grants - Medical assistance	<u>1,300,642,323</u>	<u>260,496,543</u>	<u>1,561,138,866</u>
8	Total all funds	\$1,870,492,778	\$319,795,789	\$2,190,288,567
9	Less estimated income	<u>1,381,801,240</u>	<u>92,820,911</u>	<u>1,474,622,151</u>
10	Total general fund	\$488,691,538	\$226,974,878	\$715,666,416

11 Subdivision 3.

12 HUMAN SERVICE CENTERS AND INSTITUTIONS

		Adjustments or		
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>	
13				
14				
15	Northwest human service center	\$8,452,001	\$222,567	\$8,674,568
16	North central human service center	19,208,018	1,694,208	20,902,226
17	Lake region human service center	10,886,645	357,661	11,244,306
18	Northeast human service center	25,768,431	2,321,019	28,089,450
19	Southeast human service center	30,139,636	7,868,498	38,008,134
20	South central human service center	15,567,495	1,291,516	16,859,011
21	West central human service center	24,683,076	1,669,367	26,352,443
22	Badlands human service center	10,857,338	850,716	11,708,054
23	State hospital	65,641,609	7,581,591	73,223,200
24	Developmental center	<u>52,939,281</u>	<u>(1,130,034)</u>	<u>51,809,247</u>
25	Total all funds	\$264,143,530	\$22,727,109	\$286,870,639
26	Less estimated income	<u>132,787,875</u>	<u>(7,198,220)</u>	<u>125,589,655</u>
27	Total general fund	\$131,355,655	\$29,925,329	\$161,280,984

28 Subdivision 4.

29 BILL TOTAL

		Adjustments or	
	<u>Base Level</u>	<u>Enhancements</u>	<u>Appropriation</u>
1			
2			
3	Grand total general fund	\$646,349,516	\$261,715,358
4	Grand total special funds	<u>1,549,066,932</u>	<u>98,908,286</u>
5	Grand total all funds	\$2,195,416,448	\$2,556,040,092
6	Full-time equivalent positions	2,216.88	(27.53)
			2,189.35

SECTION 2. ONE-TIME FUNDING - EFFECT ON BASE BUDGET - REPORT TO

SIXTY-THIRD LEGISLATIVE ASSEMBLY. The following amounts reflect the one-time funding items approved by the sixty-first legislative assembly for the 2009-11 biennium and the 2011-13 one-time funding items included in the appropriation in section 1 of this Act:

	<u>One-Time Funding Description</u>	<u>2009-11</u>	<u>2011-13</u>
11			
12	Developmental disabilities rate study	\$100,000	\$0
13	Supplemental payment	400,000	0
14	Extraordinary repairs	3,443,692	0
15	Federal stimulus funds	88,033,205	519,175
16	Supplemental payment	0	200,000
17	Equipment over \$5,000	352,606	0
18	State hospital capital projects	<u>0</u>	<u>1,800,000</u>
19	Total all funds	\$92,329,503	\$2,519,175
20	Less estimated income	<u>88,033,205</u>	<u>719,175</u>
21	Total general fund	\$4,296,298	\$1,800,000

The 2011-13 one-time funding amounts are not a part of the entity's base budget for the 2013-15 biennium. The department of human services shall report to the appropriations committees of the sixty-third legislative assembly on the use of this one-time funding for the biennium beginning July 1, 2011, and ending June 30, 2013.

SECTION 3. FUNDING TRANSFERS - EXCEPTION - AUTHORIZATION. Notwithstanding

section 54-16-04, the department of human services may transfer appropriation authority between line items within each subdivision of section 1 of this Act and between subdivisions within section 1 of this Act for the biennium beginning July 1, 2011, and ending June 30, 2013.

The department shall notify the office of management and budget of any transfer made

pursuant to this section. The department shall report to the budget section after June 30, 2012,

1 any transfers made in excess of \$50,000 and to the appropriations committees of the sixty-third
2 legislative assembly regarding any transfers made pursuant to this section.

3 **SECTION 4. EXEMPTION.** The amount appropriated for the replacement of the medicaid
4 management information system in chapter 50 of the 2007 Session Laws is not subject to the
5 provisions of section 54-44.1-11. Any unexpended funds from this appropriation approved under
6 section 54-44.1-11 for continuation into the 2009-11 biennium are available for the completion of
7 the medicaid management information system project during the biennium beginning July 1,
8 2011, and ending June 30, 2013.

9 **SECTION 5. GENERAL FUND TRANSFER TO BUDGET SECTION STABILIZATION**

10 **FUND - EXCEPTION - USE OF GENERAL FUND AMOUNTS.** Notwithstanding section
11 54-27.2-02, the state treasurer and the office of management and budget may not include in the
12 amount used to determine general fund transfers to the budget stabilization fund at the end of
13 the 2009-11 biennium under chapter 54-27.2 any general fund amounts resulting from the
14 increased federal share of medical assistance payments resulting from federal medical
15 assistance percentage changes under the American Recovery and Reinvestment Act of 2009
16 and H.R. 1586. The state treasurer and the office of management and budget shall separately
17 account for these amounts resulting from federal medical assistance percentage changes under
18 the American Recovery and Reinvestment Act of 2009 and H.R. 1586 and use these amounts
19 to defray the expenses of continuing program costs of the department of human services from
20 the general fund, for the biennium beginning July 1, 2011, and ending June 30, 2013, including
21 \$25,516,808 for inflationary increases for human services providers.

22 **SECTION 6. DEPARTMENT OF HUMAN SERVICES STUDY - HUMAN SERVICES**

23 **DELIVERY SYSTEM.** During the 2011-12 interim, the department of human services shall
24 review, study, and develop various plans for restructuring the human services delivery system in
25 this state. The review and study must consider the requirements imposed on the department of
26 human services by federal agencies under federal law, federal regulations, program state plans,
27 and program waivers for the administration of and receipt of payment under federal programs.
28 One of the plans for restructuring must provide for the creation of administrative units that are
29 authorized to deliver all of the economic assistance and therapeutic social services programs
30 and services that are currently being provided or authorized to be provided by counties and
31 regional human service centers. The administrative units must have a direct relationship with

1 the department of human services in administering federal programs in the state and must be
2 locally administered. Before August 1, 2012, the department shall present its findings and plans
3 to the legislative management.

4 **SECTION 7. PATIENT-CENTERED MEDICAL HOMES - LEGISLATIVE MANAGEMENT**

5 **STUDY.** During the 2011-12 interim, the legislative management shall consider studying and
6 evaluating the positive and negative impacts of implementation of patient-centered medical
7 homes in the state, including consideration of whether implementation would result in North
8 Dakotans experiencing health care savings and improved medical results as well as whether
9 implementation would impact North Dakota's critical access hospitals. The legislative
10 management shall report its findings and recommendations, together with any legislation
11 required to implement the recommendations, to the sixty-third legislative assembly.

12 **SECTION 8. REPORT ON THE DEMENTIA CARE SERVICES PROGRAM.** During the
13 2011-12 interim, the department of human services shall periodically report to the legislative
14 management regarding the status of the dementia care services program. The reports must
15 include information on budgeted and actual program expenditures, program services, and
16 program outcomes.

17 **SECTION 9. RISK BEHAVIOR PREVENTION GRANTS - MATCHING REQUIREMENTS.**

18 The department of human services shall use \$250,000 of federal funding appropriated in
19 subdivision 2 of section 1 of this Act for the mental health and substance abuse division for
20 providing grants to support a statewide school and community-based youth network dedicated
21 to implementing risk behavior prevention efforts, for the biennium beginning July 1, 2011, and
22 ending June 30, 2013. The department shall require an entity receiving a grant under this
23 section to provide one dollar of matching funds for each dollar of state funds provided.

24 **SECTION 10. LEGISLATIVE INTENT - DEVELOPMENTAL DISABILITIES GRANTS.** It is
25 the intent of the legislative assembly that the department of human services use any anticipated
26 unexpended appropriation authority relating to developmental disabilities grants resulting from
27 caseload or cost changes during the 2011-13 biennium for costs associated with transitioning
28 individuals from the developmental center to communities during the 2011-13 biennium.

29 **SECTION 11. LEGISLATIVE MANAGEMENT STUDY - QUALIFIED SERVICE PROVIDER**

30 **SYSTEM.** During the 2011-12 interim, the legislative management shall consider studying and
31 evaluating the state's qualified service provider system. The legislative management shall report

1 its findings and recommendations, together with any legislation required to implement the
2 recommendations, to the sixty-third legislative assembly.

3 **SECTION 12. SUPPLEMENTAL PAYMENT - HEALTH CARE TRUST FUND.** The grants -
4 medical assistance line item in subdivision 2 of section 1 of this Act includes \$200,000 from the
5 health care trust fund which the department shall provide as a one-time grant to the hospital in a
6 city with a population of less than five hundred according to the 2000 census which also has a
7 government nursing facility that participated in the intergovernmental transfer payment program.