

**Senate Appropriations Subcommittee for
Health and Human Services**

Proposed Senate Budget for Health and Human Services

Money Report

May 17, 2010

Health and Human Services

GENERAL FUND

Total Budget Approved 2009 Session

FY 10-11

\$4,321,028,842

Budget Changes

(1.0) Division of Child Development

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|---|--------------------------------|-----------|
| <p>1 Equipment, Travel and Supplies</p> <p>Reduces the funding within the operations budget. This reduction holds the Division to its FY2009-10 spending level for operations.</p> | <p>(\$261,518)</p> | <p>R</p> |
| <p>2 Vacant Positions</p> <p>Eliminates two vacant positions within the Division of Child Development. The positions to be eliminated are Administrative Assistant I budgeted at \$31,564 and an Administrative Officer III budgeted at \$41,173. These positions have been vacant longer than six months.</p> | <p>(\$72,737)</p> <p>-2.00</p> | <p>R</p> |
| <p>3 Child Care Subsidy</p> <p>Replaces State funding for child care subsidy with Temporary Assistance for Needy Families Block Grant (TANF) funds for FY2010-11.</p> | <p>(\$24,756,300)</p> | <p>NR</p> |
| <p>4 Electronic Payment System</p> <p>Reduces funds available within the Division of Child Development in anticipation of saving money related to better management and tracking of child care subsidy expenditures. The new system will reduce expenditures associated with fraudulent and inaccurate payments.</p> | <p>(\$6,000,000)</p> | <p>R</p> |
| <p>5 Smart Start</p> <p>Reduces funding for the North Carolina Partnership for Children, Inc. This is a 5.2% reduction and the remaining funding totals \$183 million.</p> | <p>(\$10,000,000)</p> | <p>R</p> |
| <p>6 Health Initiatives</p> <p>Reduces funding for the Smart Start Health Initiatives, currently funded at approximately \$8 million annually. Remaining Health Initiatives funding will be used to leverage federal funds to pay for health-related activities funded through Smart Start.</p> | <p>(\$5,000,000)</p> | <p>R</p> |

(2.0) Division of Mental Health, Developmental Disabilities, and Substance Abuse Service

- 7 School-based Child and Family Teams** (\$523,638) R
 Eliminates funding available for system coordinators within the 15 LME pilot areas. These funds support 18 Care Coordinators.

- 8 Vacant Position** (\$84,864) R
 Reduces funding for a vacant position within the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services. This position is a Mental Health Program Administrator II and has been vacant for one year. This position is budgeted at \$84,864 and the work location is Raleigh. -1.00

- 9 State Service Funds** (\$4,461,202) NR
 Replaces State funding with the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services with federal Mental Health and Substance Abuse block grant funds for FY2010-11. The total includes \$1,731,432 from the Mental Health Block Grant and \$2,729,770 from Substance Abuse Block Grant. This is a one-time swap of state with federal funds.

- 10 Division Management Funds** (\$7,180,807) NR
 Reduces unobligated funding available at the Division's discretion for one-time needs of community providers or LME system needs. The total includes \$1,169,355 for mental health, \$3,398,534 for developmental disabilities, and \$2,612,918 for substance abuse services. These funds have historically been spent to address specific one-time needs; these funds are not allocated to LMEs for service provision.

- 11 Convert Whitaker School to a PRTF** (\$1,938,465) R
 Reduces State funds for the Whitaker School; the program will become a Psychiatric Residential Treatment Facility in which services are Medicaid reimbursable.

- 12 Local In-Patient Bed Capacity** \$12,000,000 R
 Increases funds available for the three-way contracts to purchase local hospital bed capacity for crisis response within the community. These funds will support the purchase of an estimated 50 beds, bringing the funding to \$32 million.

13 Training in Facilities \$534,795 R
 Increases funds available for training direct care staff and front line leaders in patient care. Training will include medication administration, therapeutic communication, clinical and legal aspects of documentation and cultural awareness.

14 Community Service Funds \$23,000,000 NR
 Provides funding for community service funds administered through Local Management Entities. An additional \$17 million of TANF funds is allocated to fully restore the \$40 million non-recurring reduction for FY2010-11.

15 Leadership Academy \$250,000 NR
 Provides funds for a Mental Health Leadership Academy for training for Mental Health managers, finance/budget officers, and other leaders within Local Management Entities.

(3.0) Division of Central Management and Support

16 Key Program (\$561,000) NR
 Reduces funding available for Key Program rental subsidies. The Key Program provides rental assistance for disabled persons in targeted Low-Income Housing Tax Credit (LIHTC) units. Approximately 187 rental units will not be completed during FY 2010-11, thereby reducing projected requirements for subsidies.

17 Information Technology Services (\$937,161) R
 Reduces recurring funding within the Division of Information Resource Management for ITS telecommunication data services (\$300,564), computer/data processing (\$286,597), and ITS managed local area network services (\$350,000). Transitioned CSE programs, effective July 1, 2010, will assume responsibility for ITS charges for telecommunications services. Remaining reductions reflect ITS rate reductions and decreased mainframe use as new applications come online.

18 Over-Realized Receipts (\$1,362,201) R
 Reduces funding with the Controller's Office. This reduction will be offset by budgeting additional receipts regularly received but not currently budgeted.

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<p>19 CARE-LINE Reduces the hours of operation for the Department of Health and Human Services CARE LINE to regular business hours, and transfers after-hour calls to the Martin County Call Center. Approximately 20% of calls are presently received after regular business hours.</p>	<p>(\$257,004) R -4.00</p>
<p>20 Equipment, Travel and Supplies Reduces funding for equipment, travel, and supplies within the Division of Central Management and Support. This reduction was also taken on a non-recurring basis during FY 2009-10 to meet the projected revenue shortfall.</p>	<p>(\$263,581) R</p>
<p>21 Position Eliminations Eliminates positions within the Division of Central Management.</p>	<p>(\$1,228,875) R -20.00</p>
<p>22 Pesticide Task Force Eliminates funding for the Pesticide Task Force activities. These activities are paid for through the federal NC Farmworker health grant.</p>	<p>(\$39,430) R</p>
<p>23 Community Care of NC Grants Eliminates State appropriation for demonstration grants--obesity, stroke prevention, and emergency room diversion--to test alternative methods to managing the utilization of health care services. demonstration projects within the CCNC program.</p>	<p>(\$183,833) R</p>
<p>24 Rural Health Loan Repayment Program Reduces funding for the Rural Health Loan Repayment Program. This reduction amount represents three contracts for health providers.</p>	<p>(\$190,749) R</p>
<p>25 Special Olympics Provides funding for a grant-in-aid to Special Olympics.</p>	<p>\$100,000 NR</p>

(4.0) Division of Public Health

<p>26 Minority Health Interpreter Services Reduces state appropriations for local health department service contracts that meet the language needs of clients.</p>	<p>(\$11,000)</p>	<p>R</p>
<p>27 Community Focused Eliminating Health Disparities Contracts Reduce State appropriations for state and local health department contracts by less than 3 percent.</p>	<p>(\$85,895)</p>	<p>R</p>
<p>28 Division of Public Health Contracts Reduces State appropriations remaining in two contracts-Perinatal Outreach and Family Health Resource Line-that have been eliminated.</p>	<p>(\$400,601)</p>	<p>R</p>
<p>29 Accreditation of Local Health Departments Suspends for an additional year the Division of Public Health's evaluation and accreditation of Local Health Departments (LHDs). Centers for Communicable Disease and Prevention is scheduled to launch a nationwide effort to accredit local health departments to national standards in 2011.</p>	<p>(\$650,000)</p>	<p>NR</p>
<p>30 Medicaid Funding for WIC Metabolic Foods Replace State appropriations with Medicaid funding for Medicaid-eligible children requiring a diet of metabolic foods.</p>	<p>(\$283,477)</p>	<p>R</p>
<p>31 Position Eliminations Eliminates 27 positions in Division of Public Health.</p>	<p>(\$900,000)</p> <p style="text-align: right;">-27.00</p>	<p>R</p>
<p>32 Operations Reduction Reduces State appropriations for equipment, travel, and supplies at Division offices.</p>	<p>(\$443,530)</p>	<p>R</p>

33 Immunization Changes	(\$15,894,853)	R
Eliminates State appropriation for the purchase of vaccines, for which health care providers, including local health departments, can be billing health insurers for reimbursement. North Carolina Health Insurers reimburse for the full series of standard immunizations recommended by Centers for Disease Control and Prevention (CDC) and the American Academy of Family Physicians; and required by the North Carolina Immunization Program.		
34 Children's Development Services Agency	(\$2,600,000)	R
Offsets General funds with overrealized receipts from Medicaid. This program has been increasing its third party collections.		
35 School Health Nurses	\$1,000,000	R
Provides funds to hire 20 additional school nurses to bring the total number of school health nurses supported by the Division of Public Health to 265. This is in addition to the 20 school nurses provided for in SFY 2010-11 in S.L. 2009-451, Sec. 10.24.		
36 AIDS Drug Assistance Program	\$14,177,632	R
Provides State funds to continue to serve people in the AIDS Drug Assistance Program who are enrolled as of July 1, 2010. These funds will allow eligible individuals with annual incomes of up to 125% FPL, who are on the waiting list as of July 1, 2010 to be enrolled. To the degree that funds are available, additional people will be enrolled in the program.		
(5.0) NC Health Choice		
37 Optical Supplies	(\$114,550)	R
Directs the Health Choice Program to contract with Department of Correction for optical supplies.		
38 NC Health Choice Transition Staff	\$59,475	R
Provides State funds for three staff to transition the administration of NC Health Choice from the State Health Plan to the Division of Medical Assistance. The staff includes two time-limited employees for clinical policy and provider enrollment and one permanent employee for program integrity activities.		

39 NC Health Choice Enrollment \$6,500,000 R
 Provides State appropriation to increase enrollment in Health Choice by 2% or 2,750 children for a total of 137,789 children served by the program.

(6.0) Division of Medical Assistance

40 CCNC Savings (\$45,000,000) R
 Provides savings in overall Medicaid expenditures through the expanded efforts of the Community Care Network of North Carolina (CCNC). DHHS contracts with CCNC to manage utilization of Medicaid services. Savings will be generated by expanding CCNC's care management programs in hospital discharge, mental health; palliative care, and pharmacy. The improved Informatics system will enhance data integration, analytics, and reporting, increasing performance and cost savings.

41 Maternal Outreach Workers (MOW) (\$292,974) R
 Transitions pregnant women receiving services through Local Health Departments from Maternal Outreach Workers (MOW) to services provided by Maternal Care Coordinators (MCC) and Children Services Coordinators (CSC). MCC and CSC personnel are required to have a Bachelor's Degree.

42 Pharmacy Program Improvements (\$5,566,096) R
 Generates savings by implementing various pharmacy program improvements, including collecting drug rebates on certain prescription drug claims (\$3.6 million); stopping reimbursement for lost prescriptions (\$252,000); requiring prior approval on brand drugs when 'medically necessary' is written on the prescription (\$938,700); creating a specialty drug network for dispensers of certain high cost drugs (\$316,040); requiring prior approval on all requests for the drug Synagis (\$376,253); and eliminating the ineffective FORM pharmacy program (\$83,103).

43 Prescription Vitamins (\$777,138) R
 Eliminates Medicaid coverage of prescriptions for vitamins and minerals that are available over-the counter, while continuing to reimburse for multi-vitamin prescriptions for pregnant women.

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| <p>44 Narcotic Prescriptions
 Reduces General Fund appropriations for Medicaid pharmacy by locking Medicaid enrollees with a narcotic prescription (e.g. Vicodin, Benzodiazipine) into a single pharmacy and single doctor to prevent pharmacy and doctor shopping and narcotics abuse.</p> | <p>(\$603,000)</p> | <p>R</p> |
| <p>45 Mental Health Drug Savings
 Generates savings by adding mental health drugs to the Preferred Drug List (PDL), which were previously not part of the PDL savings, and also requires prior authorization but only for off-label prescribing of mental health drugs.</p> | <p>(\$10,000,000)</p> | <p>R</p> |
| <p>46 Capitated Behavior Health Pilot Programs
 Expands the capitated behavioral health pilot program to two additional local management entities (LMEs), effective January 1, 2011. Effort is based on the Piedmont Behavioral Health pilot.</p> | <p>(\$1,560,600)</p> | <p>R</p> |
| <p>47 Prior Authorization for Children's Outpatient Mental Health Services
 Establishes Prior Authorization for Children's Outpatient Mental Health Services at 16 visits versus the current 26 visits.</p> | <p>(\$933,547)</p> | <p>R</p> |
| <p>48 Independent Assessments on Mental Health Services
 Implements independent assessments on various mental health services in the Medicaid program. Prior to the service being delivered, an independent assessment will be conducted to ensure the proper utilization of services.</p> | <p>(\$7,730,207)</p> | <p>R</p> |
| <p>49 Enhanced Mental Health Changes
 Modifies the community support team (CST) service for adults to limit the number of hours from 18 per week to 5, and reduces the rate from \$15.60 per unit to \$11.80 per unit. Savings also reflect a delay in the implementation of the Peer Support program by six months, effective January 1, 2011.</p> | <p>(\$41,000,000)</p> | <p>R</p> |

50 In-Home Personal Care Services	(\$59,805,207)	R
Reforms the In-Home Personal Care Services program to provide care to those individuals at greatest risk of needing institutional care. Reform includes the elimination of in-home PCS services for adults and the creation of a new program for adults with the most intense needs - those needing assistance with three or more activities of daily living (ADLs).		
51 Dental Program Improvements	(\$16,982)	R
Generates savings by implementing policy improvements in the dental program for children, including implementing limits on imaging for children under the age of 6 years of age; limiting three film radiographs to children aged 13 and older; and limiting the reimbursement for primary teeth composites.		
52 Health Insurance Premium Payment Program (HIPP)	(\$3,000,000)	R
Expands the HIPP Program, in which Medicaid pays for employer-based health insurance costs on behalf of Medicaid-eligible individuals when it is less expensive than Medicaid coverage.		
53 Reimbursement of 'Never Events'	(\$5,000,000)	R
Eliminates Medicaid reimbursement of 'never events' in hospital inpatient settings. 'Never events' are certain types of medical issues that develop or are acquired while a person is in a hospital, but should have been prevented. The policy change brings Medicaid in line with Medicare reimbursement.		
54 Coverage of Certain Types of Surgery	(\$125,148)	R
Eliminates coverage of certain types of surgery, including breast reduction and mastopexy (breast lift) surgery (\$23,420); panniculectomy surgery (\$12,328); and surgery for severe obesity (\$89,400).		
55 Medical Assistance Co-Payments	(\$4,530,404)	R
Increases current copayment amounts to a maximum of \$3.40, and expands collection of copayments to local health departments and outpatient behavioral health services. In addition, implements a \$6.80 copayment for nonemergency hospital emergency room (ER) visits.		

- 56 Program Integrity Savings** (\$36,188,013) R

Generates savings through new Program Integrity initiatives, including Medicaid SWAT teams for on-site investigations, strengthening Medicaid fraud laws, innovative technology to detect fraud and abuse, and prepayment reviews for questionable providers.
- 57 Attorney General's Office (AGO) Medicaid Investigative Unit Staff Savings** (\$1,000,000) R

Generates savings by doubling the Medicaid Investigative Unit staff at the AGO to expand the prosecution of Medicaid fraud and abuse. Additional staff will ensure increased prosecution and additional Medicaid funds recovered from fraudulent providers.
- 58 Contract Reductions** (\$180,250) R

Reduces payment for duplicative or unnecessary administrative functions performed under the Medicaid contract with HP, including eliminating the processing of duplicative claims and processing prior approval (PA) on claims that do not require PA.
- 59 ARRA Federal Enhanced Matching Funds Extension** (\$482,111,583) NR

Reduces General Fund appropriations anticipating that Congress will pass a law extending by six months the enhanced federal matching funds provided under the American Recovery and Reinvestment Act (ARRA) through June 2011.
- 60 ARRA Medicare Part D Clawback Savings** (\$79,419,834) NR

Reduces General Fund appropriations based on savings from enhanced federal matching funds provided by the American Recovery and Reinvestment Act (ARRA). The enhanced federal funds offset State funding for Medicaid paid to cover a portion of prescription drug costs paid by Medicare Part D for dually-eligible (Medicaid/Medicare) individuals. Savings also anticipate that Congress will pass legislation extending the enhanced rate for six months, through June 2011.

61 Medicaid Rebase

\$430,564,713 R

Increases General Fund appropriations to the FY 2010-11 Medicaid budget to account for 5.6% growth in eligibles above current levels (\$5,054,765); consumption (\$121,867,913); inflation for cost-settled providers (\$5,568,149); new services and mix of services (\$16,094,752); anticipated cost of flu (\$7,985,000); reductions not achieved in the previous fiscal year (\$225,537,633); and increased appropriations due to the change in the Federal Medical Assistance Percentage (FMAP) (\$48,456,502).

62 Adult Care Home Funds

\$5,000,000 R

Increases funding for adult care homes based on acuity levels for the personal care services provided in adult care homes. Funding will assist in the development of a 1915(c) Medicaid Assisted Living waiver for individuals that reside in adult care homes that meet skilled nursing level of care and currently receive State County Special Assistance (SA).

(7.0) Division of Health Service Regulation

63 Home Base Licensure and Certification Staff/Lexington Office

(\$92,038) R

Closes Lexington office and home-bases licensure and certification staff, eliminating operating costs and two administrative positions.

\$22,797 NR
-2.00

64 Medicaid Funding for Home Care Licensure and Certification

(\$104,739) R

Generates savings by collecting federal Medicaid receipts to support licensure and certification activities for home care agencies. Since home care agencies are Medicaid providers, this will allow DHSR to collect federal Medicaid receipts.

65 Fee for Adult Care Home Medication Aide Testing

(\$110,575) R

Establishes a \$25 fee for the testing and materials provided to adult care home medication aides to help defray the costs of administering the tests.

66 Fees for Adult Care Home Administrator Testing and Certificates

(\$35,240) R

Establishes a \$50 adult care home administrator test fee and a \$30 adult care home administrator certificate renewal fee. Certificate renewals occur every two years.

67 Nursing Home Licensure and Certification Funds

Replaces General Fund appropriations with federal receipts in the Nursing Home Licensure and Certification Section on a nonrecurring basis. The receipts come from civil monetary penalties assessed against nursing homes.

(\$1,741,551) NR

(8.0) Division of Social Services

68 Equipment, Travel and Supplies

Reduces funding for equipment, travel, and supplies within the Division of Social Services. This reduction was also taken on a non-recurring basis during FY 2009-10 to meet the projected revenue shortfall.

(\$492,000) R

69 Adult Care Home Case Management

Reduces over-budgeted funds for adult care home case management services, per historical reversions.

(\$150,000) R

70 Position Eliminations

Eliminates positions within the Division of Social Services.

(\$959,632) R

-15.00

71 Economic Services Contract

Eliminates funding for contracted installation and support for Supplemental Nutrition Assistance Program (SNAP) Electronic Benefit Transfer (EBT) infrastructure at Farmers Markets. Federal funds are available to support this initiative, and there has been limited vendor activity to date.

(\$192,166) R

72 Child Support Enforcement Consolidation

Streamlines functions within the Child Support Section and reduces operating funds to coincide with the elimination of sixteen State-operated Child Support Enforcement offices. Effective July 1, 2010, S.L. 2009-451 transitions financial and administrative responsibilities for local child support enforcement to twenty-eight counties presently served by the State offices. Under this proposal, approximately twenty filled and thirteen vacant positions within the central Child Support Section are eliminated.

(\$1,282,777) R

-33.00

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|---|---------------|---|
| 73 Child Advocacy Centers | (\$375,000) | R |
| Replaces recurring grants-in-aid for the twenty-two accredited Child Advocacy Centers statewide. This reduction is offset by a non-recurring allocation of Social Services Block Grant receipts for services provided by the Child Advocacy Centers during FY 2010-11. | | |
| 74 NC REACH Post-Secondary Scholarship Program | (\$160,507) | R |
| Reduces funding for NC REACH scholarships per projected growth in awards during FY 2010-11. This non-recurring reduction leaves \$1,584,125 available to support scholarships in FY 2010-11. In addition, funding for contractual case management services is reduced commensurate with actual FY 2009-10 obligations. | | |
| 75 Child and Family Teams | (\$420,804) | R |
| Eliminates funding for twelve child and family team facilitator positions located in the following counties: Anson, Bertie, Duplin, Greene, Halifax, Hoke, Hyde, Martin, McDowell, Nash, Pamlico, and Vance. These funds support facilitator positions established for pilot programs in the above counties. The remaining eighty-eight counties have utilized other resources to hire facilitators. | | |
| 76 Child Welfare Contracts | (\$1,238,821) | R |
| Eliminates funding for 1) Multiple Response (\$229,086) and Adoption Programs (\$459,156); 2) Grants-in-Aid (\$413,044) for child placement services; and 3) Methamphetamine Training (\$137,535). This reduction eliminates funding for non-mandated services, conferences, and trainings. Additionally, because placement agencies receive standardized rates for children in foster care (standardization effective January 2009), supplementary grants-in-aid are no longer necessary. Lastly, prior Methamphetamine training and support to all county DSS' have led to the creation of community protocols, reducing the need for ongoing training. | | |
| 77 Electing Counties' Work First State Funds | (\$2,378,213) | R |
| Replaces funding for Electing Counties' Work First programs with Temporary Assistance for Needy Families (TANF) funds. This reduction does not reduce budgeted funds for Electing Counties' Work First County Block Grants or Work First Family Assistance. | | |

- 78 State-County Special Assistance** (\$3,388,044) R
 Reduces funding in accordance with projected FY 2010-11 assistance levels. Counties' requirements are likewise reduced, due to equal financial participation for State-County Special Assistance. Projected savings are the result of the Special Assistance rate reduction that took effect October 1, 2009.
- 79 FMAP Extension - Foster Care & Adoption Assistance** (\$1,421,552) NR
 Reduces funding for foster care and adoption assistance payments per extension of the ARRA enhanced federal financial participation (FMAP) rate - base 6.2 percentage point increase from January 2010 through June 2010.
- 80 Temporary Assistance for Needy Families (TANF) Funds**
 Additional TANF funds, totaling \$16,176,036, are allocated to the Department of Public Instruction for the More at Four Pre-kindergarten program to replace an equivalent reduction in State funds.
- 81 Over-Realized Receipts** (\$450,000) NR
 Budgets prior year earned revenue on a non-recurring basis to offset an equivalent reduction in General Fund appropriations.
- 82 State Funding Authorizations for Counties** (\$2,390,896) R
 Continues a reduction in State funding authorizations for counties for Foster Care/Adoption Title IV-E, Child Protective Services-State, and Child Protective Services Title IV-E. These reductions were implemented during FY 2009-10 to cover the projected revenue shortfall.
- 83 Food Banks** \$1,000,000 NR
 Provides a non-recurring grant-in-aid to be equally distributed to the six regional food banks within North Carolina.
- 84 Child Welfare Education Collaborative** \$239,453 R
 Continues support of the Child Welfare Education Collaborative educational assistance program for social work students who commit to working in child protective services in county departments of social services.

(9.0) Office of Education Services

<p>85 Position Eliminations Eliminates positions within the Office of Education Services.</p>	<p>(\$2,127,065) R -50.00</p>
<p>86 Food Service Staffing Eliminates ten filled food service staff positions within the residential schools for the blind and deaf. The Department of Public Instruction's Child Nutrition Section, using USDA standards, audited the three residential schools' food service operations and determined that food service operations were over-staffed. Under USDA standards, meals per labor hour should average between 15 and 20. Present ratios at the residential schools are approximately 1.7 meals per labor hour.</p>	<p>(\$282,991) R -10.00</p>
<p>87 Temporary Staffing Reduces funding for temporary wages within the Office of Education Services.</p>	<p>(\$58,500) R</p>
<p>88 Residential School Administrative Staffing Consolidates functions among residential school administrative positions, requiring the directors of the residential schools to assume full oversight of academic and business operations.</p> <p>Eliminates two filled and one vacant position within the North Carolina School for the Deaf: School Principal, #60039101 - \$101,516 School Assistant Principal, #60039082 - \$88,786 School Assistant Principal, #60039080 - \$88,804</p> <p>Eliminates two filled positions within the Eastern North Carolina School for the Deaf: School Principal, #60039225 - \$108,563 School Assistant Principal, #60039138 - \$85,317</p> <p>Eliminates two filled positions within the Governor Morehead School for the Blind: School Principal, #60039380 - \$71,636 School Assistant Principal, #60039392 - \$60,764</p>	<p>(\$605,386) R -7.00</p>

89 Beginnings, Inc. Contract (\$46,459) R
 Reduces funding for training of early intervention and public school professionals. This is a 4.8% reduction in total funding for contractual services provided by Beginnings, Inc, leaving \$919,730 in recurring funding.

90 Office of Education Services (\$2,492,279) R
 Eliminates the Office of Education Services Central Office, Resource Support, Governor Morehead School Outreach, Deaf/Blind, and Exceptional Children Support programs.

 The oversight of the North Carolina School for the Deaf, Eastern North Carolina School for the Deaf, Governor Morehead School for the Blind, Governor Morehead Preschool, Early Intervention Services - Preschool, and Family Resource Center programs is transferred to the Department of Public Instruction, Exceptional Children Division by Type I transfer.

(11.0) Divisions of Services for the Blind and Services for the Deaf and Hard of Hearing

91 Special Assistance for the Blind Consolidation (\$287,807) R
 Merges the Special Assistance for the Blind sub-program presently administered by the Division of Services for the Blind with the State-County Special Assistance program within the Division of Aging and Adult Services. -1.00

92 Over-Realized Receipts (\$176,256) R
 (\$150,428) NR
 Budgets receipts within the Division of Services for the Blind as follows: 1) Social Security Administration receipts (\$150,428) per successful vocational rehabilitation client employment outcomes on a non-recurring basis; and 2) Other vending receipts (\$155,829) for independent living services.

In addition, \$20,417 in Telecommunications Relay Trust Fund receipts are budgeted within the Division of Services for the Deaf and Hard of Hearing for general administration. These additional receipts were identified during FY 2009-10 through updates to DHHS cost allocation plans.

These cumulative receipts offset equivalent reductions in General Fund appropriations.

93 Position Eliminations (\$93,421) R
 Eliminates positions within the Divisions of Services for the Blind, Deaf and Hard of Hearing. -2.00

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94 Accessible Electronic Information for Blind and Disabled Persons

Funds contracted electronic information services, which allow visually-impaired persons to access print media through telephone systems.

\$75,000 NR

(12.0) Division of Vocational Rehabilitation

95 Position Eliminations

Eliminates positions within the Division of Vocational Rehabilitation Services.

(\$516,798) R

-8.00

96 Aid & Public Assistance - Vocational Rehabilitation Basic Support

Reduces funding for vocational rehabilitation (VR) services. This reduction reflects maintenance of effort requirements for the VR Basic Support Grant, and leaves \$22,957,317 in appropriations for case services. DHHS implemented a non-recurring reduction of \$5,513,648 during FY 2009-10 to manage the projected revenue shortfall. DVRS will budget federal funds matched in prior years to partially offset this non-recurring reduction in FY 2010-11 appropriations.

(\$2,585,674) NR

Budget Changes	\$177,230,126	R
	(\$582,626,259)	NR
Total Position Changes		-182.00
Revised Total Budget	\$3,915,632,709	
