Testimony
House Bill No. 1506 – Department of Human Services
Senate Appropriations Committee
Senator Ray Holmberg, Chairman
November 9, 2021

Chairman Holmberg, and members of the Senate Appropriations Committee,
I am Jonathan Alm, an attorney with the Department of Human Services
(Department). I appear before you in support of sections 4 through 15 of
House Bill No. 1506.

Section 4 of this Bill is to address subsection 1 of section 26 of 2021 Senate
Bill No. 2086, which transferred sixteen full-time equivalent foster care
licensing positions of the human service zones to the Department to become
state employees. The positions transferred do not result in a net addition of
positions delivering human services’ programs, services, or functions under
the appropriation provided in 2021 House Bill No. 1012. This section will
address the concern regarding the discrepancy between the total full-time
equivalent positions in section 1 of 2021 House Bill No. 1012 and the
additional sixteen full-time equivalent foster care licensing positions. The
appropriation for the sixteen full-time equivalent positions is already
included in 2021 House Bill No. 1012.

Subsection 1 of section 5 of this Bill addresses the federal authority needed
for the increased federal medical assistance percentage (FMAP) 6.2%, that
started on July 1, 2021, and is ending on March 31, 2022, in the amount of
$48,000,000 and $31,600,000 for the Department’s 10% Home and
Community-Based Plan for a total sum of $79,600,000.
Subsection 2 of section 5 of this Bill addresses the need for the Department to use up to $16,000,000 from the general fund savings resulting from the federal enhancements or adjustments that cause the federal medical assistance percentage to be less than the federal percentage used by the sixty-seventh Legislative Assembly for budgeting purposes for the biennium beginning July 1, 2021, and ending June 30, 2023. This subsection would be an exception to section 7 of 2021 House Bill No. 1012 which currently restricts the Department from spending the general fund savings. The federal medical assistance percentage used for the Department’s budget by the sixty-seventh Legislative Assembly was 53.50%. The Department received the final federal medical assistance percentage for 2023, which is lower than the federal medical assistance percentage used to build the Department’s 2021-2023 budget. The Department’s federal medical assistance percentage will be 51.55% starting October 1, 2022, through September 30, 2023. This decrease in federal medical assistance percentage will result in a need for an additional $16 million in general funds.

Section 6 of this Bill appropriates up to $600,000 from federal funds to the Department to permit the Department, through the American Rescue Plan Act, to provide postpartum coverage for three hundred sixty-five days instead of sixty days.

Section 7 of this Bill appropriates up to $386,690 from federal funds to the Department for the lifespan respite grant, which was awarded to the Department by the federal government. The grant funds are to be utilized to provide outreach and information to caregivers as well as respite services in order to provide a break and prevent burnout.
Section 8 of this Bill appropriates up to $1,936,350 from federal funds to the Department for the vulnerable adult protection services grant, which was awarded to the Department by the federal government. The grant funds can be used to expand services to vulnerable older adults during the COVID-19 pandemic, including rental assistance, direct care, and outreach and information.

Section 9 of this Bill appropriates up to $239,558 from federal funds to the Department for the supplemental nutrition assistance program non-competitive grant, which was awarded to the Department by the federal government. The grant funds can be used to establish a database for verifying income for individuals applying for supplemental nutrition assistance program benefits.

Section 10 of this Bill appropriates up to $1,168,347 from federal funds to the Department for children and family services (Family First Prevent Services Act) transition title IV-B grant, which was awarded to the Department by the federal government. The grant funds will be used to provide services to achieve safety, permanency, and wellbeing for vulnerable children who enter the child welfare system.

Section 11 of this Bill requires the director of the office and management and budget to transfer appropriation authority between lines items within subdivision 6 of section 1 of the 2021 House Bill No. 1394 and subdivision 6 of section 2 of 2021 House Bill No. 1395 as requested by the Department. At the time when 2021 House Bill Nos. 1394 and 1395 were passed by the sixty-seventh Legislative Assembly, the Department did not have the program details fully scoped, and subawards and beneficiaries identified. Depending on if the organization we enter into an agreement with is a
purchase of service or a subgrant award, it changes which class is necessary for making the payments appropriately. This section will permit the Department to move the appropriated funds into the correct class to spend appropriately.

Section 12 of this Bill appropriates up to $200,000 from federal funds to the Department for the federal Department of Health and Human Services grant. The Department anticipates using the grant funds to preempt receiving a deficiency at the North Dakota State Hospital.

Section 13 of this Bill appropriates up to $5,000,000 from federal funds to the Department for the money follows the person capacity grant, which was awarded to the Department by the federal government. The grant funds will be used for planning and capacity building activities to accelerate long term services and supports system transformation design and implementation, and to expand home and community-based service capacity. The funding is expected to support North Dakota’s efforts to make meaningful progress towards increasing the use of community-based services.

Section 14 of this Bill appropriates up to $22,663 from federal funds to the Department for the Randolph Shepard vocational rehabilitation grant. The grant funds will be used for income replacement funding for Randolph Shepard programs which saw reduced income during the pandemic. Randolph Shepard program provides persons who are blind with gainful employment and self-support through the operation of facilities on federal and other property.

Section 15 of this Bill appropriates up to $3,300,000 of special funds to the Department for the purpose of the free through recovery program. The
sixty-seventh Legislative Assembly appropriated the Department of Corrections and Rehabilitation an additional $3.3 million in federal funds and since the Department is responsible to contract with and pay behavioral health providers who participate in the free-through recovery program, pursuant to N.D.C.C. § 54-23.3-10, it also needs this funding authority.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you