

# 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 9, 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.



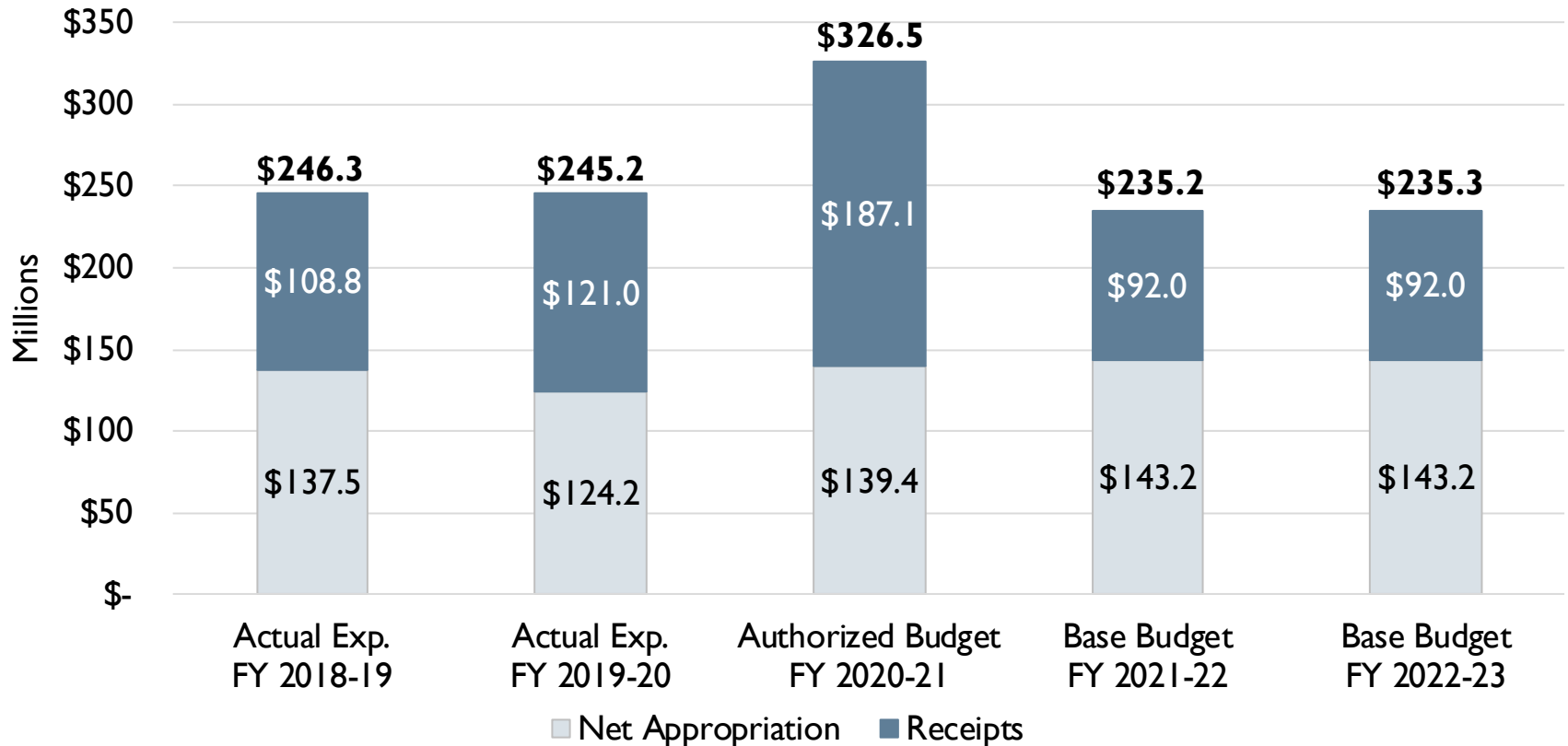
# Significant FY 2020-21 Budget Actions

- \$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)
<b>Total</b>	<b>\$3,807,431</b>	<b>\$3,835,670</b>

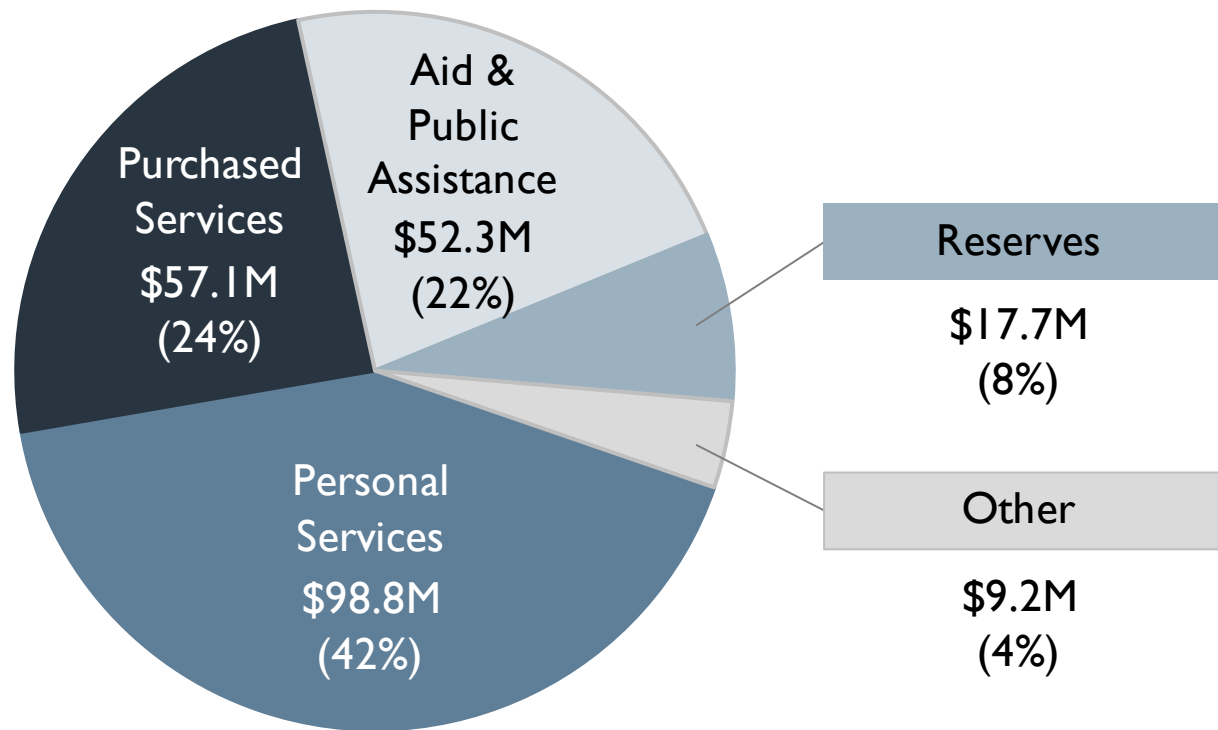
Source: DCMS Worksheet I, Biennium 2021-23.



# 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.

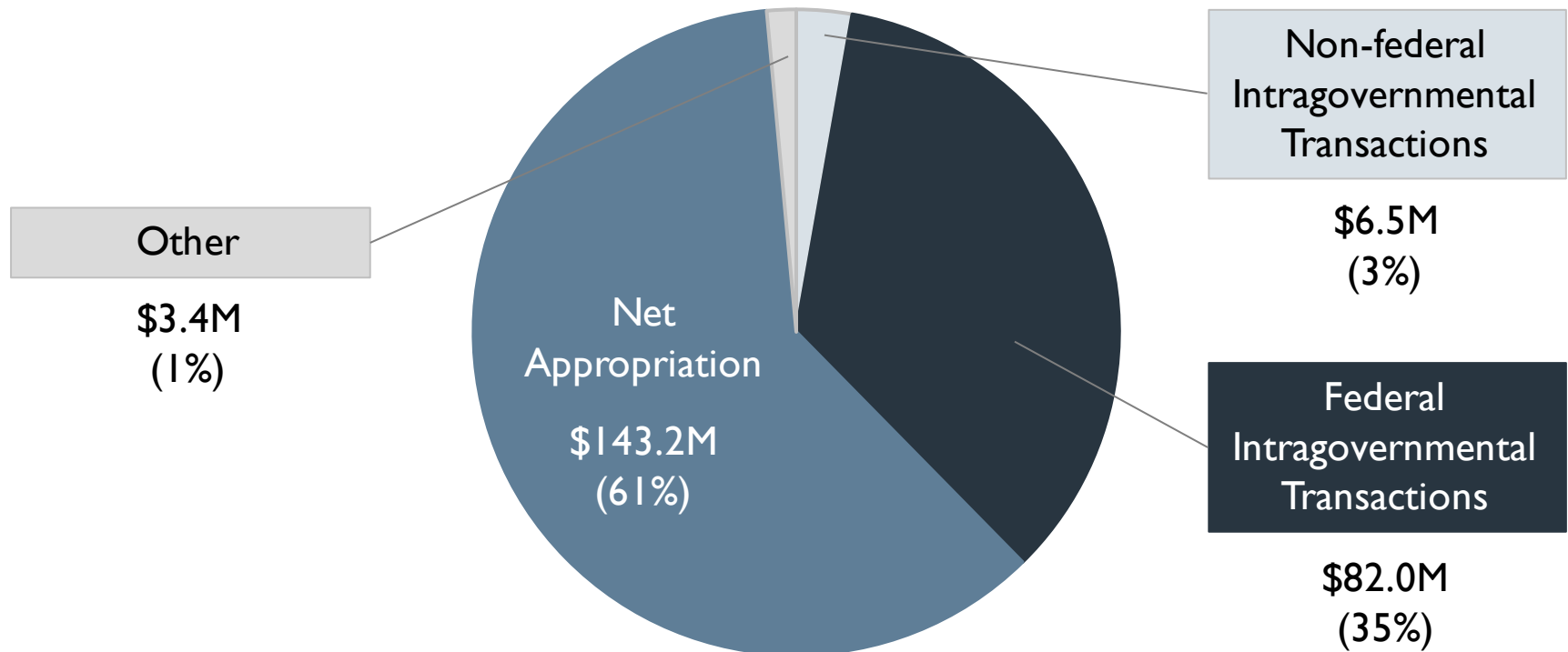




# Base Budget Funding Sources

## CMS FY 2021-22 Base Budget Funding Sources

Total Funding Sources: \$235.2M



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

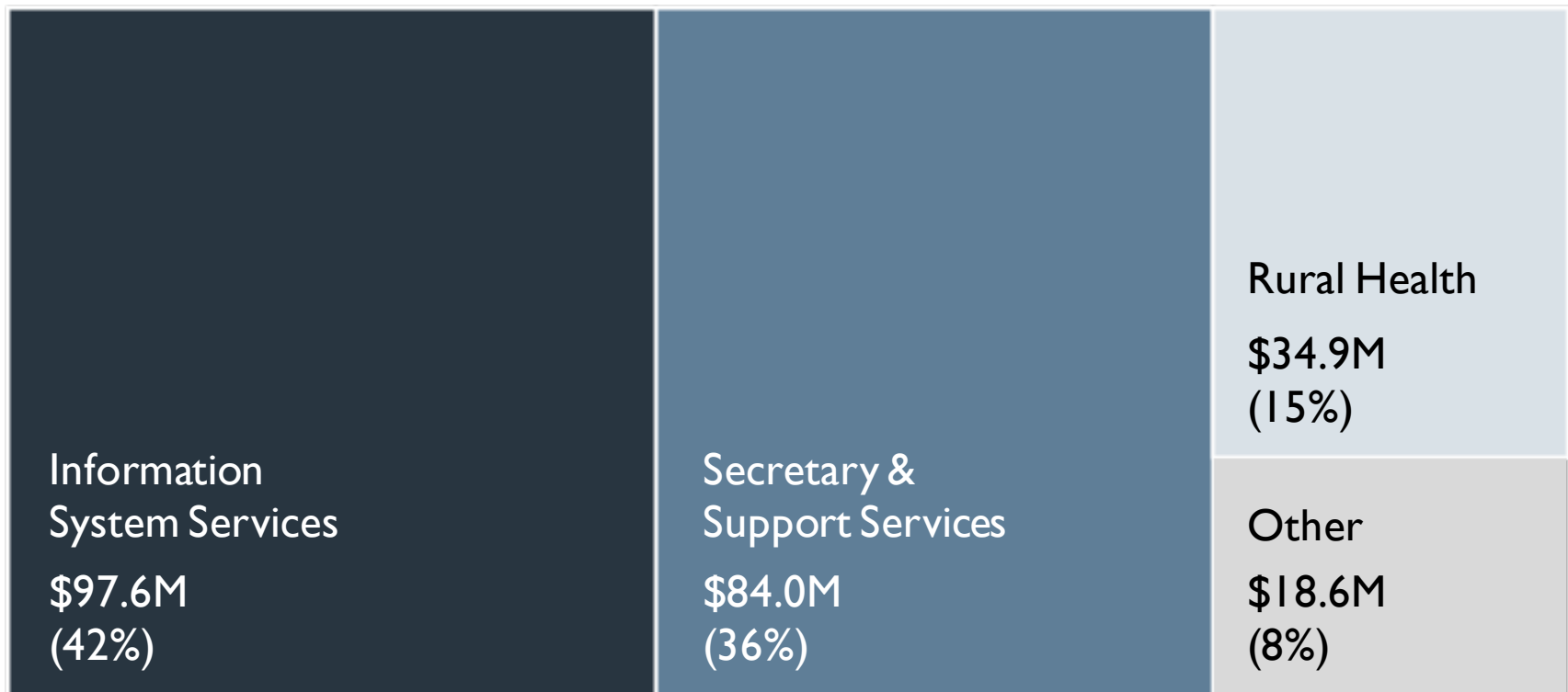
Source: DCMS Worksheet I, Biennium 2021-23.



# 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/>



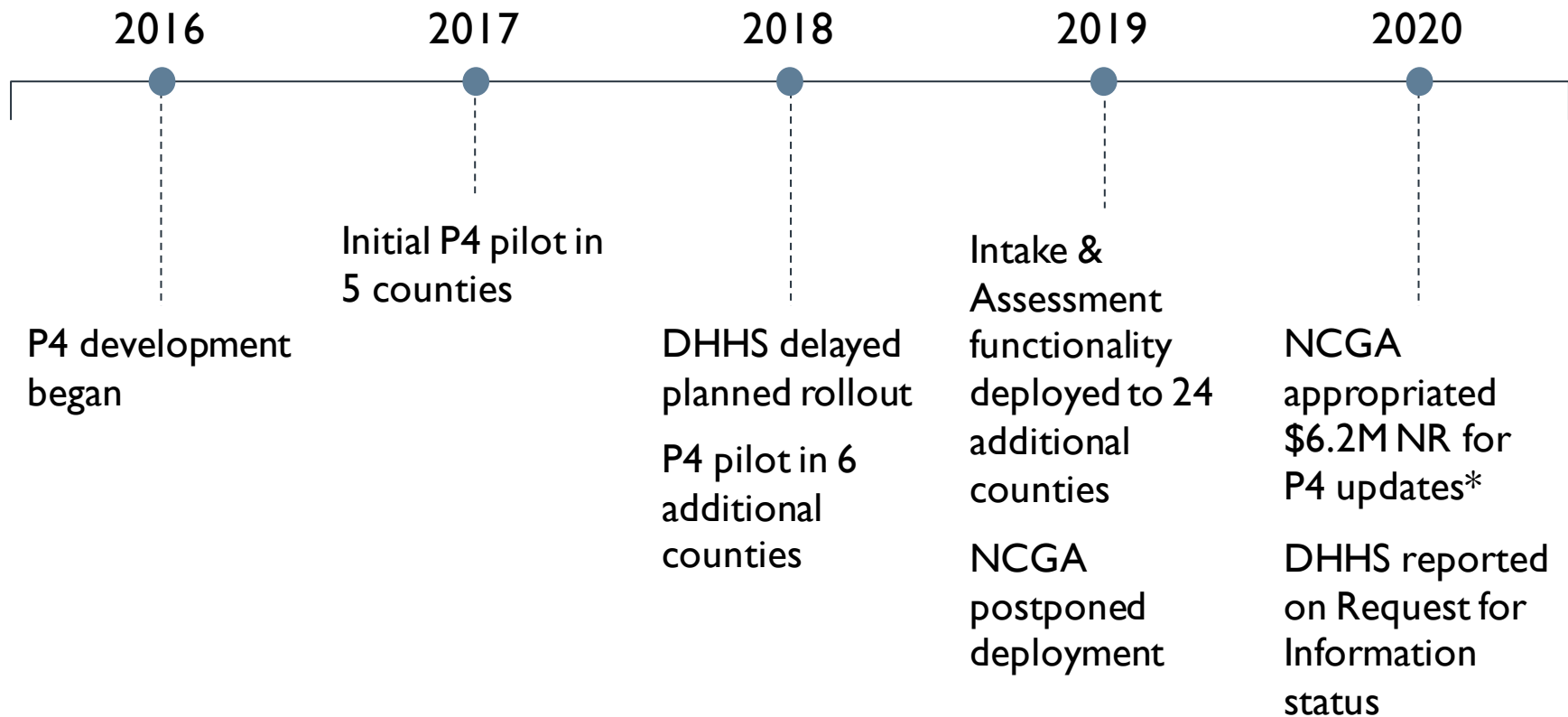
# Major Issues for Fiscal Biennium 2021-23

- 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)



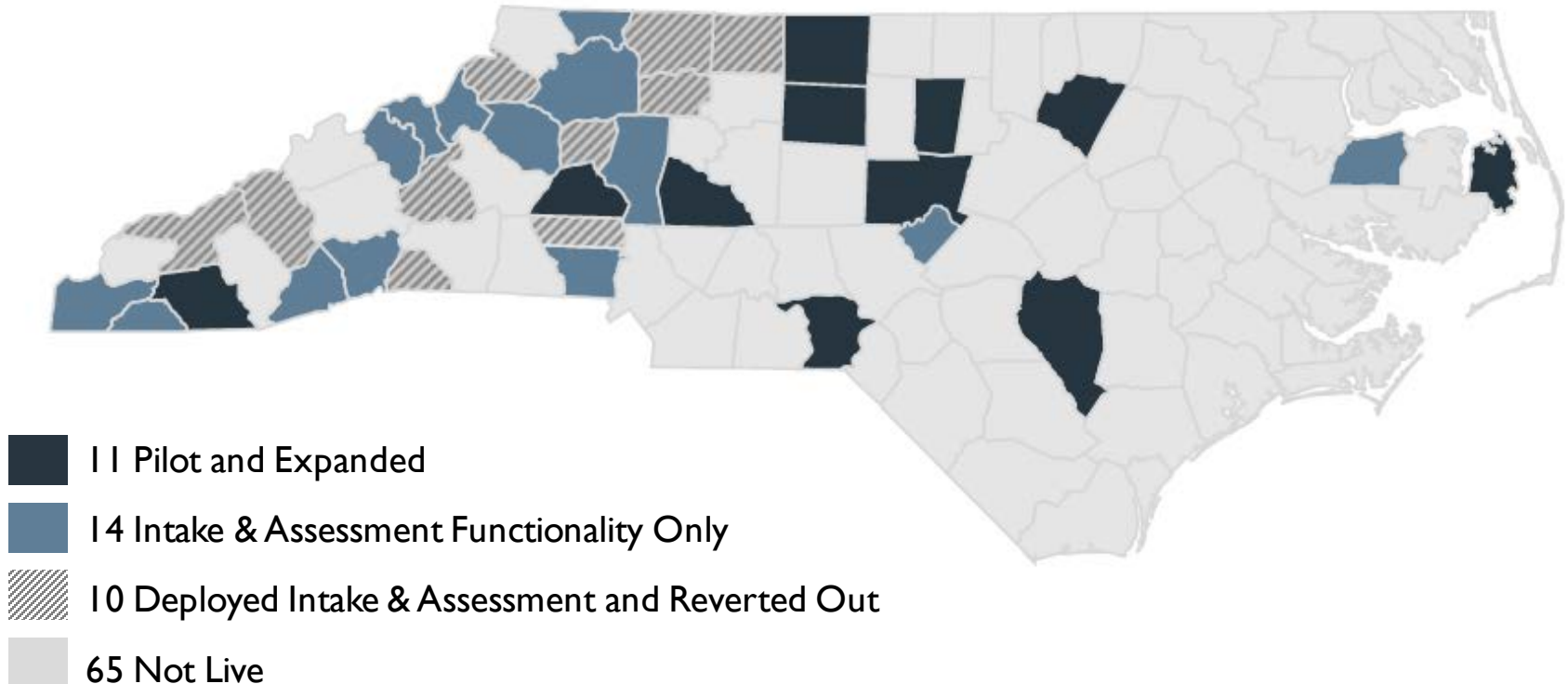
\*Updates/changes required by federal and State law.

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

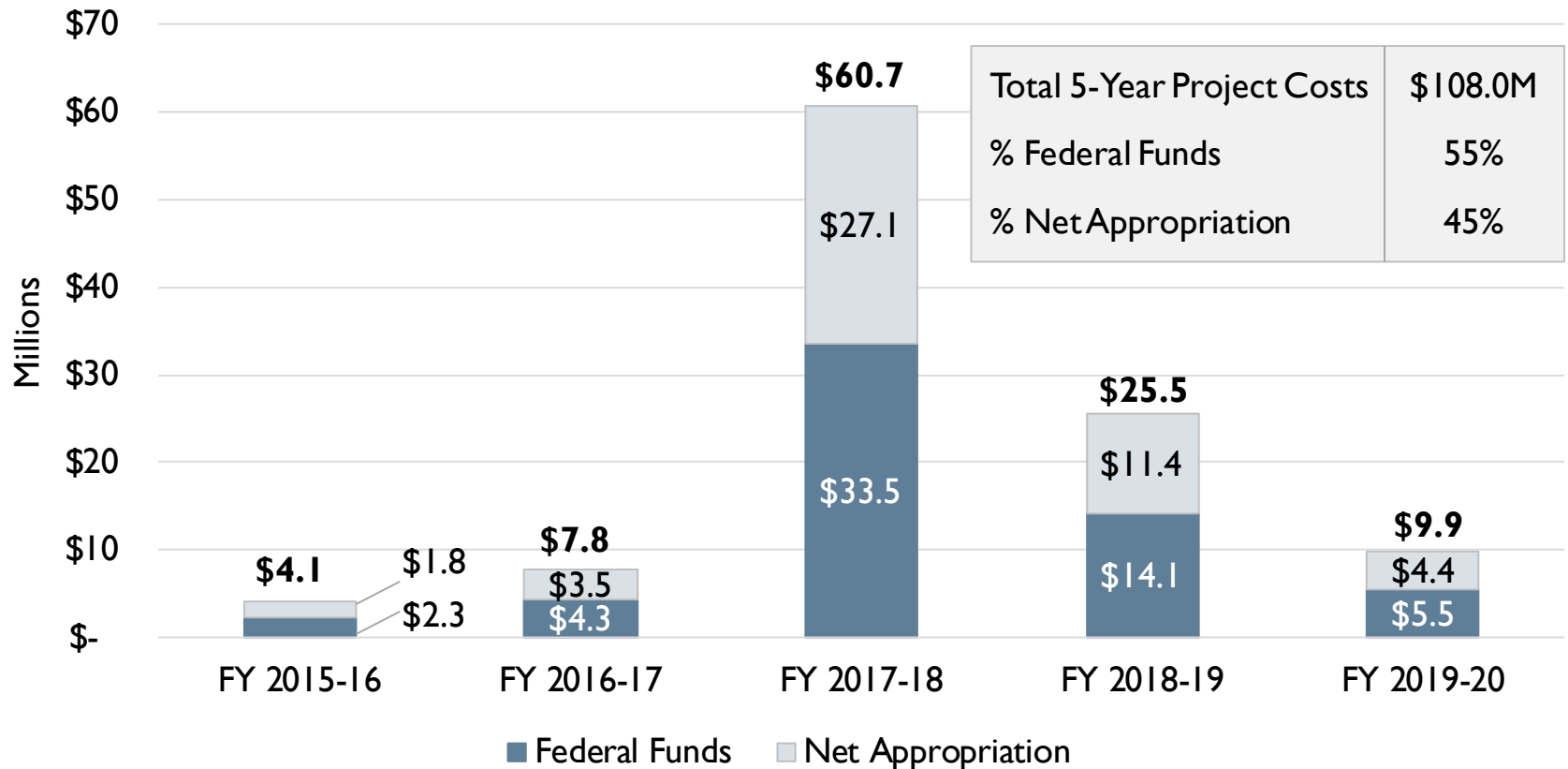


Source: DHHS Child Welfare Request for Information and Child Welfare Case Management Legislative Report, September 14, 2020.



# 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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