

FISCAL RESEARCH DIVISION

A Staff Agency of the North Carolina General Assembly

Central Management and Support Budget Overview

Joint House and Senate Appropriations
Committees on Health and Human Services

March 4, 2021

Objectives

- Provide a high-level overview of DHHS Central Management and Support (CMS)
- Review significant FY 2020-21 budget actions
- Review CMS budget summary and base budget data
- Provide updates on major issues for Fiscal Biennium 2021-23 and other recent legislative actions impacting CMS



CMS Overview

Provides agency-wide administrative and support services to the DHHS divisions and offices:

- Office of the Secretary*
- Office of General Counsel
- Office of Government Affairs
- Office of Communications
- Budget & Analysis Division
- Office of the Controller
- Property & Construction Division
- Information Technology Division
- Office of NC FAST
- Office of NCTracks
- Office of Privacy & Security
- Office of Procurement, Contracts, & Grants
- Human Resources Division
- Office of Internal Audit

*Includes the Office of Rural Health and the Office of Minority Health.



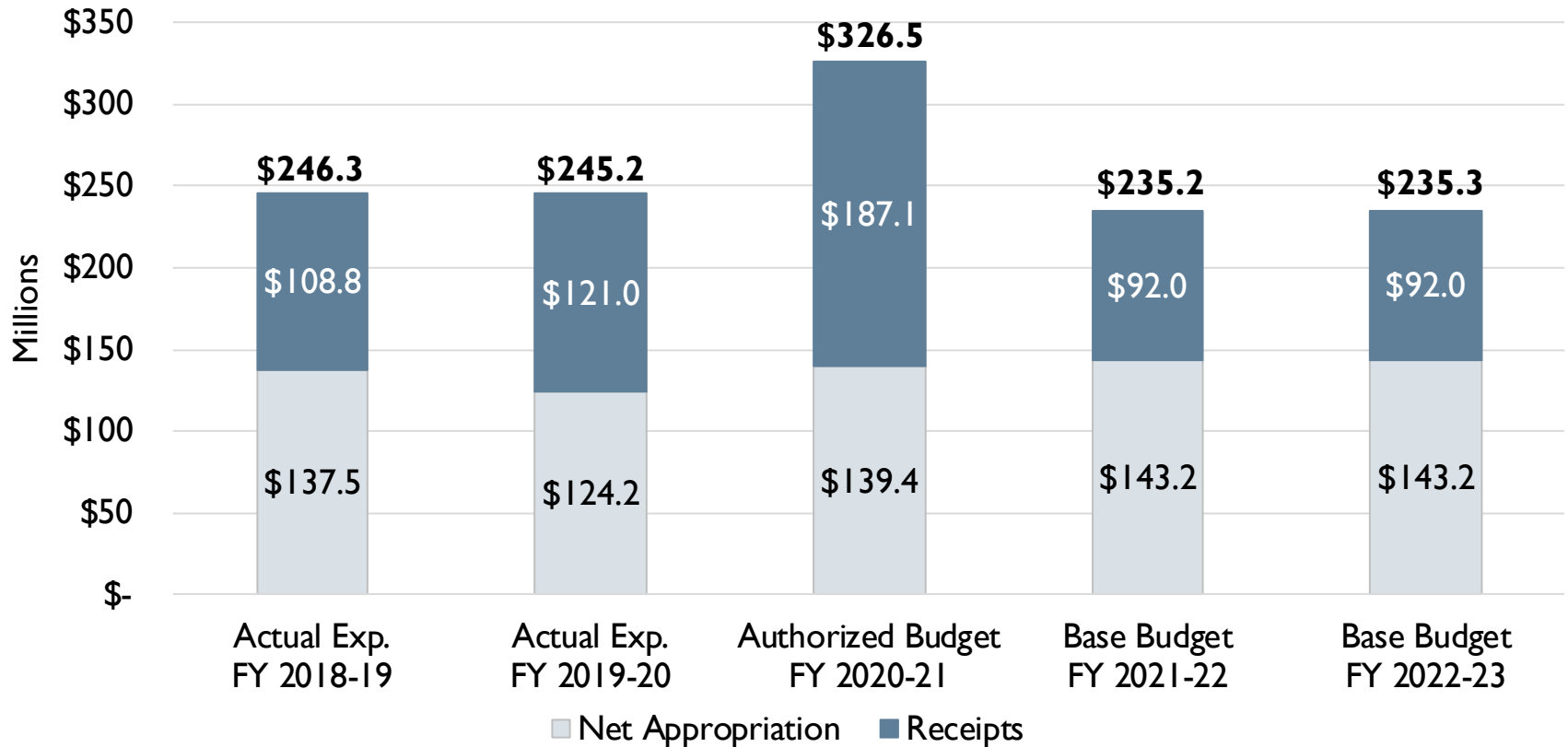
Significant FY 2020-21 Budget Actions

- \$26.4M nonrecurring (NR) for North Carolina Families Accessing Services Through Technology (NC FAST) system operations and maintenance and other critical projects
- \$6.2M NR for NC FAST child welfare case management (P4) updates/changes required by federal and State law
- \$15.0M NR to OSBM for Dorothea Dix Campus relocation project



Five-Year Budget Summary

CMS Five-Year Budget Summary



Note: Figures may not add to total due to rounding.

Sources: DCMS June 2019 BD701, DCMS Worksheet I, Biennium 2021-23.



Fiscal Biennium 2021-23

The proposed FY 2021-22 and FY 2022-23 Net Appropriation is \$3.8M more than the FY 2020-21 Authorized Budget, mostly due to the adjustment of receipts in the Information Technology (IT) Division budget.

CMS Fiscal Biennium 2021-23 Base Budget

(\$ Millions)	Actual FY 19-20	Authorized FY 20-21	Change from FY 20-21	Base FY 21-22	Change from FY 20-21	Base FY 22-23
Total Requirements	\$245.2	\$326.5	(\$91.4)	\$235.2	(\$91.3)	\$235.3
Receipts	\$121.0	\$187.1	(\$95.2)	\$92.0	(\$95.1)	\$92.0
Net Appropriation	\$124.2	\$139.4	\$3.8	\$143.2	\$3.8	\$143.2
FTE Employees	988.1	988.0	0.0	988.0	0.0	988.0

Note: Figures may not add to total due to rounding.

Source: DCMS Worksheet I, Biennium 2021-23.



Base Budget Adjustments

CMS 2021-23 Base Budget Net Appropriation Adjustments

Description	FY 2021-22	FY 2022-23
Adjustments to Receipt Projections (Funds for IT Division)	\$8,922,975	\$8,922,975
Existing Lease Rate Adjustments	\$27,817	\$56,056
Internal Service/Utility Adjustments	\$1,011,119	\$1,011,119
Department of IT Computing Services	\$729,157	\$729,157
Utilities	\$281,962	\$281,962
Removal of Non-Recurring Items (Funds for NC FAST)	(\$6,154,480)	(\$6,154,480)
Total	\$3,807,431	\$3,835,670

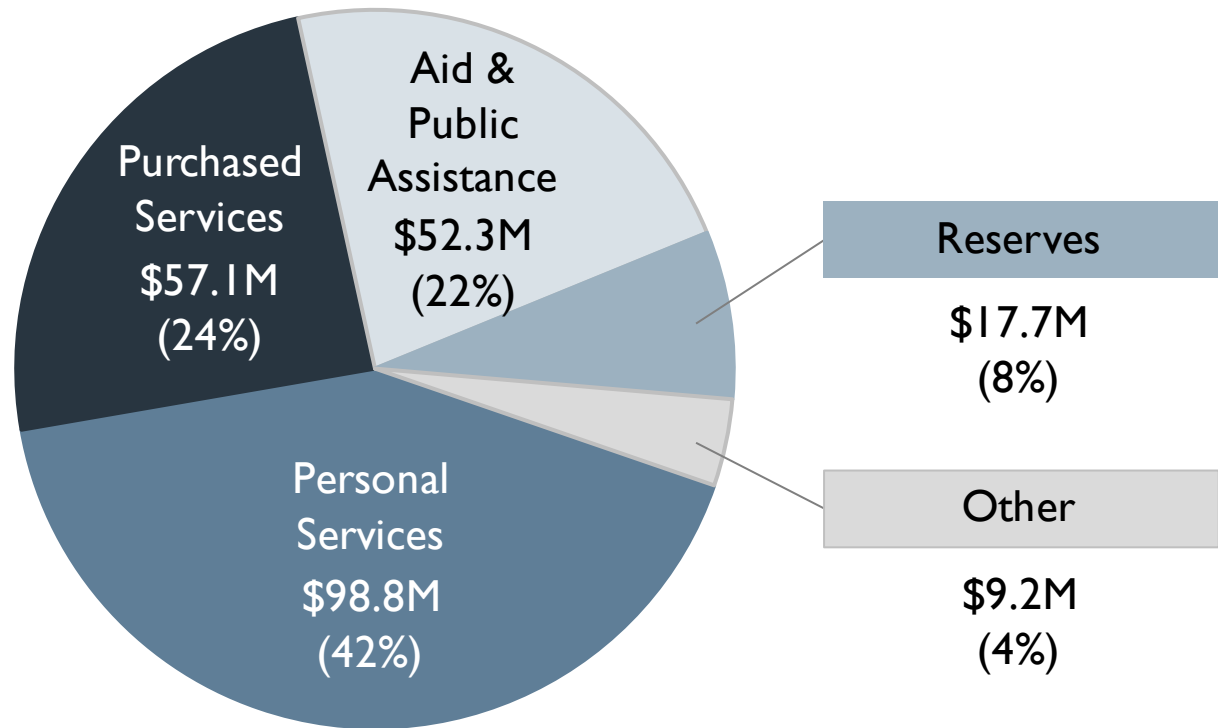
Source: DCMS Worksheet I, Biennium 2021-23.



Base Budget Requirements

CMS FY 2021-22 Base Budget Requirements

Total Requirements: \$235.2M



Note: Figures may not add to total due to rounding.

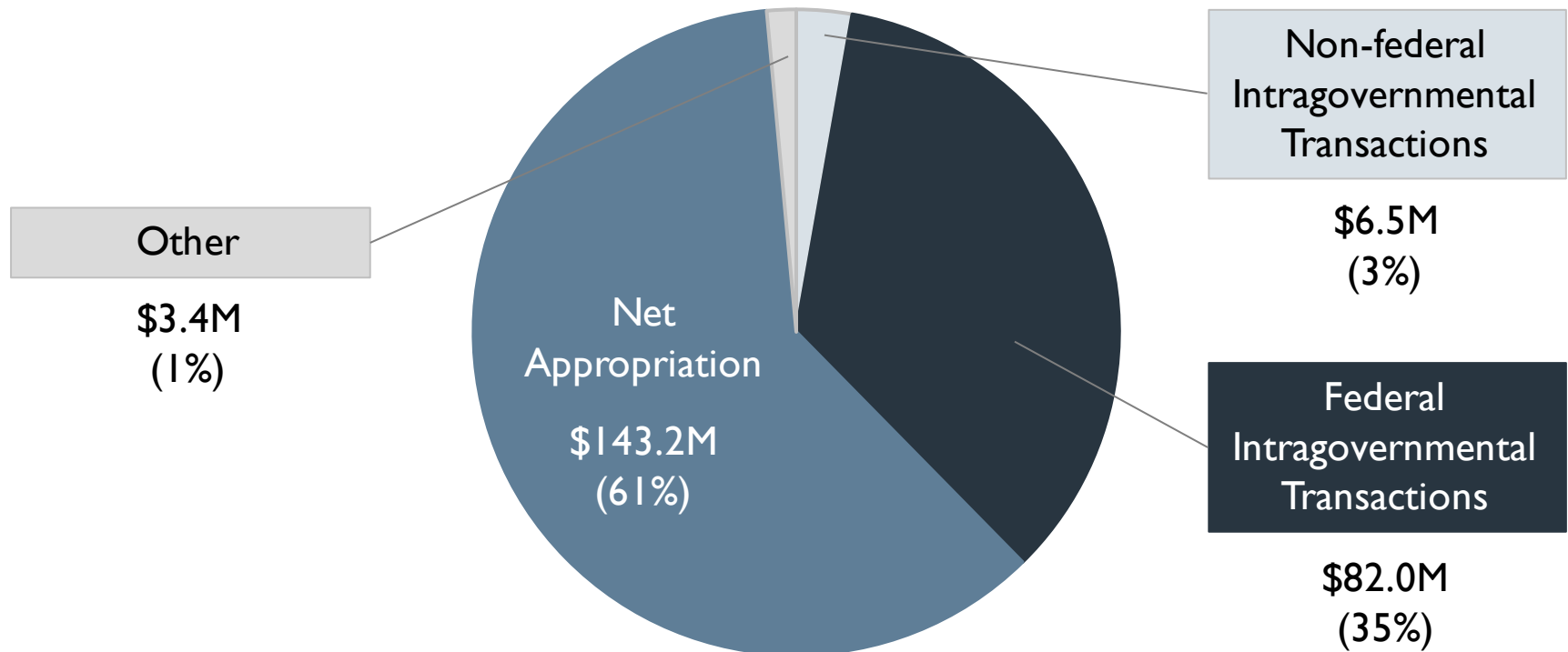
Source: DCMS Worksheet I, Biennium 2021-23.



Base Budget Funding Sources

CMS FY 2021-22 Base Budget Funding Sources

Total Funding Sources: \$235.2M



Note: Figures may not add to total due to rounding.

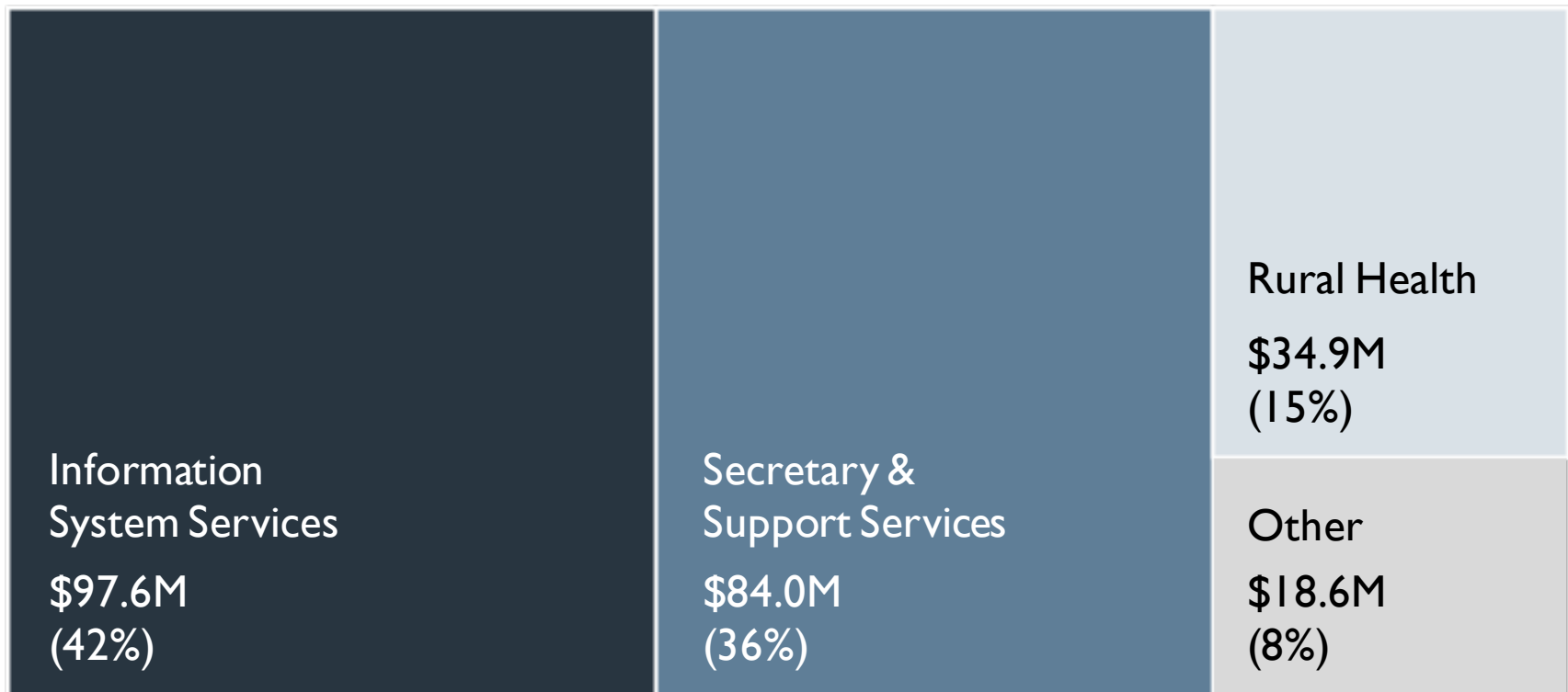
Source: DCMS Worksheet I, Biennium 2021-23.



Base Budget by Service Area

CMS FY 2021-22 Base Budget Requirements by Service Area

Total Requirements: \$235.2M



Note: Figures may not add to total due to rounding.

Source: DCMS Worksheet I, Biennium 2021-23.



Major IT Systems

NCTracks

- Supports multi-payer claims payment for Medicaid; Division of Public Health; Office of Rural Health; and Division of Mental Health, Developmental Disabilities, and Substance Abuse Services

NC FAST

- Delivers State benefits and services at the county level for the 100 county departments of social services
- Determines eligibility for social services programs (e.g., Food and Nutrition Services, Work First) and Medicaid

Source: <https://www.ncdhhs.gov/>



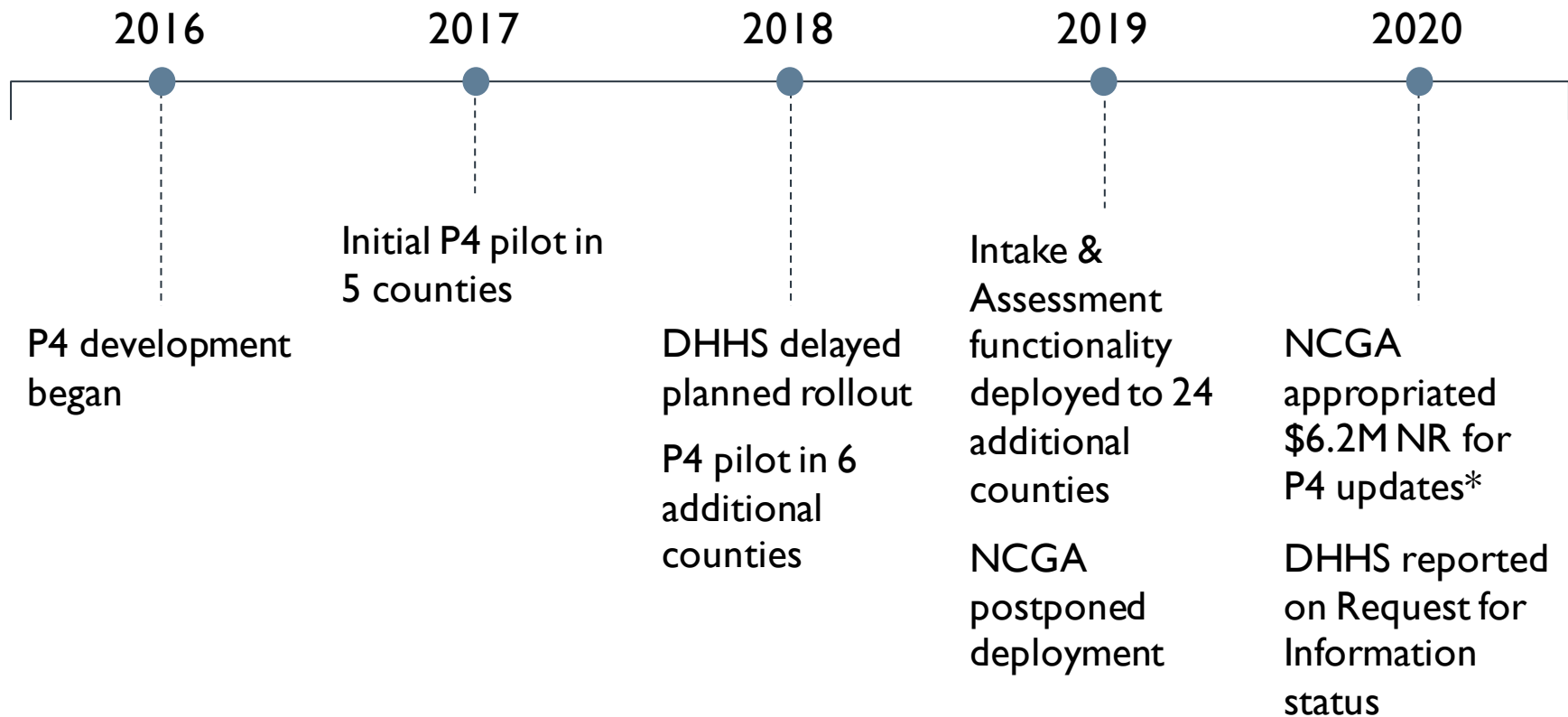
Major Issues for Fiscal Biennium 2021-23

- Coordination of COVID-19 response
- Top-level coordination of Medicaid Transformation
- Dix Campus relocation
- Procurement strategy for NC FAST child welfare case management (P4) component



NC FAST Child Welfare Case Management (P4) Timeline

NC FAST P4 High-Level Timeline (Calendar Year)



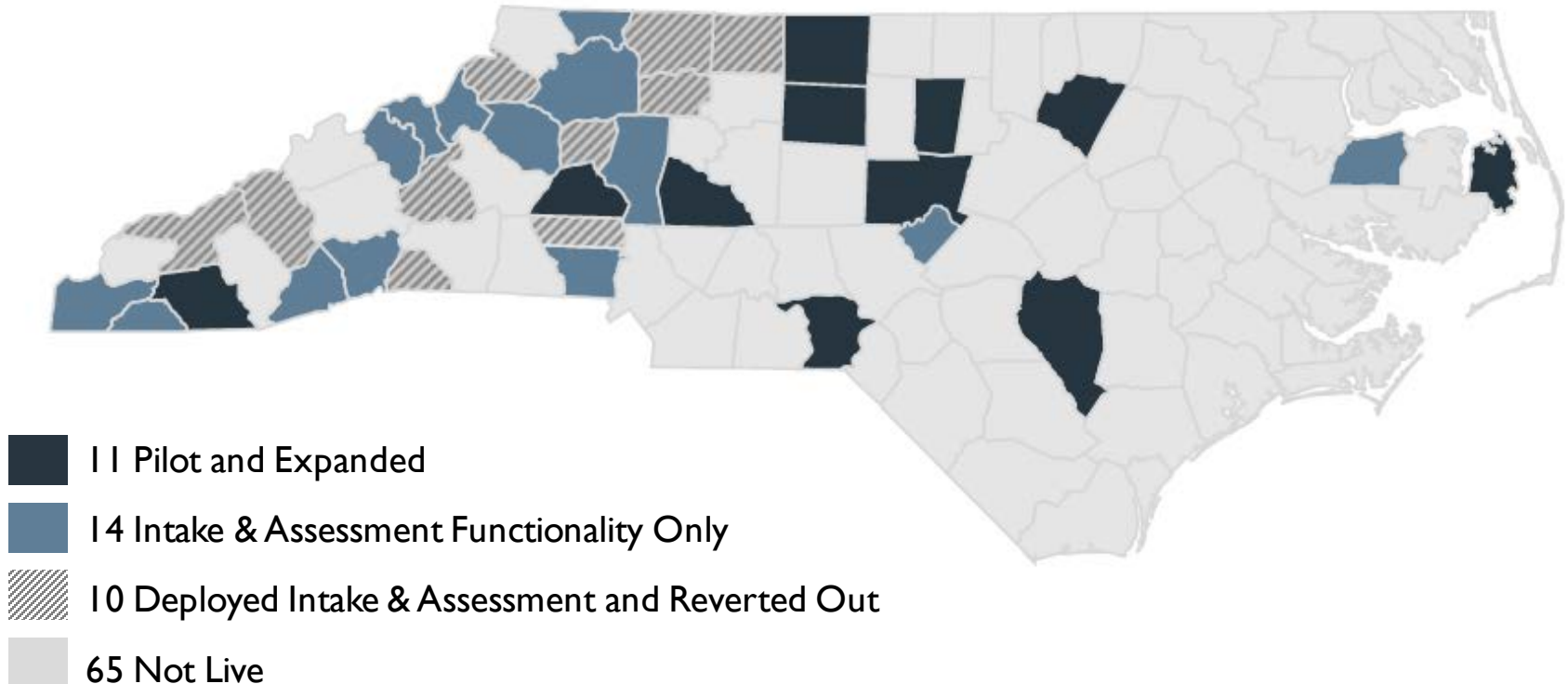
*Updates/changes required by federal and State law.

Note: This timeline is high-level and does not include all activities related to this initiative.



NC FAST Child Welfare Case Management (P4) Implementation

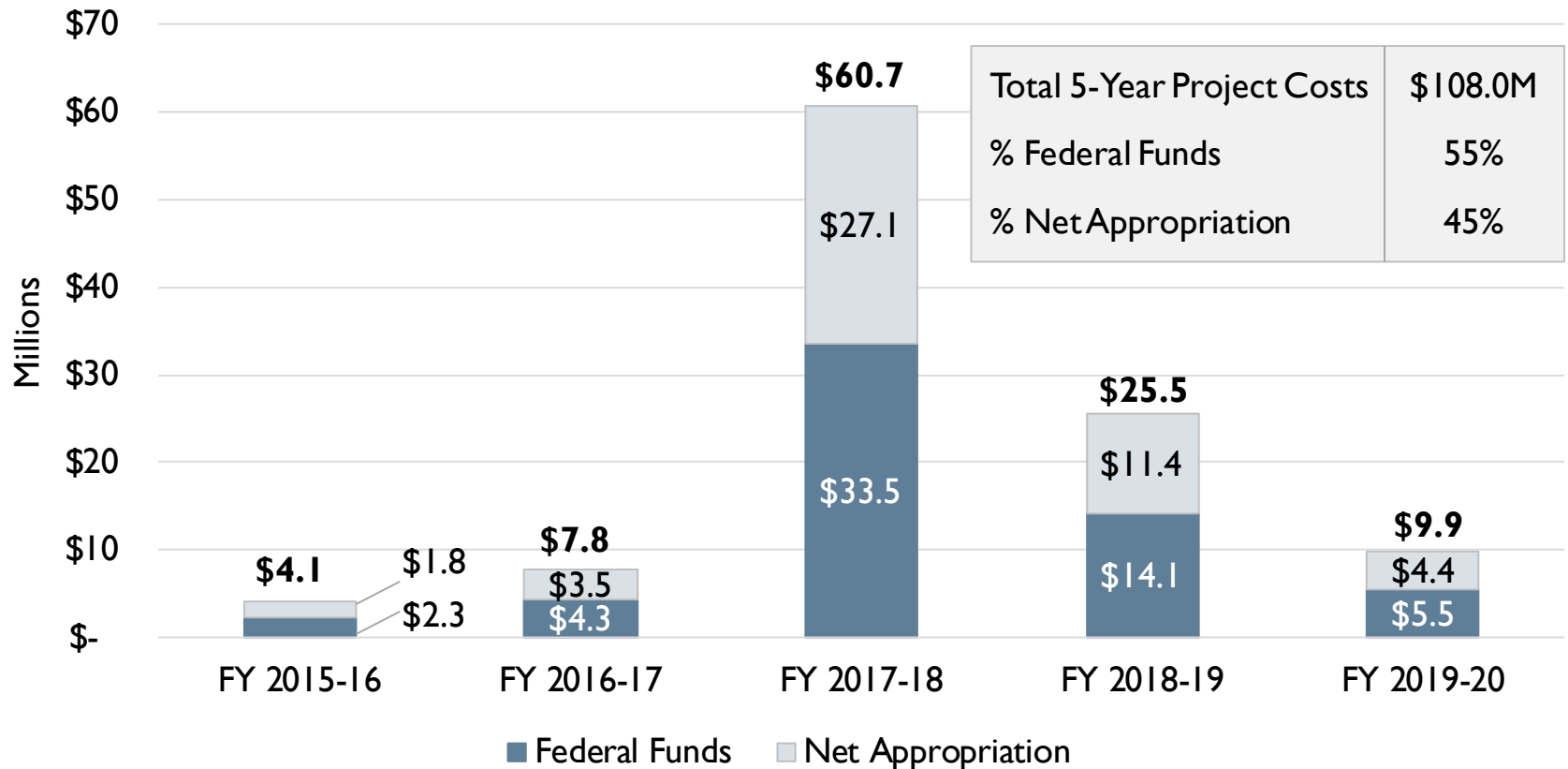
Implementation Status of NC FAST P4, September 2020



Source: DHHS Child Welfare Request for Information and Child Welfare Case Management Legislative Report, September 14, 2020.

NC FAST Child Welfare Case Management (P4) Expenditures

NC FAST P4 Expenditures by Funding Source



Note: Figures may not add to total due to rounding.

Source: North Carolina Information Technology Expenditures Reports, FY 2015-16 to FY 2019-20.



Dix Campus Relocation

- DHHS operates its headquarters, 14 health care facilities, and 2 vocational training facilities on the former Dorothea Dix hospital campus
- In July 2015, the State sold the Dix campus to the City of Raleigh and entered a lease that requires DHHS to vacate the property by July 2025
- SL 2020-88 appropriated \$15M NR to OSBM for relocation planning expenses and directed the Department of Administration (DOA) to select land in Wake County in collaboration with DHHS



DHHS Contract Training and Certification

- SL 2018-5 appropriated \$166,000 R and \$100,000 NR to DOA to develop and implement a contracting specialist training and certification program at DHHS
- In 2019, DOA offered a pilot Contract Training and Certification course, and 13 DHHS employees participated and received certifications
- Beginning in February and March 2021, DOA is offering a second set of courses, and 10 DHHS employees are currently participating



Takeaways

- Significant FY 2020-21 budget actions were related to NC FAST and the Dix campus relocation, both of which will be areas of focus in the upcoming biennium
- The proposed Net Appropriation for the upcoming biennium is \$3.8M more than the FY 2020-21 Authorized Budget, mostly due to the adjustment of receipts in the IT Division budget
- Over 40% of the CMS base budget is for IT services



Questions?

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