Testimony
Senate Bill 2012 – Department of Human Services
Senate Appropriations
Senator Holmberg, Chairman
January 17, 2011

Chairman Holmberg, members of the Senate Appropriations Committee, I am Jenny 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	2009 - 2011 Budget	2011 - 2013 Budget	Increase / Decrease
Salary and Wages	5,219,112	6,161,344	942,232
Operating	41,773,438	56,724,715	14,951,277
IT Equipment over $5,000	7,022	138,400	131,378
Capital Construction Carryover	30,234,275	-	(30,234,275)
Total	77,233,847	63,024,459	(14,209,388)
General Fund	20,703,546	23,746,066	3,042,520
Federal Funds	52,180,431	37,243,950	(14,936,481)
Other Funds	4,349,870	2,034,443	(2,315,427)
Total	77,233,847	63,024,459	(14,209,388)
FTE	37.5	41.5	4.0

The Salaries line item increased by $942,232 and can be attributed to the following changes:

- $319,219 in total funds of which $211,811 is general fund needed to fund the Governor's salary package for state employees.
- $140,063 in total funds of which $122,442 is general fund needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- The Budget includes an increase of 4 FTE in the 2011- 2013 biennium as follows: (All four FTE are derived from the FTE no longer needed at the Developmental Center and were reduced in their budget request.)

- A Health Information Technology Coordinator position to work closely with the Information Technology Department as requirements must be met as the State continues moving forward in sharing health information electronically. Total budget need $214,819, with $21,482 being general fund.
- The conversion of three data entry staff who process primarily Medicaid claims who have been temporary employees working for the Department full time for over four years without benefits. Total budget need for adding benefits - $82,965, with $25,528 being general fund.
- During the biennium the Department recognized an increased need in provider outreach and information system training and moved an FTE internally to accommodate this priority. This represents an increase of $181,601 in total funds of which $118,222 is general fund.
- There was an increase of $3,565 which is a combination of increases and decreases needed to sustain the salary of the 41.5 FTE in this area of the budget.

The Operating line item increased by $14,951,277 major changes including:

- $11,092,427 of which $3,338,800 is general fund to support Information Technology Department services due to increased rates and utilization.
- $1,065,881 of which $317,262 is general fund to support vendor contracts for the ongoing operations of the new Medicaid Management Information Systems, the Pharmacy Point of Sale system and Medicaid Decision Support system.

- $2,500,000 of all federal funds for the replacement of the Vocational Rehabilitation case management system, which is a commercial off the shelf software.
- $112,118 of which $65,221 is general fund for increases in central printing costs and other desktop hardware and software license fees and maintenance.

IT Equipment over $5,000 had a federal funds increase of $131,378 to purchase telemedicine equipment at each of the Human Service Centers to implement Telepharmacy at the State Hospital. The entire project cost is $140,259 of which $138,400 is in IT Equipment over $5,000. The remaining $1,859 is reflected in various accounts contained in the operating line.

Capital Construction Carryover had a decrease of $30,234,275 in total funds of which $996,035 is general fund for the Medicaid System Project. However, section 4 of SB 2012 will be requesting any unexpended funds be made available for the completion of the Medicaid System Project during the 2011-2013 biennium.

This concludes my testimony on the 2011 – 2013 budget request for Information Technology Services Division of the Department. I would be happy to answer any questions.