

STATEMENT OF PURPOSE

RS26391

This is the FY 2019 original appropriation bill for the Department of Health and Welfare for the divisions of Independent Councils, Indirect Support Services, Healthcare Policy Initiatives, and Licensing and Certification. It appropriates \$83,069,100, limits the number of authorized full-time equivalent positions to 389.10, and provides for nine sections of legislative intent language.

For benefit costs, the bill removes \$1,450 per eligible FTP to bring the annual employer contribution for health insurance down to \$11,650 by including a two-month employee and employer premium holiday, adds a 6.8% increase for life insurance, and adjusts funding for workers' compensation in amounts that vary by agency. Funding for replacement items includes \$2,567,600 for various IT projects, vehicles, and alteration and repairs. For statewide cost allocation, \$587,300 is provided, as Attorney General fees will increase by \$467,700, risk management costs will increase by \$56,200, State Controller fees will increase by \$71,400, and State Treasurer fees will decrease by \$7,300. The bill also provides funding for a 3% ongoing merit-based salary increase for permanent employees, to be distributed at the discretion of the director, and a 3% increase in the compensation schedule. The bill includes the addition of eight line items. The first line item provides \$989,400 for the Cisco Enterprise license agreement. The second line item provides \$1,067,400 for the increased allocated costs related to the mainframe at the Office of the State Controller. The third line item provides 2.00 FTP and \$118,900 for additional staff in the Criminal History Unit. The fourth line item provides 1.00 FTP and \$60,800 for additional staff in the Medicaid Program Integrity Unit. The fifth line item provides 1.00 FTP and \$68,400 for additional staff in the Fraud Analysis Unit. The sixth line item provides \$700,000 for the Criminal History Unit Grant. The seventh line item provides \$5,000,000 for the final year of the SHIP Grant. The eighth line item provides 2.00 FTP and \$171,200 for additional staff in the Licensing and Certification Division for surveys related to assisted living facilities.

Intent language in the bill includes three sections that are applied to all appropriation bills for the Department of Health and Welfare. These sections provide for the transfer of General Fund appropriation to the Cooperative Welfare Fund, limit transfers between expense classes, and provide for program integrity. The fourth section provides for a monthly report on Medicaid. The fifth section provides for biannual reports on Medicaid program integrity. The sixth section provides for a report on program transfers. The seventh section provides for a report on vacancies in the department. The eighth section provides for a report on the SHIP Grant. The ninth section provides for a report on caseload and workload in the Division of Licensing and Certification.

FISCAL NOTE

	FTP	Gen	Ded	Fed	Total
FY 2018 Original Appropriation	381.10	20,927,900	4,613,900	49,761,400	75,303,200
Noncognizable Funds and Transfers	2.00	58,100	0	135,700	193,800
FY 2018 Estimated Expenditures	383.10	20,986,000	4,613,900	49,897,100	75,497,000
Removal of Onetime Expenditures	0.00	(1,400,800)	0	(2,730,100)	(4,130,900)
Base Adjustments	0.00	0	0	0	0
FY 2019 Base	383.10	19,585,200	4,613,900	47,167,000	71,366,100
Benefit Costs	0.00	(179,300)	(36,500)	(272,200)	(488,000)

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Replacement Items	0.00	815,600	458,000	1,294,000	2,567,600
Statewide Cost Allocation	0.00	306,100	0	281,200	587,300
Change in Employee Compensation	0.00	316,500	67,500	476,000	860,000
FY 2019 Program Maintenance	383.10	20,844,100	5,102,900	48,946,000	74,893,000
Indirect Support Services					
10. Cisco Enterprise License Agreement	0.00	549,300	0	440,100	989,400
12. SCO Mainframe Costs	0.00	464,100	0	603,300	1,067,400
16. Criminal History Unit New Staff	2.00	0	118,900	0	118,900
24. Medicaid Integrity Unit New Staff	1.00	0	30,400	30,400	60,800
28. Fraud Analysis New Staff	1.00	0	19,400	49,000	68,400
50. Criminal History Unit Grant	0.00	0	175,000	525,000	700,000
Healthcare Policy Initiatives					
9. SHIP Grant	0.00	0	0	5,000,000	5,000,000
Licensing and Certification					
11. New Surveyors - Asst Living Facilities	2.00	62,400	0	108,800	171,200
FY 2019 Total	389.10	21,919,900	5,446,600	55,702,600	83,069,100
Chg from FY 2018 Orig Approp	8.00	992,000	832,700	5,941,200	7,765,900
% Chg from FY 2018 Orig Approp.	2.1%	4.7%	18.0%	11.9%	10.3%

Contact:

Jared Tatro
 Budget and Policy Analysis
 (208) 334-4740

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