

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

Chairman Pollert, members of the House Appropriations Committee – Human Resources Division, I am Tim Sauter, Director of West Central Human Service Center(WCHSC) and Badlands Human Service Center (BHSC) for the Department of Human Services (DHS). I am submitting this testimony to provide you an overview of the budget for both of these centers.

**West Central Human Service Center**

West Central Human Service Center serves the residents of Burleigh, Emmons, Grant, Kidder, McLean, Mercer, Morton, Oliver, Sheridan, and Sioux counties.

**Caseload/Customer Base**

- 5,348 individuals received service in Fiscal Year 2010 (4,059 adults and 1,289 children).
- 1,719 individuals received vocational rehabilitation services.
- A high percentage of adults who receive services (92%) and parents whose children receive services (86%) report satisfaction.
- 94% of Vocational Rehabilitation Service clients report satisfaction.
- 91% of the WCHSC Vocational Rehabilitation clients placed on jobs remain employed after 6 months.

## **Program Trends**

- The number of individuals with developmental disabilities receiving services has stabilized over the past two years, serving 1,131 in SFY 2010.
- Alcohol remains the biggest drug problem, there continues to be decrease in methamphetamine numbers, but an increasing number of adult clients who abuse prescription drugs, and adolescents abusing marijuana.
- Continues to be a significant number of referrals from the Department of Corrections and Rehabilitation (DOCR); a point in time review, reveals a decline in the percent of WCHSC adult addiction clients, from 72% in 2008 to 51% in 2010, who were referred for the DOCR.
- The WCHSC Region is seeing an increase in the number of foster home placements.
- The WCHSC Aging Services Unit was selected in October 2009 as the 3 year pilot region for the federally funded Aging and Disability Resource Center project.
- WCHSC is a member of the Standing Rock Sioux Tribe Psychology Internship Training Program.
- We continue to have a minimal number of residents from Region VII enter the North Dakota State Hospital or the Developmental Center.

## Overview of Budget Changes

Description	2009 - 2011 Budget	Increase / Decrease	2011 - 2013 Executive Budget	Senate Changes	To House
WCHSC	24,883,525	1,856,968	26,740,493		26,740,493
General Funds	11,918,377	2,191,155	14,109,532		14,109,532
Federal Funds	11,756,689	(325,728)	11,430,961		11,430,961
Other Funds	1,208,459	(8,459)	1,200,000		1,200,000
Total	24,883,525	1,856,968	26,740,493		26,740,493
FTE	135.30	0.00	135.30		135.30

### Budget Changes from Current Budget to Executive Budget:

The Budget increased by \$1,856,968 which can be primarily attributed to the following:

- \$979,454 for the Governor's salary package of which \$737,567 are general funds.
- \$348,402 in total funds of which \$249,992 is general fund needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- An increase of \$94,610 to cover an underfunding of salaries from the 2009-2011 budget.
- A decrease of (\$81,909) to underfund the 2011-2013 Payplan.
- A decrease of (\$25,095) for a part-time Support Services student trainee.
- \$26,262 to provide for the annual and sick leave lump sum payouts for five FTE expected to retire.
- The remaining decrease in salaries and benefits, totaling (\$121,586), is a combination of increases and decreases needed to sustain the salary of the 135.30 FTE's.
- Decrease of (\$29,834) for travel based on motor pool rental rates and our projected utilization.

- Increase in postage of \$9,070 based on utilization and rate increases.
- Decrease of (\$8,605) in IT Equipment under \$5,000. Any purchases made for the VR Technology Lab will be made by the DHS Central Office VR Division.
- Increase of \$7,579 for Office Equipment and Furniture under \$5,000. Funding would be used to replace aging office furniture with more functional modular furniture and desk chairs.
- Increase of \$84,237, for office building rent, as a result of an increase in the projected rental rate.
- Increase in IT-Communications of \$7,565 based on utilization and rate changes.
- Reduction of Professional Development by (\$19,461) based on Department guidelines.
- Increase in Operating Fees and Services of \$67,538 as a result of additional federal funding for Aging Outreach Services.
- Increase of \$8,500 for client medication purchases based on utilization and cost.
- Decrease of (\$16,500) for Equipment over \$5,000. No major equipment purchases are planned.
- Increase in Grants of \$539,588 which includes \$309,128 to increase the bed capacity, from 10 beds to 14 beds, for our contracted Adult Crisis Residential facility and \$231,378 for provider inflationary increases. The remaining decrease in grants, totaling (\$918), is a combination of increases and decreases needed to sustain our existing contracts.
- The remaining decrease of (\$12,847) is a combination of expenditure increases and decreases needed to sustain the budget for West Central Human Service Center.

The general fund request increased by \$2,191,155 and can be primarily attributed to the following:

- An increase of \$737,567 for the Governor's salary package.
- An increase of \$249,992 to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- An increase of \$537,481 to fund the capacity expansion of the Adult Crisis Residential facility and provider inflationary increases.
- The remaining increase of \$666,115 is related to ongoing cost to continue operations and the reduction in the Federal Medical Assistance Percentage (FMAP).

The net change in federal and other funds is primarily the result of a decrease in projected Medical Assistance collections and other changes mentioned previously.

**Senate Changes:**

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

This concludes my testimony on the 2011 – 2013 budget request for West Center Human Service Center of the Department. I would be happy to answer any questions.

## **Badlands Human Service Center**

Badlands Human Service Center (BHSC) serves the people of Adams, Billings, Bowman, Dunn, Golden Valley, Hettinger, Slope, and Stark counties.

### **Caseload/Customer Base**

- Badlands served 1,860 individuals (1,322 adults and 538 children) in SFY 2010.
- 308 individuals received vocational rehabilitation services.
- 89% of adults receiving services, and 94% of the parents whose children receive services, report satisfaction with those services.
- 91% of clients receiving vocational rehabilitation services report satisfaction.
- 93% of BLHSC clients remain employed 6 months after being placed in a job.

### **Service Trends**

- The number of individuals receiving developmental disabilities services had remained stable from SFY 2006 to SFY 2008, but increased in SFY 2010 by 18%.
- The number of referrals from the Department of Corrections and Rehabilitation comprises 48% of the individuals in adult addiction programs in this region.
- Due to oil impact on housing in Dickinson, finding and maintaining housing has become a bigger issue for the people we serve.
- Following the closure of the inpatient mental health unit at St. Joseph's Hospital there was an increase in admission to the North Dakota State Hospital, and the numbers have remained consistent.

## Overview of Budget Changes

Description	2009 - 2011 Budget	Increase / Decrease	2011 - 2013 Executive Budget	Senate Changes	To House
BLHSC	10,975,282	814,372	11,789,654		11,789,654
General Funds	5,511,630	1,017,662	6,529,292		6,529,292
Federal Funds	4,648,886	(222,764)	4,426,122		4,426,122
Other Funds	814,766	19,474	834,240		834,240
Total	10,975,282	814,372	11,789,654		11,789,654
FTE	72.70	0.00	72.70		72.70

### Budget Changes from Current Budget to Executive Budget:

The Budget increased by \$814,372 which can be primarily attributed to the following:

- \$503,605 in total funds of which \$416,095 is general fund needed to fund the Governor's salary package for state employees.
- \$185,410 in total funds of which \$141,559 is general fund needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- \$491,554 increase in salaries needed to convert a support services position to medical services. This position will be filled by a full-time Psychiatrist.
- A decrease of (\$38,080) to underfund the 2011-2013 Payplan.
- \$31,853 to provide for the annual and sick leave lump sum payouts for six FTE expected to retire.
- An increase of \$28,097 to cover an underfunding of salaries from the 2009-2011 budget.

- The remaining decrease in salaries and benefits, totaling (\$79,552), is a combination of increases and decreases needed to sustain the salary of the 72.70 FTE's.
- \$132,798 increase in building rent based primarily on a rent increase from \$12 to \$15 per square foot.
- \$41,960 increase in IT-Data Processing needed for the wiring costs associated with the new Human Service Center facility.
- Professional Development was increased by \$5,091 based on Department guidelines.
- \$79,051 increase in Operating Fees and Services of which \$53,675 is tied to additional federal funds for Aging Outreach Services and \$30,000 for moving costs associated with relocating the Human Service Center. The remaining decrease of (\$4,624) is related to miscellaneous operating fees.
- The net decrease in grants of (\$563,222) relates primarily to the shifting of the psychiatric services budget to salaries and \$10,808 for provider inflationary increases.
- The remaining decrease of (\$4,193) is a combination of expenditure increases and decreases needed to sustain the budget for Badlands Human Service Center.

The general fund request increased by \$1,017,662 which can be primarily attributed to the following:

- \$416,095 to fund the Governor's salary package.
- \$141,559 to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- \$174,111 for increased building rent and one-time costs associated with relocating the Human Service Center office facility.



- The remaining increase of \$285,897 is related to ongoing costs to continue operations and the reduction in Federal Medical Assistance Percentage (FMAP).

The net change in federal and other funds is a result of the decrease in projected Medical Assistance collections and other changes mentioned previously.

**Senate Changes:**

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

This concludes my testimony on the 2011 – 2013 budget request for Badlands Human Service Center of the Department. I would be happy to answer any questions.