
AGENCY OVERVIEW

325 DEPARTMENT OF HUMAN SERVICES

Date: 12/14/2006

Time: 16:29:44

STATUTORY AUTHORITY

NDCC Chapters 6-09.16, 6-09.6, 12.1-01, 14-08.1, 14-09, 14-10, 14-12.2, 14-13, 14-15, 14-15.1, 14-17, 14-19, 19-03.1, 23-02.1, 23-17.1, 25-01, 25-01.1, 25-01.2, 25-02, 25-03.1, 25-03.2, 25-03.3, 25-04, 25-10, 25-11, 25-16, 25-16.1, 25-17, 26.1-36, 26.1-45, 27-20, 27-21, 28-21, 34-15, 50-01, 50-01.1, 50-01.2, 50-03, 50-06, 50-06.1, 50-06.2, 50-06.3, 50-06.4, 50-06.5, 50-08.1, 50-09, 50-10, 50-10.1, 50-10.2, 50-11, 50-11.1, 50-11.2, 50-11.3, 50-12, 50-19, 50-24.1, 50-24.3, 50-24.4, 50-24.5, 50-25.1, 50-25.2, 50-27, 50-28, 50-29, 50-30, 54-38, 54-44.8, 57-15.

AGENCY DESCRIPTION

DHS is an umbrella agency headed by an Executive Director appointed by the Governor. The Executive Director utilizes a management team known as the Cabinet, which includes a representative of the following areas: the eight Regional Human Services Centers, the Institutions, Program and Policy programs, Economic Assistance programs, Medical Services, and Administrative Support Services. The appropriation bill itself consists of three major areas consisting of Managerial Support, Program/Policy Management and Field Services.

Managerial Support includes Fiscal Administration, Human Resources, Information Technology Services, Legal Advisory Unit, Public Information, and Tribal Liaison.

Program/Policy Management is comprised of 7 major programs: Economic Assistance Policy (including TANF, Food Stamps, Low Income Heating Assistance Program, Child Care Assistance), Medical Services (including Nursing Homes, all Medicaid waiver services along with Home and Community Based Services), Child Support Enforcement, Aging Services (Older Americans Act programs), Children and Family Services, Mental Health/Substance Abuse (including the Applied Research function for the agency) and Disability Services (including Disability Determination Services, Disability Services policy and Vocational Rehabilitation.) North Dakota's assistance programs are supervised by the state but are directed and administered by the 53 county social service boards. Additionally, many aging and children's services are provided through County Social Service Boards.

Field Services is comprised of eight Human Service Centers located in each of the Governor's designated planning regions providing direct delivery of services to individuals and families, the State Hospital located in Jamestown and the Developmental Center at Westwood Park located in Grafton. The Human Service Centers provide a comprehensive array of outpatient clinical and community services including vocational rehabilitation, mental health services, developmental disabilities services, social services, addiction counseling, and emergency and outreach services. The Centers provide supervision and direction to county agencies delivering social services. The State Hospital is a component of the treatment continuum providing treatment for mental illness and substance abuse. The Developmental Center is an educational and training facility for persons with developmental disabilities.

AGENCY MISSION

The mission of the Department of Human Services is to provide quality, efficient and effective human services to improve the lives of people.

AGENCY PERFORMANCE MEASURES

Overall Administrative Costs for the Department will be under 10% of budget.

Established based on internal benchmark

SFY 2004 actual - 6.00%

SFY 2005 actual – 5.85%

2005 – 2007 biennium – 5.7% (based on legislatively approved budget)

Information requests, service requests and payment timelines will meet established timeframes.

The specific measures are established in each budget (program) level. Due to the size of the department it is not possible to establish these at the overall level.

Customer Satisfaction goals as it relates to the value of the service received, availability or amount will be attained.

The specific measures are established in each budget (program) level. Due to the size of the department it is not possible to establish these at the overall level.

MAJOR ACCOMPLISHMENTS

2006 YTD Accomplishments

As directed by Governor Hoeven, the Department stepped in to assure that Medicaid clients impacted by the transition of their prescription drug coverage to Medicare Part D received their needed medications. (This assistance continued through February 15, 2006.)

Held employee and stakeholder meetings across North Dakota as part of the Department's strategic planning process in order to gain insight into community and staff concerns about service capacity, consumer issues and organization and delivery of service.

Expanded the successful Parental Employment Pilot Project that seeks to increase child support by addressing the unemployment and underemployment of non-custodial parents. Started in the Dickinson region, it was expanded to the Grand Forks region.

Fulfilled all of the recommendations resulting from the federal Children and Family Services review. North Dakota raised its score on the 23 performance items from 83% in 2001 to 98.3% in 2005.

Introduced the evidenced-based Matrix Model for substance abuse treatment to state treatment providers and started training the Department's licensed addiction treatment staff. The Matrix Model was added to the substance abuse treatment tools available at the regional human service centers.

Ranked sixth best in Food Stamp Program accuracy and received a \$460,933 high performance from the United States Department of Agriculture (USDA).

- o The ranking is based on 2005 federal fiscal year overpayments and underpayments.
- o North Dakota achieved a 96.41 percent accuracy rate.
- o Place in the top 10 among states for the second year in a row.

Ranked second in the nation on federal child support enforcement performance measures, which compare states on factors including paternity establishment, the number of cases with child support orders established, the amount of child support that is due and is actually paid in the month in which it is due, the cases with collections toward past due support, and efficient program operations.

Received approval from the Centers for Medicare & Medicaid Services to implement an Independence Plus self-directed supports waivers for children and adults with developmental disabilities (effective April 1, 2006). This gives individuals and their families more choice and control in making decisions and obtaining support, and allows them to direct a fixed amount of public dollars through an individual budget.

Developed a TANF Diversion Program to ensure that North Dakota will be in compliance with the increased federal TANF work participation rates required under the Deficit Reduction Act of 2005.

Signed a three-year \$37 million contract with Affiliated Computer Services Inc. (ACS) to complete phase one of the design, development and implementation of a new Medicaid Management Information System (MMIS) and a Pharmacy Point of Sales System – as authorized by the legislature.

Received approval from the Centers for Medicare and Medicaid Services for an amendment to a Medicaid waiver that will allow three ventilator-dependent Medicaid recipients to receive care in their homes as opposed to a skilled nursing facility.

Received a federal Administration for Children and Families' Office Section 1115 Program Development grant that, when matched with other federal funds, will allow the Department to develop a multi-year \$670,000 project strengthening the coordination between child support and child welfare services.

Received a \$372,315 grant from the U.S. Department of Justice to help implement a prescription drug-monitoring program in compliance with SB 1459. The Board of Pharmacy will implement the program.

Received a federal Administration on Aging grant to expand the state's existing legal services to low-income seniors by implementing and marketing a legal assistance hotline. North Dakota was one of six states to receive funding.

Initiated a pilot program at SEHSC using the Integrated Dual Disorder Treatment model. An evidence-based model for those with chronic substance abuse and serious and persistent mental illness. This model is designed to decrease hospitalizations, crisis response, increase employment, and increase client satisfaction with services. If positive results are achieved in this pilot, the model will be considered for additional sites.

2005 Accomplishments

Received a \$213,251 performance bonus for having the eighth most accurate Food Stamp program in the country. (Ranking based on 2004 federal fiscal year data.)

Earned a \$1.5 million Child Support Enforcement Program incentive/performance award from the federal government. The program continued to be ranked third in the nation.

Received a \$1.3 million federal Temporary Assistance for Needy Families (TANF) program high performance bonus. The state ranked tenth in job entry rates and 6th among states for increasing the number of former TANF families participating in Medicaid and the Healthy Steps State Children's Health Insurance Program.

Established a new cabinet management structure (effective January 1, 2006) to reduce the span of direct control for the executive director and to strengthen collaboration and communication.

North Dakota Developmental Center received accreditation from The Council on Quality and Leadership in Supports for People with Disabilities (The Council).

Accreditation is based upon meeting performance standards for health, safety, client progress toward individual goals, and community participation.

FUTURE CRITICAL ISSUES

The following is included in this category:

- Net cost, caseload and utilization changes, which cannot be controlled for the grant programs.
- Continuation of the 2nd year employee salary increase – 4%..
- Continuation of the 2nd year provider inflationary increase – 2.65%.
- Capital Assets including bond payments.
- Continuation of the third Unit that houses the Civilly Committed Sex Offenders.
- Funding the Medicare Clawback for 24 months vs 18 months in the 2005 – 2007 biennium.
- Rebasement of the Nursing Facility costs as required by NDCC.
- Funding changes as a result of FMAP, availability of IGT funds and the reduction to the Social Services Block Grant.

REQUEST SUMMARY

325 DEPARTMENT OF HUMAN SERVICES

Biennium: 2007-2009

Bill#: SB2012

Date: 12/14/2006

Time: 16:29:44

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
BY MAJOR PROGRAM					
MANAGEMENT	41,121,374	71,618,407	-28,343,099	43,275,308	31,326,276
PROGRAM AND POLICY	1,265,572,267	1,400,939,865	76,640,123	1,477,579,988	123,641,201
HUMAN SERVICE CENTERS	104,561,518	115,075,502	3,816,288	118,891,790	10,732,524
STATE HOSPITAL-TRADITIONAL	40,208,078	42,807,951	2,101,619	44,909,570	4,655,917
STATE HOSPITAL-SECURE SERVICES	3,036,569	5,459,220	2,240,275	7,699,495	7,021,683
DEVELOPMENTAL CENTER	41,016,565	42,425,282	1,285,489	43,710,771	10,178,435
TOTAL MAJOR PROGRAMS	1,495,516,371	1,678,326,227	57,740,695	1,736,066,922	187,556,036
BY LINE ITEM					
SALARIES AND WAGES	29,586,155	33,043,914	1,615,570	34,659,484	432,143
OPERATING EXPENSES	62,187,815	120,738,767	-26,448,976	94,289,791	36,523,631
CAPITAL ASSETS	5,230	6,620	-5,936	684	0
CAPITAL CONSTRUCTION CARRYOVER	0	350,000	-350,000	0	0
GRANTS	278,045,976	329,884,503	6,627,341	336,511,844	10,608,915
HUMAN SERVICE CENTERS / INSTITUTIONS	188,822,730	205,417,955	9,793,671	215,211,626	32,588,559
LOAN FUND - DD	2,791,500	0	0	0	0
GRANTS-MEDICAL ASSISTANCE	934,076,965	988,884,468	66,509,025	1,055,393,493	107,402,788
TOTAL LINE ITEMS	1,495,516,371	1,678,326,227	57,740,695	1,736,066,922	187,556,036
BY FUNDING SOURCE					
GENERAL FUND	401,550,377	483,805,731	51,251,659	535,057,390	85,391,871
FEDERAL FUNDS	1,011,713,667	1,097,951,106	5,409,193	1,103,360,299	101,437,870
SPECIAL FUNDS	82,252,327	96,569,390	1,079,843	97,649,233	726,295
TOTAL FUNDING SOURCE	1,495,516,371	1,678,326,227	57,740,695	1,736,066,922	187,556,036
TOTAL FTE	2,045.42	2,039.43	18.25	2,057.68	109.00

REQUEST DETAIL

Date: 12/14/2006

325 DEPARTMENT OF HUMAN SERVICES

Bill#: SB2012

Time: 16:29:44

Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
SALARIES AND WAGES					
SALARIES - PERMANENT	21,827,715	23,985,337	1,226,069	25,211,406	129,168
SALARY BUDGET ADJUSTMENT	0	0	0	0	0
SALARIES - OTHER	0	0	0	0	253,635
TEMPORARY SALARIES	373,104	424,576	180,316	604,892	0
OVERTIME	113,102	77,459	-1,246	76,213	0
FRINGE BENEFITS	7,272,234	8,556,542	210,431	8,766,973	49,340
SALARY INCREASE	0	0	0	0	0
BENEFIT INCREASE	0	0	0	0	0
TOTAL	29,586,155	33,043,914	1,615,570	34,659,484	432,143
SALARIES AND WAGES					
GENERAL FUND	8,270,060	13,162,276	1,078,387	14,240,663	261,788
FEDERAL FUNDS	17,461,148	19,057,296	205,379	19,262,675	146,589
SPECIAL FUNDS	3,854,947	824,342	331,804	1,156,146	23,766
TOTAL	29,586,155	33,043,914	1,615,570	34,659,484	432,143
OPERATING EXPENSES					
TRAVEL	1,099,630	1,609,811	116,920	1,726,731	0
SUPPLIES - IT SOFTWARE	118,882	152,511	-19,384	133,127	0
SUPPLY/MATERIAL-PROFESSIONAL	303,552	332,694	56,795	389,489	0
BLDG, GROUND, MAINTENANCE	279	840	-120	720	0
MISCELLANEOUS SUPPLIES	129,537	86,401	-28,801	57,600	0
OFFICE SUPPLIES	96,755	136,633	-8,721	127,912	0
POSTAGE	1,443,712	1,369,248	204,329	1,573,577	0
PRINTING	773,287	1,098,561	-142,824	955,737	0
IT EQUIP UNDER \$5,000	920,883	683,230	514,687	1,197,917	0
OTHER EQUIP UNDER \$5,000	16,329	17,590	2,410	20,000	0
OFFICE EQUIP & FURN SUPPLIES	1,006	38,692	-10,440	28,252	0
UTILITIES	1,497	2,030	100	2,130	0
INSURANCE	68,284	140,274	-9,795	130,479	0
RENTALS/LEASES-EQUIP & OTHER	180,638	246,592	-48,577	198,015	0
RENTALS/LEASES - BLDG/LAND	1,376,077	1,169,389	94,225	1,263,614	0
REPAIRS	67,685	39,615	7,356	46,971	0
IT - DATA PROCESSING	19,969,378	31,495,670	-8,289,274	23,206,396	1,025,048
IT-COMMUNICATIONS	694,424	678,004	23,877	701,881	0
IT CONTRACTUAL SERVICES AND RE	1,024,941	23,691,365	-20,733,548	2,957,817	23,798,339
PROFESSIONAL DEVELOPMENT	511,534	716,739	71,797	788,536	0
OPERATING FEES AND SERVICES	32,172,791	54,602,393	1,865,048	56,467,441	11,700,244

REQUEST DETAIL

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Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
FEES - PROFESSIONAL SERVICES	1,213,385	2,412,385	-96,936	2,315,449	0
MEDICAL, DENTAL AND OPTICAL	3,128	18,100	-18,100	0	0
NON OPERATING EXPENSES	201	0	0	0	0
OPERATING BUDGET ADJUSTMENT	0	0	0	0	0
TOTAL	62,187,815	120,738,767	-26,448,976	94,289,791	36,523,631
OPERATING EXPENSES					
GENERAL FUND	11,387,065	36,410,284	4,273,315	40,683,599	8,913,641
FEDERAL FUNDS	43,790,333	77,127,368	-26,986,467	50,140,901	27,609,990
SPECIAL FUNDS	7,010,417	7,201,115	-3,735,824	3,465,291	0
TOTAL	62,187,815	120,738,767	-26,448,976	94,289,791	36,523,631
CAPITAL ASSETS					
OTHER CAPITAL PAYMENTS	5,230	6,620	-5,936	684	0
TOTAL	5,230	6,620	-5,936	684	0
CAPITAL ASSETS					
GENERAL FUND	2,213	3,938	-3,579	359	0
FEDERAL FUNDS	2,076	2,682	-2,357	325	0
SPECIAL FUNDS	941	0	0	0	0
TOTAL	5,230	6,620	-5,936	684	0
CAPITAL CONSTRUCTION CARRYOVER					
EXTRAORDINARY REPAIRS	0	350,000	-350,000	0	0
GRANTS, BENEFITS & CLAIMS	0	0	0	0	0
TOTAL	0	350,000	-350,000	0	0
CAPITAL CONSTRUCTION CARRYOVER					
GENERAL FUND	0	350,000	-350,000	0	0
FEDERAL FUNDS	0	0	0	0	0
SPECIAL FUNDS	0	0	0	0	0
TOTAL	0	350,000	-350,000	0	0
GRANTS					
OPERATING FEES AND SERVICES	198,497	0	0	0	0
GRANTS, BENEFITS & CLAIMS	277,847,479	329,884,503	6,627,341	336,511,844	10,608,915
TOTAL	278,045,976	329,884,503	6,627,341	336,511,844	10,608,915

REQUEST DETAIL

Date: 12/14/2006

325 DEPARTMENT OF HUMAN SERVICES

Bill#: SB2012

Time: 16:29:44

Biennium: 2007-2009

Description	Expenditures 2003-2005 Biennium	Present Budget 2005-2007	Budget Request Change	Requested Budget 2007-2009 Biennium	Optional Budget Request
GRANTS					
GENERAL FUND	22,966,920	24,262,896	1,771,782	26,034,678	8,075,029
FEDERAL FUNDS	221,442,566	269,323,450	3,648,594	272,972,044	2,055,716
SPECIAL FUNDS	33,636,490	36,298,157	1,206,965	37,505,122	478,170
TOTAL	278,045,976	329,884,503	6,627,341	336,511,844	10,608,915
SPECIAL LINES					
HUMAN SERVICE CENTERS / INSTITUTIONS	188,822,730	205,417,955	9,793,671	215,211,626	32,588,559
LOAN FUND - DD	2,791,500	0	0	0	0
GRANTS-MEDICAL ASSISTANCE	934,076,965	988,884,468	66,509,025	1,055,393,493	107,402,788
TOTAL	1,125,691,195	1,194,302,423	72,785,507	1,270,605,119	139,991,347
SPECIAL LINES					
GENERAL FUND	358,924,119	409,616,337	44,481,754	454,098,091	68,141,413
FEDERAL FUNDS	729,017,544	732,440,310	28,544,044	760,984,354	71,625,575
SPECIAL FUNDS	37,749,532	52,245,776	3,276,898	55,522,674	224,359
TOTAL	1,125,691,195	1,194,302,423	76,302,696	1,270,605,119	139,991,347
FUNDING SOURCES					
GENERAL FUND	401,550,377	483,805,731	51,251,659	535,057,390	85,391,871
FEDERAL FUNDS	1,011,713,667	1,097,951,106	5,409,193	1,103,360,299	101,437,870
SPECIAL FUNDS	82,252,327	96,569,390	1,079,843	97,649,233	726,295
TOTAL FUNDING SOURCES	1,495,516,371	1,678,326,227	57,740,695	1,736,066,922	187,556,036

CHANGE PACKAGE SUMMARY

325 DEPARTMENT OF HUMAN SERVICES

Biennium: 2007-2009

Bill#: SB2012

Date: 12/14/2006

Time: 16:29:44

Description	FTE	General Fund	Federal Funds	Special Funds	Total Funds
AGENCY BUDGET CHANGES					
Cost To Continue	-0.75	2,785,622	1,561,519	1,040,513	5,387,654
1 Operating Expenditure Changes	0.00	9,227,958	-28,225,262	-3,934,483	-22,931,787
2 Capital Assets	0.00	1,274,401	33,010	2,418	1,309,829
3 Cost Changes	0.00	38,673,050	80,744,009	7,969,272	127,386,331
4 Caseload Changes / Utilization	0.00	-14,305,757	-39,465,847	-941,052	-54,712,656
5 FMAP Changes	0.00	9,120,541	-9,238,236	116,479	-1,216
6 Intergovernmental Transfer (IGT) Funding Switch	0.00	3,200,000	0	-3,200,000	0
17 Previously Approved Sex Offender FTE's	19.00	1,275,844	0	26,696	1,302,540
Agency Total	18.25	51,251,659	5,409,193	1,079,843	57,740,695
OPTIONAL REQUEST					
7 MMIS Replacement	0.00	3,643,133	27,429,508	0	31,072,641
8 Capacity Needs	8.00	4,006,961	463,284	47,064	4,517,309
9 Provider Inflation of 3.8% / 3.8%	0.00	17,821,121	29,999,429	479,856	48,300,406
10 Resident Transition	14.50	3,698,744	4,447,609	0	8,146,353
11 Expansion / Enhancement	34.00	11,682,798	5,823,488	16,969	17,523,255
12 Staff Equity	0.00	650,209	749,606	23,766	1,423,581
13 Captial Needs at Institutions	0.00	8,644,131	62,966	0	8,707,097
14 Provider Requests	0.00	28,168,103	32,377,347	148,910	60,694,360
15 Drug Court Efforts	4.00	292,873	84,634	0	377,507
16 Sex Offender Growth	48.50	6,783,797	0	9,730	6,793,527
Optional Total	109.00	85,391,870	101,437,871	726,295	187,556,036

BUDGET CHANGES NARRATIVE

325 DEPARTMENT OF HUMAN SERVICES

Date: 12/14/2006

Time: 16:29:44

Change Group: A	Change Type: A	Change No: 1	Priority:
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Operating Expenditure Changes - Operating Expenditure Changes

Changes in operating costs as a result of providing services and carrying out the Department's mission

Change Group: A	Change Type: A	Change No: 2	Priority:
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Capital Assets - Capital Assets, including equipment, IT equipment and bond payments

Bond payments are made at the Southeast Human Service Center, the State Hospital and the Developmental Center, and various copier purchases at the Human Service Centers

Change Group: A	Change Type: A	Change No: 3	Priority:
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Cost Changes - Cost Changes

Known cost changes associated with factors other than caseload and North Dakota Century Code dictated funding levels.

Change Group: A	Change Type: A	Change No: 4	Priority:
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Caseload Changes / Utilization - Caseload Changes / Utilization

Utilization changes in the number we serve.

Change Group: A	Change Type: A	Change No: 5	Priority:
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FMAP Changes - FMAP Changes

Calculated FMAP based on information provided by the federal government to arrive at estimates for the Federal Fiscal Years affecting the biennium. FFY 2007 - final - 64.72%; FFY 2006 - final - 63.75%; and FFY 2007 - estimate - 64.08%

Change Group: A	Change Type: A	Change No: 6	Priority:
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Intergovernmental Transfer (IGT) Funding Switch - Intergovernmental Transfer (IGT) Funding Switch

Replace Intergovernmental Transfer funds appropriated in the 2005-2007 budget with general funds.

Change Group: A	Change Type: A	Change No: 17	Priority:
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Previously Approved Sex Offender FTE's - Previously Approved FTE's for 3rd Unit Sex Offender Population

During the 2005 - 2007 biennium an increase in referrals to the civilly committed sex offender program resulted in the need to open a third unit. This unit contains 20 beds and required 19 additional FTE. 11 were approved during the March emergency commission meeting and an additional 8 during the June emergency commission meeting. The need still exists to keep this third unit operational during the 2007 - 2009 biennium.

Change Group: A	Change Type: A	Change No: 100	Priority:
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OMB Capacity -

Mental Health / Substance Abuse – Provide funding for an additional Meth residential treatment facility similar to the Robinson Recovery House.
Total funds - \$7000,000; General fund - \$700,000.

Children and Family Services – Provide for additional funds to recruit and retain family foster homes across the state. Without a sufficient number of licensed homes, children could be at risk of being placed at a higher level of need.

Total funds - \$150,000; General fund - \$112,500; Federal / Other funds - \$37,500.

Lake Region (Devils Lake) – Convert a temporary Human Service Aide II position to a regular employee with benefits. Retention is difficult without being able to offer benefits. The position works with the families and children who have a serious emotional disturbance. (Partnership Program)

Total funds - \$20,782; General fund - \$20,782.

Northeast (Grand Forks) – Allows for additional crisis beds for the Seriously Mentally Ill (SMI) along with a SMI Case Manager to provide the case management for the clients. Current community bed capacity is full. This will ease the pressure of diversions to the State Hospital where the Traditional population is beyond that budgeted. This would allow for providing treatment to clients in the least restrictive manner.

Total funds - \$730,028; General fund - \$539,265; Federal / Other funds - \$190,763

Southeast (Fargo) – Adds an addiction counselor to the local Off Main program serving those with chemical addiction. Currently the facility is staffed with one addiction counselor who is unable to meet the therapy needs of the current clients. The addition of another counselor will add additional treatment to serve the needs and allow for more timely evaluations. The intent is to serve the needs now to reduce the client’s need for higher level of care if sufficient therapy is not received.

Total funds - \$95,630; General fund - \$86,067; Federal / Other funds - \$9,563

Southeast (Fargo) – Convert three temporary Mentally Ill Case Manager positions to regular employees with benefits. This allows the Center to better serve this population with the outcome to reduce local and State Hospital inpatient bed days and the amount of days clients spend in jail in the region.

Total funds - \$247,632; General fund - \$74,290; Federal / Other funds - \$173,342

West Central (Bismarck) – The funds would allow the Center to provide enhanced residential services to those adolescents in the region in need of chemical addiction treatment. The Center was finally able to locate a provider to serve this population, however, we are unable to cover their entire costs for the program.

Total funds - \$95,800; General fund - \$95,800

Change Group: A	Change Type: A	Change No: 105	Priority:
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OMB CNA Registration -

Provides for Certified Nurse Aide registry and background checks.

Change Group: A	Change Type: A	Change No: 110	Priority:
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OMB Provider Inflation -

Provides for an inflationary increase for Department providers – 3.0% each year of the biennium

Change Group: A	Change Type: A	Change No: 115	Priority:
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OMB DD Provider Salary Increases -

Provides for a \$.60 hourly wage increase for Developmental Disability providers.

Change Group: A	Change Type: A	Change No: 120	Priority:
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OMB Rebasing Nursing Facilities -

Provides for rebasing Nursing facility building limit using RS Means Construction index instead of CPI.

Change Group: A	Change Type: A	Change No: 125	Priority:
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OMB Drug Courts -

Provides for enhancement of Drug Court efforts at the Human Service Centers - NE, SW, WC and NC.

Change Group: A	Change Type: A	Change No: 130	Priority:
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OMB Sex Offenders -

Provides \$2,774,562 from the general fund for Sex Offender Community Treatment to phase in the program to 140 individuals.

Provides for the addition of a sexual abuse therapist for the treatment of adolescent offenders in the Southeast Human Service Center. This service is no longer provided by the private entity.

Provides \$1,269,755 general funding for a 4th unit at the State Hospital which will include opening 20 beds.

Change Group: A	Change Type: A	Change No: 135	Priority:
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OMB Medicaid Management Information System MMIS -

Provides \$31,072,641 funding of which \$6,804,874 is from the general fund for a rewrite of the MMIS system. The current MMIS system requires replacement due to outdated architecture and difficulty in modifying it to meet the changing business needs of the Medical Services Division. Due to the integrated nature of the POS, it is necessary to include its replacement in the redesign of the MMIS. Both of these application systems will be developed through a contract with the ACS State Healthcare, Inc.

Change Group: A	Change Type: A	Change No: 140	Priority:
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OMB Developmental Center Capital Assets -

Provides \$1,090,840 funding, including \$1,027,874 from the general fund for capital improvements and equipment at the Developmental Center.

Change Group: A	Change Type: A	Change No: 145	Priority:
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OMB State Hospital Capital Assets -

Provides \$7,616,257 from the general fund for an addition to the GM building, capital improvement projects and extraordinary repairs at the State Hospital.

Change Group: O	Change Type: A	Change No: 7	Priority: 1
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MMIS Replacement - MMIS Replacement

The current MMIS system requires replacement due to outdated architecture and difficulty in modifying it to meet the changing business needs of the Medical Services Division. Due to the integrated nature of the POS, it is necessary to include its replacement in the redesign of the MMIS. Both of these application systems will be developed through a contract with the ACS State Healthcare, Inc. At the completion of the system design, development and implementation (DDI), the Information Technology Department will operate and maintain the new system. The Decision Support System will be implement through a contract with Thomson Medstat. This contract will also provide for the ongoing operations and maintenance of the DSS. This project proposal represents the desire of the Department to continue its contract with ACS for the completion of the design, development and implementation of replacement MMIS and POS systems. The funding requested also covers the proposed replacement costs for the Decision Support System,

ITD software development, hardware and software licensing, and the contracting costs for Independent Validation, Verification and Auditing functions to oversee the design, development and implementation processes of all three systems.

General	Federal	Total Increased Costs	
\$ 120,182	\$ 904,866	\$1,025,048	Hardware and Software purchase ITD
2,790,253	21,008,086	23,798,339	Contract with vendor
66,743	502,511	569,254	Staff for testing the new system
665,955	5,014,045	5,680,000	Contingency Fund

Change Group: O	Change Type: A	Change No: 8	Priority: 2
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Capacity Needs - Capacity Needs at the Central Office and Human Service Centers

Mental Health / Substance Abuse – Provide funding for an additional Meth residential treatment facility similar to the Robinson Recovery House.

Total funds - \$7000,000; General fund - \$700,000.

Children and Family Services – Provide for additional funds to recruit and retain family foster homes across the state. Without sufficient a number of licensed homes, children could be at risk of being placed at a higher level of need.

Total funds - \$150,000; General fund - \$112,500; Federal / Other funds - \$37,500.

Lake Region (Devils Lake) – Convert a temporary Human Service Aide II position to a regular employee with benefits. Retention is difficult without being able to offer benefits. The position works with the families and children who have a serious emotional disturbance. (Partnership Program)

Total funds - \$20,782; General fund - \$20,782.

Northeast (Grand Forks) – Allows for additional crisis beds for the Seriously Mentally Ill (SMI) along with a SMI Case Manager to provide the case management for the clients. Current community bed capacity is full. This will ease the pressure of diversions to the State Hospital where the Traditional population is beyond that budgeted. This would allow for providing treatment to clients in the least restrictive manner.

Total funds - \$730,028; General fund - \$539,265; Federal / Other funds - \$190,763

Southeast (Fargo) – Adds an addiction counselor to the local Off Main program serving those with chemical addiction. Currently the facility is staffed with one addiction counselor who is unable to meet the therapy needs of the current clients. The addition of another counselor will add additional treatment to serve the needs and allow for more timely evaluations. The intent is to serve the needs now to reduce the client’s need for higher level of care if sufficient therapy is not received.

Total funds - \$95,630; General fund - \$86,067; Federal / Other funds - \$9,563

Southeast (Fargo) – Convert three temporary Mentally Ill Case Manager positions to regular employees with benefits. This allows the Center to better serve this population with the outcome to reduce local and State Hospital inpatient bed days and the amount of days clients spend in jail in the region.

Total funds - \$247,632; General fund - \$74,290; Federal / Other funds - \$173,342

West Central (Bismarck) – The funds would allow the Center to provide enhanced residential services to those adolescents in the region in need of chemical addiction treatment. The Center was finally able to locate a provider to serve this population, however, we are unable to cover their entire costs for the program.

Total funds - \$95,800; General fund - \$95,800

After meeting with the Governor's Office/ OMB the following capacity information was finalized:

Provide for additional residential services for individuals with serious mental illness. The intent is to decrease occupancy at the State Hospital and provide an opportunity for appropriate level of care some individuals currently living in the community needing supervised living settings. Plan to work with the Long Term Care Association. Includes the addition of 2 FTE.

Total funds - \$2.477 million; General fund - \$2.377 million; Federal / Other funds - \$.1 million.

Change Group: O	Change Type: A	Change No: 9	Priority: 3
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Provider Inflation of 3.8% / 3.8% - Provider Inflation of 3.8% / 3.8%

To provide for an inflationary increase for Department providers – 3.8% each year of the biennium.

Description	Total	General	Federal/ Other
Inflation for Medicaid grant providers	15,354,364	4,996,268	10,358,096
Inflation for DD grant providers	14,175,781	5,142,367	9,033,414
Inflation for Nursing Facilities and other LTC	14,011,614	5,427,465	8,584,149
Inflation for Children and Family Service grant providers	2,693,070	551,589	2,141,481
Inflation for Mental Health/Substance Abuse and Disability Services contracted providers and Family Preservation Services	947,499	704,154	243,345
Inflation for the Human Service Center contracted providers	1,118,079	1,000,557	117,522
Totals	48,300,407	17,822,400	30,478,007

Change Group: O	Change Type: A	Change No: 10	Priority: 4
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Resident Transition - Transition 30 individuals from the Developmental Center to community settings

Transition OAR – Funding to allow for the transfer of 30 individuals from the Developmental Center to the Community by establishing the necessary supports in the community and providing for a CARES team at the Developmental Center to avoid the return to the Developmental Center in a time of crisis. Includes the addition of 14.5 FTE.

Total	General	Federal / Other
8,146,353	3,698,745	4,447,608

Change Group: O	Change Type: A	Change No: 11	Priority: 5
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Expansion / Enhancement - Program Expansions and/or Enhancements

Expansion / Enhancement –

Description	Total	General	Federal / Other
Medical Services			
Provide for a Medicaid Buy-In Program for children with disabilities and provide in-home services to children with extraordinary medical needs as directed by SB 2395. The waiver would be limited to 15 individuals.	3,883,443	1,474,045	2,409,398
Disease management expansion to include obesity and depression which is the highest cost condition among the Medicaid population.	3,700,000	1,332,740	2,367,260
Align Healthy Steps income disregard policies with the Medicaid program. This will add children to the program who may be over the income limits, sometimes by only a few dollars. Also requesting the an additional FTE to manage the growing program and 1-877-Kids Now help line.	1,633,973	1,633,973	
Provide for Certified Nurse Aide registry and background checks.	300,257	75,081	225,176
Long Term Care Continuum			
Enhance Home & Community Based Services to provide non-medical transportation and respite care vacation for primary caregivers.	578,038	468,184	109,854
Children and Family Services			
Enhance Child Welfare by increasing family preservation services, safety & permanency funds, outcome based adoption contracts, information & referral services and foster care legal costs to include the funding of a Special Assistant Attorney General, housed in the Attorney General's Office.	1,934,240	1,737,000	197,240

Human Service Centers			
Provide for contract with UND for the placement of 2 psychology interns, which are hard to fill positions and add 2 FTEs to track clients as they go on & off medical assistance and other insurance companies and build a relationship with drug company representatives.	197,024	166,194	30,830
Increase treatment capacity to meet the estimated addiction treatment needs of DOCR prison and community population. Includes adding 30 new FTE at the Human Service Center level in addition to increased residential beds in the community.	4,986,280	4,485,580	500,700
Additional funding needed for local hospitalization contract, which is at risk due to high levels of unpaid care provided.	200,000	200,000	
Aging Services			
Enhance Aging services by adding \$10,000 to the QSP training budget, and \$100,000 for guardianship services.	110,000	110,000	
Totals	17,523,255	11,682,798	5,840,457

Change Group: O	Change Type: A	Change No: 12	Priority: 6
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Staff Equity - Provide staff equity increases for hard to fill classification in the Human Service Centers and Institutions

Staff Equity Issues – To provide funding for equity compensation for hard to fill and / or retain positions bringing the pay to the average market salary.

The Human Services Centers are having difficulty with the hiring and retention of addiction counselors, advanced clinical specialists, registered nurses, human relation counselors, social workers, psychologists, and psychiatrists. 147 positions affected.

Total funds - \$253,635; General fund - \$124,053; Federal / Other funds - \$129,582.

The State Hospital is experiencing the same issues with the following classifications: LPNs; RNs and addiction counselor. 32 positions affected.

Total funds - \$139,660; General fund - \$139,660.

The Developmental Center is experiencing the same issues with the following classifications: LPNs, RNs, Direct training technicians, Direct training assistants, and vocational training technicians. 274.6 positions affected.

Total funds - \$1,030,286; General fund - \$375,539; Federal / Other funds - \$654,747.

Change Group: O	Change Type: A	Change No: 13	Priority: 7
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Capital Needs at Institutions - Capital Improvements, repairs and equipment at the Institutions

State Hospital -

There are three capital improvement projects that are needed at the State Hospital.

1. The electrical service needs to be upgraded from 4,160 volts to 12,500 volts. Similar projects have been completed at ND colleges and universities. The project will also establish a loop system, so if a problem occurs, that section can be isolated and repaired without affecting the rest of the electrical system. Upgrading to a larger voltage will require replacement of transformers and underground cable.
TOTAL COST: \$2,498,757
2. The street leading to the State Hospital Central Receiving and the James River Correctional Center kitchen is deteriorating rapidly due to the daily truck traffic. This OAR will allow reconstruction of the street, along with seal coating Circle Drive to prevent deterioration and paving a parking lot near the Lahaug Building.
TOTAL COST: \$614,000
3. The ND State Health Department has identified a problem with the ventilation system of the State Hospital lift station. This project would correct the ventilation problem and eliminate the need for the State Hospital sewage lagoon by enabling State Hospital sewage to be pumped into the Jamestown city sewer system.
TOTAL COST: \$250,000

EXTRA ORDINARY REPAIRS - There are several buildings that need repairs, including siding, roof repair, sewer pipe replacements and window replacements. There are also repairs needed to the main water and sewer systems for the State Hospital campus.

TL BUILDING
Siding and Window Replacement 45,000

SWIMMING POOL
Replace Water Heater 20,000
Install Heating Coil 2,500

PLUMBING SYSTEMS
Replace two main water shut off valves 18,000
Replace two fire hydrants 18,000
Replace two manholes 36,000
Overhaul Chillers(done every 5 years) 19,000
Repair storm sewer by TL houses 35,000

HEATING PLANT
Replace 4" and 6" water lines to JRCC 20,000
Repair the rear wall refractory 33,500
Overhaul soot blowers 10,000
Repair the 18 coal unloading doors 53,000
Replace rotating grate bars and chains 40,000
Install water cooling for bearings 15,000
Repair leaking roof 75,000

Replace two feed water pumps 38,000
 Replace feed water control valve 7,500
 Replace two pumps with one fuel pump 13,500
 Remove underground unused fuel tank 20,000
 Electrical switch gear ventilation 25,000
TOMPKINS BUILDING
 Replace condensate pump 4,500
EMPLOYEES' BUILDING
 Replace windows 120,000
 Electrical service upgrade 40,000
 Plumbing service upgrade 75,000
LAHAUG BUILDING
 Roof repair 60,000
 Sewer piping replacement 30,000
 Replace obsolete sprinkler heads 15,000
 Install new temperature controls 20,000
 Install new humidity controls 15,000
NEW HORIZONS
 Replace water fountain and toilet drains 7,500
16 WEST BUILDING
 Elevator repair 90,000
 Asbestos survey 5,000
 Asbestos abatement 50,000
 Replace water main 22,500
 Electrical service upgrade 20,000
 Repair heating system 15,000
 Replace locks on one floor 20,000
TOTAL COSTS - \$1,153.500

Due to increasing acuity levels of sex offenders and individuals temporarily placed at the North Dakota State Hospital for evaluation, the State Hospital is planning to build a 9,000 to 10,000 sq. ft. addition to the GM Building, which will house patients needing the highest level of security. The cost estimate of \$3.1 million was determined by Joel Leapaldt, State Facility Planner.

Developmental Center –

CAPITAL IMPROVEMENTS - Central Receiving roof (\$90,000); Vehicle Maintenance/Carpenter Shop roof (\$75,000); Power House -- 2 roof sections that are over 20 years old that cover the electrical distribution and boiler systems for the campus (\$48,000); Collette Gym roof (\$48,000); Cedar Grove -- roof leaks in office areas (\$135,000); Flooring replacements - campus (\$120,000); Gym floor - tiles are coming loose and breaking (\$25,000); Therapeutic pool pumps - replacement (\$6,200); Chapel - replace masonite siding with steel (\$12,000); Cabinets and countertops - campus-wide (\$10,000); Parking lots and roads -- seal black top to increase life expectancy (\$50,000); Sidewalks (\$5,000); Collette pool filtration - underground tanks are leaking, walls are so thin that we are using wood blocks to prop up the filters (\$55,000); Steam distribution system - areas of the steam distribution system are direct buried, have been leaks in this system in the past and sections need to be replaced (\$100,000); Chill water system - leaks need to be fixed and/or replaced to coincide with the steam distribution system (\$50,000); Chill Water system -

overhaul of chillers required every 5 years (\$19,000); Tunnels - repair cracks and eliminate numerous water leaks (\$25,000); Heating plant electrical panel -- replace panel (\$120,000); Greenhouse shop -- floor is pitted (\$5,000). Total of this OAR is \$998,200. Over the course of the assets' 25 year depreciable life, assuming an FMAP of 64.00%, DC will recoup a total of \$638,484 in Federal Funds through its cost report. TOTAL COSTS: 998,200.

EQUIPMENT - Copy machines for Nursing, Human Resources, Clerical Services, New Horizons, Maplewood and Cedar Grove (\$42,440); Dental chairs (\$20,000); Seating simulator (\$6,000), Wheelchair frames (\$7,200), and Pressure mapping system (\$8,000) for Adaptive Equipment Services; and GPS tracking units for Clinical Services (\$9,000). Total of this OAR is \$92,640. Over the course of the assets' 10 year depreciable life, assuming an FMAP of 64.00%, DC will recoup a total of \$59,290 in Federal Funds through its cost report. TOTAL COSTS: 92,640.

Change Group: O	Change Type: A	Change No: 14	Priority: 8
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Provider Requests - Various provider requests

Description	Total	General	Federal / Other
Medical Services			
Increase medically needy income levels from 61% to 83% of poverty. The levels have not been increased since January 2003. This increase would result in a one person household being able to retain an additional \$179 a month, (from \$500 to \$679) before recipient liability is applied. This effects approx. 4,451 current Medicaid recipients.	7,023,015	2,529,690	4,493,325
Increase ambulance reimbursements to the rates paid by Medicare. This would increase reimbursement from approx. 32% to 52% of billed charges.	664,665	239,412	425,253
<i>LONG TERM CARE CONTINUUM</i>			
Implement an equitable provider payment structure for Qualified Service Providers. This would allow \$3.16 per 15 minutes for individuals and \$4.88 per 15 minutes for agencies.	5,646,191	4,011,990	1,634,201
Rebase Nursing facility building limit using RS Means Construction index instead of CPI.	543,998	195,948	348,050
Provide DD staffing enhancements, and additional ISLA and In-	5,030,955	1,814,868	3,215,820

Home Supports to meet the needs of individuals currently residing in the community who are underserved and at risk of institutionalization.			
Developmental Disability to provide for a \$1.50 hourly wage increase, and fringe benefit multiplier from 33% to 36%	31,727,438	11,528,983	20,198,455
Provide additional funds for the 7 medically fragile children at Anne Carlson Center.	986,794	355,443	631,351
Provide additional staffing for facilities that care for the 56 children with significant behavior challenges.	2,321,037	836,037	1,485,000
<i>CHILDREN & FAMILY SERVICES</i>			
Provide for additional reimbursement to counties for Child Care Licensing services and for case management provided to children in state custody.	591,480	496,678	94,802
Provide additional reimbursement to counties for Child Abuse and Neglect services so 100% of their costs are covered.	3,530,726	3,530,726	
<i>DISABILITY SERVICES</i>			
Provide additional funding for the Interagency Program for Assistive Technology (IPAT). The level of federal funding for the program has decreased. This increase will allow IPAT to provide services that will allow for the ability of individuals to remain in their home longer and prolong the admission into a Nursing Facility or other residential care program.	500,000	500,000	
Provide the 4 core Independent Living services in every county in the state, which are skills training, advocacy, peer counseling and information & referral in every county in the state. In order to accomplish this, a budget of approximately \$4.8 million per biennium would be needed. The current funding for these services is \$2.7 million.	2,128,328	2,128,328	
Totals	60,694,360	28,168,103	32,526,257

Change Group: O	Change Type: A	Change No: 15	Priority: 9
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Drug Court Efforts - Enhance Drug Court Efforts at the Human Service Centers

The effectiveness of the drug courts was discussed during the Interim Committee on the Alternatives to Incarceration meetings. The Human Service Centers are experiencing that they can no longer absorb within its current budget the demand of treatment and representation required by the drug courts. Also the North Central region (Minot) is looking to add an adult and juvenile drug court. An addiction counselor is requested in the Minot, Grand Forks, Fargo and Bismarck regions at the following amounts:

Total	General	Federal / Other
386,477	330,198	56,279

Change Group: O	Change Type: A	Change No: 16	Priority: 10
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Sex Offender Growth - Sex Offender Growth

Description	Total	General	Federal / Other
Sex Offender Community Treatment - Phasing in program to 140 individuals	2,774,562	2,774,562	
Addition of a sexual abuse therapist for the treatment of adolescent offenders at SE. Private entity no longer provides this service.	97,282	87,554	9,728
Sexual Offender needs at the State Hospital, includes the opening of a 20 bed, 4th unit	1,262,629	1,262,629	
25 bed Geropsych Nursing Home Unit	2,697,105	2,697,105	
Total Sex Offender Growth	6,831,578	6,821,850	9,728