

**Testimony**  
**Senate Bill 2012 – Department of Human Services**  
**House Appropriations – Human Resources Division**  
**Representative Pollert, Chairman**  
**March 5, 2007**

Chairman Pollert, members of the House Appropriations Human Resources Division, I am Lynn Nelson of the Department of Human Services. I am here today to provide you an overview of the budget for the Lake Region and South Central Human Service Centers.

**Lake Region Human Service Center**

I would like to discuss some recent trends and characteristics that are affecting the operations of the Lake Region Human Service Center (LRHSC), serving Ramsey, Cavalier, Rolette, Towner, Benson and Eddy Counties. In the year 2004, population estimates were 41,793 residents in Region III.

**Characteristics of the Region**

- Racial diversity continues to increase in the Lake Region, with a gain of 2,122 Native Americans since the 1990 census. As of year 2000, there were 14,129 Native Americans in the region, which is 45% of all the Indian people in the state.
- TANF Recipients: The Lake Region has the largest number of TANF recipients in the state. November 2006 statistics show 850 families, or 40% of the state total, was in Region III. Rolette County alone had 627 families on TANF.
- Job Service statistics show Region III has the highest unemployment rate of any region in the state (4%). The state average is 2.3% (non-seasonally adjusted rate).

## **Clients Served**

- LRHSC provided services to 2,486 individuals in fiscal year 2006; 1,798 adults and 688 children received services. In addition, 390 individuals received Vocational Rehabilitation Services. Another 139 individuals received Older Blind Services.

## **Trends**

- LRHSC also experiences challenges in recruitment of staff. LRHSC has been actively recruiting a vacant psychology position for many months.
- LRHSC continues to operate substance abuse treatment programs in both Rolla and Devils Lake. In fiscal year 2006, Lake Region had 191 adults admitted to our Crisis Units (101 in Devils Lake; 90 at our Rolla location) and an additional 48 adolescent crisis residential unit admissions needing addiction treatment.
- One-third of the North Dakota citizens in Region III are Native Americans and recently approximately 40% of all clients receiving clinical services at LRHSC were Native American. This percentage climbs much higher in the substance abuse area.
- Lake Region, in a recent point in time analysis, revealed that 239 adult clients were externally motivated for services by either the Court System or Probation and Parole. Sixty-nine percent of these referrals were for substance abuse services. Of the 91 adults referred by state Probation and Parole during the time analysis, 77% were referred for substance abuse services.
- In both adolescent and adult populations, there is a definite sustained increase in presenting problems involving dual mental health and substance abuse issues.

- In substance abuse programs, there is an increase in clients who also have child protective service concerns.
- LRHSC continues to see increases in crisis line calls. In fiscal year 2006, 711 emergency services calls were recorded at Lake Region. During that same time frame, we experienced an increase in the number of calls that reflect dual diagnosis problems and an increase in substance abuse callers.

### **Accomplishments**

- LRHSC continues to provide clinical services at satellite clinics in New Rockford, Fort Totten, Langdon, Cando and a full-time satellite office in Rolla. In addition, case managers travel to each of the six counties in Region III, providing case management services.
- In the last census, Rolette County surpassed Ramsey County and is now the region's largest county. As a result of this growth, the Center has expanded its presence in Rolette County to meet the increased service demands. In order to reduce the amount of travel time and to increase the effectiveness of services, two staff positions have been transferred from the Devils Lake office to the Rolla outreach office. One full-time Mental Illness Case Manager and one full-time Developmental Disabilities Case Manager are now located in Rolette County. During the past biennium, we have also stationed an MSW in Rolla to work with TANF recipients. This individual works in a collaborative effort with the Division of Economic Assistance, Rolette County Social Services, Job Service of North Dakota and a number of Tribal agencies from the Turtle Mountain Band of Chippewa. As a result of the increased demands in Rolette County, we have moved into new office space located in the city of Rolla.

- During the past year, Prairie Heights, a private residential program for 22 individuals with serious mental illness and homelessness, opened in Devils Lake. LRHSC provides a variety of clinical services to the residents of this program.
- During this biennium, we have successfully dealt with a shortage of addiction counselors. Three staff at LRHSC have moved from non-addiction positions and are now fully licensed addiction counselors.
- Also during the next biennium, we anticipate several retirements of long-time supervisors. We have been successful in recruitment of MSW and Licensed Professional Counselors and hope this trend continues.

**Overview of Budget Changes**

Description	2005 – 2007 Budget	Increase/ Decrease	2007 – 2009 Budget	Senate Changes	To House
HSCs/Institutions	8,919,307	934,037	9,853,344	29,754	9,883,098
General Funds	4,780,621	655,389	5,436,010	29,754	5,465,764
Federal Funds	3,652,704	313,199	3,965,903		3,965,903
Other Funds	485,982	(34,551)	451,431		451,431

FTEs	61.25	1	62.25		62.25
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**Budget Changes from Current Budget to Executive Budget**

- Salary and fringe benefits increases of \$489,369 based on the Governor’s proposed salary increases and continuation of the current

benefits package. Of this amount, \$357,895 is general funds, \$124,077 is federal funds, and \$7,397 is other funds.

- An additional amount of \$267,346 in salaries and fringe benefits is the result of several factors, including carrying forward the current biennium's second year of the 4% salary increase, retiree payouts and adjustments for critical market equities.
- Building rent increased \$59,321. Of this amount, \$45,840 is to continue funding the new office space in Rolla and \$13,481 for increased costs at the main office in Devils Lake.
- An inflationary increase in the Governor's budget based on a 3% each year of the biennium adds \$89,263 for the Center's contracted providers.
- Federal funding increased due to an increase in Medicaid collections. Other Funding decreased due to reduced collections from insurance companies and responsible parties.
- An increase of one FTE to convert a current full-time temporary case aide position into a full-time permanent position.

### **Senate Changes**

- Contracted provider inflationary increases were increased from 3% to 4% for the 2007 to 2009 biennium. Total amount of this increase was \$29,754.

## **South Central Human Service Center**

I would like to discuss some recent trends and characteristics that are affecting the operations of the South Central Human Service Center (SCHSC), serving Foster, Wells, Griggs, Barnes, Stutsman, LaMoure, Dickey, McIntosh and Logan Counties. In the year 2004, population estimates were 57,914 residents in Region VI.

### **Characteristics of the Region**

- Citizens (age 60+) comprised of 26.2% of the total population in Region VI, making the South Central region the oldest in the state.
- It is anticipated that between the years 2010 and 2015, the number of older residents in Region VI will have grown approximately 17%. This will mean that in less than 10 years, 34.9% of the region's residents will be age 60 and over.
- Region VI, like Region III, has no private inpatient mental health treatment facility. Regions III and VI utilize the North Dakota State Hospital for acute inpatient needs. Individuals from Region VI also access out-of-region private psychiatric hospitals.

### **Clients Served**

- SCHSC provided services to 2,869 individuals in fiscal year 2006. (2,175 adults and 694 children received services.) In addition, 629 individuals received Vocational Rehabilitation Services and 131 individuals received Older Blind Services.

### **Trends**

- SCHSC continues to provide clinical services at satellite clinics in Valley City, Oakes, Carrington, Cooperstown, LaMoure, Wishek and

Fessenden. In addition to these formal sites, case managers for individuals with serious mental illness and developmental disabilities travel to each of the nine counties in Region VI, providing case management services.

- SCHSC has the only full-time community psychiatrist in Region VI.
- During the past year, there has been increased utilization of the North Dakota State Hospital, which has been at capacity on several occasions.
- The incidents of adult abuse and neglect in Region VI continue to increase with 143 new cases reported in fiscal year 2006.
- This biennium, SCHSC has experienced difficulty recruiting licensed addiction counselors, a psychologist and a psychiatrist.
- We are seeing an increase in request for services from the court and correction sectors.
- Requests for emergency interventions continue to be strong from our local hospital emergency rooms, law enforcement and county sheriff's departments. SCHSC provided 506 individuals emergency services in fiscal year 2006.
- In fiscal year 2006, 249 individuals were admitted to the Crisis Residential Unit in Jamestown. This number reflects a small increase over the previous fiscal year.

### **Accomplishments**

- SCHSC staff are currently working with a private provider, the Open Door Program in Valley City, to transition six individuals with serious mental illness from the North Dakota State Hospital into an existing independent living program operated by Open Door. Open Door has successfully provided programming for up to 12 individuals for several years. The expansion of the Open Door Program to 18 individuals

does have a positive impact on the available bed space at the North Dakota State Hospital.

- The North Dakota State Hospital recently issued a Request For Proposal to establish a 15 bed transitional living program. The program is intended to provide community living and treatment for 15 long-term hospital patients with serious mental illness. The Request For Proposal was awarded to Progress Enterprises of Jamestown. SCHSC was asked to work with Progress on the development of this program. The contract will be negotiated between SCHSC and Progress Enterprises, and the program will commence early this spring. This program will result in more availability of bed space at the State Hospital for treatment of individuals with acute mental health treatment needs.
- Region VI has enrolled a total of 294 families into the North Dakota Family Caregiver Support Program since its inception, while in many cases allowing families to delay transitioning of a loved one to a care facility. The program continues to grow and will be impacted by the availability of program dollars in the near future.
- During the past year, SCHSC has implemented an evidence-based practice treatment model referred to as the Matrix Model. This model was designed to be used in outpatient settings. We continue to expand the use of this model, both in Region III and Region VI.



## Overview of Budget Changes

Description	2005 – 2007 Budget	Increase/ Decrease	2007 – 2009 Budget	Senate Changes	To House
HSCs/Institutions	12,125,238	2,616,500	14,741,738	39,527	14,781,265
General Funds	5,855,329	2,435,863	8,291,192	29,250	8,320,442
Federal Funds	5,401,154	280,747	5,681,901	10,277	5,692,178
Other Funds	868,755	(100,110)	768,645		768,645

FTEs	87.60	(0.60)	87.00		87.00
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### Budget Changes from Current Budget to Executive Budget

- Salary and benefits increased by \$682,997 based on the Governor's recommended salary and benefits package; \$472,611 of this amount is general funds, \$197,937 is federal funds, and \$12,449 is other funds.
- An additional amount of \$171,752 in salaries and fringe benefits is the result of several factors, including carrying forward the current biennium's second year of the 4% salary increase, retiree payouts and adjustments for critical market equities.
- The IT-Communications budget area had an increase of \$20,033 due to an increase in phone charges.
- Grants, Benefits and Claims increases are the result of a coordinated effort between the North Dakota State Hospital and the Human Service Center to make more beds available at the State Hospital for those clients needing that level of care. There will be approximately 21 clients transferred out of the State Hospital into community-based

programming by June 2007. This will open bed space at the hospital to accommodate clients needing that level of care. These changes increased the total by \$1,682,028, of which \$1,560,790 is general funds.

- Inflationary increases for contracted providers amounted to \$118,562 based on a 3% increase for each year of the biennium.
- Federal funding increased due to an increase in Medicaid collections. Other Funding decreased due to reduced collections from insurance companies and responsible parties.
- A decrease of .60 FTE is due to additional contracting of Infant Development Services.

### **Senate Changes**

- Contracted provider inflationary increases were increased from 3% to 4% for the 2007 to 2009 biennium. Total amount of this increase was \$39,527.

That concludes my testimony; I would be happy to answer any questions.