**Testimony**
**House Bill 1012 — Department of Human Services**
**House Appropriations — Human Resources Division**
**Representative Pollert, Chairman**
**January 12, 2009**

Chairman Pollert, members of the House Appropriations Human Resources Committee, I am Jennifer Witham, Director of Information Technology Services of the Department of Human Services. I am here today to provide you an overview of Information Technology Services Division for the Department of Human Services.

## Programs

The Department's Information Technology Services Division staff is responsible for information technology strategic planning and budgeting, business analysis, project management, procurement, software development and maintenance, technology standards and policy enforcement, and data entry services.

## Customer Base

The Department's Information Technology Services Division (ITS) provides technology services to support the business needs of the central office divisions, the eight Human Service Centers, the State Hospital, the Developmental Center, and the county social service boards across North Dakota.

## Overview of Budget Changes

| Description | 2007 - 2009 Budget | 2009 - 2011 Budget | Increase / Decrease |
|---|---|---|---|
| Salary and Wages | 4,215,801 | 5,043,855 | 828,054 |
| Operating | 82,308,602 | 41,567,463 | (40,741,139) |
| Capital Payments | 17,285 | 0 | (17,285) |
| Total | 86,541,688 | 46,611,318 | (39,930,370) |
| | | | |
| General Funds | 18,999,178 | 19,601,324 | 602,146 |
| Federal Funds | 63,199,145 | 25,404,513 | (37,794,632) |
| Other Funds | 4,343,365 | 1,605,481 | (2,737,884) |
| Total | 86,541,688 | 46,611,318 | (39,930,370) |
| | | | |
| FTE | 34.75 | 34.75 | - |

The Salary and Wages line item increased by $828,054 and can be attributed to the following:

- $426,737 in total funds of which $331,528 is general fund to fund the Governor's salary package for state employees.
- $101,725 in total funds of which $78,442 is general fund to fund the cost to continue raises from last biennium.
- $81,207 in total funds of which $59,189 is general fund to fund the salary underfunding from last legislative session.
- $42,850 in total funds of which $30,235 is general fund to fund a temporary administrative support position.
- $25,000 in total funds of which $17,640 is general fund to fund overtime for claims data entry staff.
- $13,958 in total funds of which $9,849 is general fund to provide for the annual and sick leave lump sum payouts for one FTE expected to retire.

- The remaining $136,577 in total funds of which ($18,033) is general fund represents a combination of increases and decreases needed to sustain the salary of the 34.75 FTE in this area of the budget.

The Operating line item decreased by ($40,741,139) and is a combination of increases and decreases expected next biennium. Major changes include:

- ($53,739,587) decrease in total funds of which ($3,643,133) is general fund provided in 2007-2009 to support the Medicaid Systems Project.
- $9,256,512 increase in total funds of which $2,295,133 is general fund to support vendor contracts for the ongoing operations of the new Medicaid Management Information System, the Pharmacy Point of Sale system and the Medicaid Decision Support system.
- $4,005,878 increase in total funds of which $1,320,881 is general fund to support Information Technology Department services as follows:
  o Increases in hardware and software hosting fees.
  o Increase in costs associated with moving from a device fee based on access points to a technology fee based on the number of FTEs.
  o Increase in rates for senior development and project management staff.
- ($299,722) decrease in total funds with a corresponding increase in general fund of $116,573 associated with increases in central

printing costs and other desktop hardware and software license fees and maintenance.

The general fund request increased by $602,146 with 55% of that increase ($331,528) related to the Governor's salary package for state employees. The remaining increase of $270,618 in general fund, as well as net decrease in federal and other funds, is associated with the changes described above.

This concludes my testimony on the 2009 – 2011 budget request for the Information Technology Services Division of the Department. I would be happy to answer any questions.