

Testimony
Senate Bill 2012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
March 15, 2011

Chairman Pollert, members of the House Appropriation Committee – Human Resources Division, I am Marilyn Rudolph, Director of Northwest Human Service Center (NWHSC) and North Central Human Service Center (NCHSC) of the Department of Human Services (DHS). I am here today to provide you an overview of the budgets for both Northwest and North Central Human Service Centers.

Northwest Human Service Center

Caseload / Customer Base

- Northwest HSC serves the three county area of Divide, McKenzie and Williams counties, with an estimated population of 28,211.
- Northwest HSC serves 1,545 unduplicated clients annually.
- In addition Northwest Human Service Center's Vocational Rehabilitation program serves 401 individuals.
- The impact of the growing population is evident in the number of calls for information and referral. In 2009, Northwest HSC received 181 calls, and in 2010 that number increased to 465. Information and referral calls often eventually become ongoing clients.

Program Trends / Major Program Changes

- Northwest Human Service Center has developed a full continuum of Alcohol and other Drug Treatment since 2009. The Center has drawn staff from the allocated 45.75 FTE's by reclassifying positions that were vacated in Outpatient and Extended Care. This has all units operating at capacity.
- Catholic Health Initiatives, the parent company of Mercy Hospital, notified Northwest Human Service Center of its intention to close Mercy Mental Health Unit and eventually Mercy Recovery Center. Two thousand ten has been a year of challenge because of the closing of Mercy Mental Health.
- In 2009 seventy-six individuals were referred for commitment to the North Dakota State Hospital; fifty-two were placed in community based treatment because we could stabilize individuals in the Mercy Mental Health Unit and then place them in a safe community setting. After closure of Mercy Mental Health, we had seventy-one individuals referred for commitment; twenty-three were served in the community, thirty were placed in the North Dakota State Hospital and eighteen were transferred to Trinity Hospital in Minot for stabilization or detoxification. Having the mental health unit allowed twice as many individuals to be served in the community, which is more cost effective, as well as providing "close to home" care for the clients. It also does not burden partnering agencies, such as the Sheriff's Department, with the cost of transportation to Minot or Jamestown. I must commend Trinity Hospital for being an excellent resource when detoxification or mental health stabilization was necessary in the short term, prior to admission to the North Dakota State Hospital.
- A critical resource for Williston has been our partnership with North Dakota Association for the Disabled and the ability to contract to

develop residential options to provide safe supervised living situations for individuals in crisis or in treatment. Williston has twenty-six beds available ranging from crisis residential, to long term addiction treatment, to supportive housing for individuals with serious mental illness. This allows clients to maintain stability and receive the full benefit of treatment. The availability of these beds allows for medication monitoring, maintenance of nutritional meals and the ability for community based care, as opposed to hospitalization. It is a cost effective solution.

- In the past year, staff from Northwest responded to a critical community incident. In Williston, a team of three clinicians assisted school counselors and ministerial staff in grief counseling and debriefing after the tragic murder/suicide of two young people. Family and community members wrote notes to us thanking us for the availability of our staff and the support.

Overview of Budget Changes

Description	2009 - 2011 Budget	2011 - 2013 Budget	Senate Changes	Increase/Decrease
Northwest HSC	8,510,654	8,749,068	0	238,414
General Funds	4,724,962	4,958,832	0	233,870
Federal Funds	3,436,804	3,321,230	0	(115,574)
Other Funds	348,888	469,006	0	120,118
Total	8,510,654	8,749,068	0	238,414
FTE	45.75	45.75	0.00	0.00

Budget Changes from Current Budget to the Executive Budget:

Salaries and benefits increased by \$197,803 and can be attributed to the following:

- \$332,043 in total funds of which \$257,326 is general fund needed to fund the Governor's salary package for state employees.

- \$142,174 in total funds of which \$110,928 is general fund needed to fund the second year employee increase for 24 months versus 12 months that are contained in the current budget.
- An increase of \$68,293 to cover underfunding of salaries from the 2009 – 2011 budgets.
- A decrease of \$32,035 to underfund the 2011 – 2013 pay plans.
- The remaining decrease of \$312,672 is based on the replacement of long time staff with new staff and the reclassification of positions as well as lower temporary salaries, overtime and fringe benefit cost.

Operating expenses decreased by \$22,518 (2.1%). This reduction is a combination of increases expected next biennium offset by decreases as follows:

- A decrease in the travel budget based on usage when the budget was being prepared.
- A decrease in the purchase of office equipment and furniture.
- A decrease in building rent.
- A decrease in professional development based on the setting of a consistent amount per FTE.
- Smaller decreases in miscellaneous supplies, postage, IT equipment and medical supplies account for balance of the overall reduction.

Total budgeted expenses for grants increased \$63,129 (4.9%). The inflationary increase of 3%/3% accounts for \$58,663 of the total increase. Without the inflationary increase the biennium to biennium increase would be \$4,466 (.3%).

The general fund request increased \$233,870. The governor's salary package for state employees included \$257,326 in general fund.

Federal funds decreased \$115,574 while other funds increased \$120,118.

Senate Changes:

The Senate made no changes to this section of the Department's budget.

North Central Human Service Center

Caseload / Customer Base

- North Central Human Service Center serves the seven county area of Bottineau, Burke, McHenry, Mountrail, Pierce, Renville and Ward counties, with an estimated population of 83,384.
- Annually North Central HSC serves 3,225 unduplicated clients.
- In addition North Central Human Service Center's Vocational Rehabilitation program serves 351 individuals.
- The number of information and referral calls increased from 104 in 2009 to 268 in 2010.

Program Trends / Major Program Changes

- North Central Human Service Center has been the pilot site for specialized services for transition youth, ages 18-24 years. The challenge is securing housing and work for youth who often have no credit history or work experience and usually exhibit behaviors that create poor impressions. Bonnie Schriock has worked diligently with community partners to secure housing and provide guidance and direction for transition youth. Usually these individuals have been receiving services from the human service center or the county in the form of case management or foster care thus the transition care facilitator assists in that leap to adulthood.
- One area of concern is the shortage of psychiatrists nationwide and the need for psychiatric care in rural areas. North Central Human Service Center section of the DHS budget includes one additional FTE to hire a full time psychiatrist. If a full time psychiatrist is hired, this position would serve both North Central and Northwest Human Service Center providing psychiatric expertise and collaboration to all staff.
- The Governor's Budget includes funding to fill a capacity gap by implementing a crisis stabilization unit to specifically serve individuals with serious mental

illness. This would allow Region II the ability to serve individuals who need immediate supervision and structure in a safe environment in the community, reducing the need for local hospitalization or transport to the North Dakota State Hospital. This allocation includes funds to contract for staffing to serve ten individuals including psychiatric time, psychiatric nursing, a program supervisor and direct care staff for 24/7 coverage. The ability to serve individuals close to home reduces trauma, allows family input, reduces length of stay and is cost effective.

- North Central staff responded to the community of Stanley after young man’s suicide. Three clinicians were available at the school to counsel students, faculty and community members. Staff successfully intervened on three occasions of potential suicide attempts. The interventions involved talking the individual down, confiscating weapons and follow up to assure community safety. Again we have received notes from these individuals expressing gratitude.

Overview of Budget Changes

Description	2009 - 2011 Budget	2011 - 2013 Budget	Senate Changes	Increase/Decrease
North Central HSC	19,382,601	22,433,884	0	3,051,283
General Funds	10,459,768	13,410,027	0	2,950,259
Federal Funds	8,073,938	8,104,420	0	30,482
Other Funds	848,895	919,437	0	70,542
Total	19,382,601	22,433,884	0	3,051,283
FTE	116.78	117.78	0.00	1.00

Budget Changes from Current Budget to the Executive Budget:

North Central Human Service Center’s budget includes one new FTE. This FTE will be used to hire a full time psychiatrist.

Salaries and benefits increased by \$1,392,768 and can be attributed to the following:

- \$807,765 in total funds of which \$618,694 is general fund needed to fund the Governor's salary package for state employees.
- \$312,818 in total funds of which \$245,183 is general fund needed to fund the second year employee increase for 24 months versus 12 months that are contained in the current budget.
- An increase of \$86,078 to cover underfunding of salaries from the 2009 – 2011 budget.
- A decrease of \$70,821 to underfund the 2011 – 2013 pay plan.
- The remaining \$256,928 is a combination of increases and decreases needed to sustain the salary of the 117.78 FTE in this area of the budget.

Operating expenses increased by \$272,957 (15.4%). Two major items created this increase.

- Building rent is increasing \$170,840 because of the following:
 - The center's lease includes a 4% increase. This amounts to \$21,620 for the biennium.
 - The center leased an additional 5,661 square feet for Rehab Employment Services Assistive Technology Lab that was not in the 2009-11 budget. The lease for this space is \$113,220.
 - Since 2002 space has been rented for an A&D residential program called The House. The cost of this rent has been paid for by a grant in the Mental Health & Substance Abuse Division until June 30, 2010 when the grant ran out. The cost to continue renting space for this program is \$36,000. This

supportive housing provides a much needed option for individuals completing treatment and beginning employment.

- North Central was asked to operate the Aging Services Outreach program for Region II during the current biennium. The center pays for a number of option counselors, located throughout its catchment area, to visit seniors to assess what services they may be eligible for to assist them to continue to live independently in their own homes. The budget for the option counselors is \$102,320 in federal funds.
- After the above, other operating increases and decreases come to a net decrease of \$203.

Budgeted expenses for grants increased \$1,385,558 (36.3%) with the majority of the increase explained as follows:

- The inflationary adjustment of 3%/3% accounts for \$163,259 of the increase.
- The governor's budget for North Central includes \$1,444,661 to fill a capacity gap by implementing an SMI crisis stabilization unit. This would give Region II the ability to serve individuals who need more structured, supervised care in the community reducing the need for local hospitalization or referral to the State Hospital.
- The center reduced other grants \$255,543 to offset part of the expense for the psychiatric position in the budget. These were contract dollars for nurse practitioner services.

The general fund request increase is \$2,950,259. The following items account for 83.7% of the total general fund increase:

- Governor's salary package - \$618,694

- Continuation of the second year salary increase - \$245,183
- 3%/3% increase for contracted providers - \$161,668
- SMI crisis stabilization unit - \$1,444,661
- The remaining increase of \$480,053 is associated with the overall changes in the center's budgeted expenses and revenue sources.

Federal funds increased \$30,482. Other funds increased \$70,542.

Northwest and North Central North Dakota are experiencing an influx of population from every part of the United States. New clients often seek help with psychiatric medication; some come with prescriptions from other states but more often, they come with only a story and need to maintain their mental health

The economic prosperity comes with a price as you have often heard. People are living in campers, insulated with snow, eating sack lunches and showering at the local Recreation Center. It is a tough life and its toll is sleep deprivation and family disruption resulting in increased traffic to the Human Service Centers.

Senate Changes:

The Senate made no changes to this section of the Department's budget.

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

Thank you.