

**Testimony**  
**Engrossed House Bill 1012 – Department of Human Services**  
**Senate Appropriations**  
**Senator Holmberg, Chairman**  
**March 15, 2017**

Chairman Holmberg, and members of the Senate Appropriations, I am Laurie Gotvaslee, Director of Northwest Human Service Center (NWHSC) and North Central Human Service Center (NCHSC) for the Department of Human Services (DHS). I would like to provide you an overview of the programs and services that make up the budget request for NWHSC and NCHSC.

**Northwest Human Service Center**

NWHSC provides community behavioral health and safety net services to the residents of Divide, McKenzie and Williams counties, with an estimated population of 50,570 (2015 US Census Bureau) which is an approximate increase of 9,347 since my 2015 testimony and 17,052 since my 2013 testimony. Outreach offices are located in Watford City, Crosby and Tioga.

**Program Trends/Program Changes**

NWHSC offers psychiatric evaluation/medication monitoring and psychological evaluations, Targeted Case Management for individuals with a intellectual disability, a serious mental illness and to families with children who have a mental illness (Partnership/Transition into Permanency-TIP). NWHSC offers specialized evidence-based services for traumatized children and adults. NWHSC also offers addiction services which include: substance use evaluations, low-intensity outpatient, intensive outpatient, aftercare as well as adolescent evaluation, individual

and low-intensity group. NWHSC also provides psychiatric services to the Williams County Jail two hours per week.

In the Fall of 2015, NWHSC implemented Open Access to improve access to needed assessment and at a time when individuals are motivated and actively seeking services. Open Access has helped to prevent crises and reduce missed appointments, has been successful in getting care to the most vulnerable and at-risk people when they need it and are willing to access it, and has also assisted probation and parole as well as the local jail in obtaining assessment for their clients without scheduling an appointment.

The partnership NWHSC has with the North Dakota Association for the Disabled (NDAD) continues to provide a safe, supervised environment for individuals in crisis. Williston has eight beds available for crisis residential/transitional living for individuals with a 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, nutritious meals and the ability for community-based care, as opposed to hospitalization.

NWHSC continues to have difficulty hiring staff when positions become vacant. Although NWHSC has been able to fill the non-degreed positions such as support staff, there is still a shortage of Psychiatry/Certified Nurse Specialist, Psychology, Licensed Addiction Counselors (LAC) and mental health therapists. The high turnover rate drastically impacts services. NWHSC currently has an employee living in Boston MA, providing addiction evaluations and group treatment through telehealth. We are also using LACs from Southeast Human Service Center and the State Hospital to complete the addiction evaluations during open access.

NWHSC continues to use telehealth to provide psychiatry services and are currently accessing the psychologist from NCHSC, (Minot) to cover case staffings.

Division	2017-2019 Executive Budget					State Fiscal Year 2016 Actual	
	Salary/Wages and Operating Expenses	Grants & Contracts	Total	HSC FTE's	HSC Temporary Staff	# of Contract Provider Staff *	# of Individuals Served
Behavioral Health	4,863,888	1,585,085	6,448,973	24.25	0.50	8.00	1,493
Developmental Disabilities	686,425		686,425	4.00			272
Vocational Rehabilitation	1,115,307		1,115,307	6.00	1.00		63**
Child Welfare	390,937		390,937	2.00			
Aging Services	178,106		178,106	1.00			
Administration	830,820		830,820	6.00	1.00		
<b>Total</b>	<b>8,065,483</b>	<b>1,585,085</b>	<b>9,650,568</b>	<b>43.25</b>	<b>2.50</b>	<b>8.00</b>	
* This number is a combination of full and part-time staff.							
** VR applicant data is for FFY 2016							

### Overview of Budget Changes-Northwest Human Service Center

Description	2015-2017 Budget	Increase / (Decrease)	2017-2019 Executive Budget	House Changes	2017-2019 Budget To Senate
HSC / Institution	10,484,910	(834,342)	9,650,568	(52,716)	9,597,852
General Fund	6,677,350	(534,253)	6,143,097	(48,143)	6,094,954
Federal Funds	3,265,218	(637,685)	2,627,533	(4,573)	2,622,960
Other Funds	542,342	337,596	879,938	0.00	879,938
<b>Total</b>	<b>10,484,910</b>	<b>(834,342)</b>	<b>9,650,568</b>	<b>(52,716)</b>	<b>9,597,852</b>
Full Time Equivalent (FTE)	43.25	0.00	43.25	0.00	43.25

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

The overall budget decreased by \$834,342 and can be mainly attributed to the following:

- \$153,898 in total funds, of which \$127,286 is general fund needed to fund the Governor's compensation package for State employees.
- \$92,996 in total funds, of which \$80,649 is general fund needed to sustain the employee increases approved by the last Legislative Assembly.
- The salary underfunding changed from \$129,999 to \$374,104, which is a net change of (\$244,105).
- A decrease in Salary-Other of \$215,084 which is mainly attributable to no longer providing oil impact dollars to staff.
- The remaining decrease in Salaries and Wages, totaling \$342,553 is a combination of increases and decreases needed to sustain the 43.25 FTEs. A significant amount of the decrease is due to new staff with lower starting salaries than their predecessor.
- \$65,541 decrease in Travel due to the Department-wide process used to develop the Department's savings plan.
- \$34,875 increase in Rentals/Leases – Bldg/Land due to escalation clause negotiated within the lease.
- An increase in Operating Fees and Services of \$12,522 with the majority of the increase due to flex funds added to partnership for client services, to assist participating families with expenses which would assist families in meeting the needs of the youth to prevent an out of home placement, for such things as rent deposit, vehicle maintenance, and activity fees or school fees. This amount also includes expenses for advertising for hard to recruit positions.
- The Grants, Benefits & Claims decreased \$241,585 and is mainly attributed to the following:

- \$28,098 decrease due to being unable to obtain a vendor for the Adult Residential contract. Consumers from this region needing residential level of addiction care are referred to other human service centers, with the majority of them being serviced at NCHSC.
- \$187,230 decrease due to the recovery services contract not being renewed, as staff at the center are now providing this service.

### **House Changes From Executive Budget:**

- The Department-wide FTE allocation would result in the reduction of one FTE for the Northwest HSC area of the budget, resulting in a \$153,000 decrease in Salary and Wages, of which \$96,879 is general fund. The majority of HSC staff provides interrelated behavioral health, child welfare, aging, vocational rehabilitation, and DD program management services. Cuts to one area adversely impact another.

Each behavioral health FTE loss would reduce client services by 1300 hours annually, the consequences of which would include revenue loss, delays in court-ordered assessments, wait time for specialized services, reduced response to community emergencies and further narrowing of priority population served to ensure resources are not spread so thin so as to render treatment ineffective. Behavioral health service reductions would further contribute to the statewide behavioral health service shortage, the significance of which include the worsening of illnesses left untreated, the severest of which result in lengthy hospitalization,

overrepresentation within prison and jails, and violent law enforcement encounters ultimately shifting and increasing costs.

Other consequences to FTE reductions would include the decrease of county social service oversight and the delay of child care licensing, foster care licensing, family permanency planning, adoption facilitation, or child abuse investigation, all of which adversely affect children.

- \$27,970 decrease in Salary and Wages, of which \$23,397 is general fund due to the elimination of the 1% salary increase that had been proposed for the second year of the biennium.
- \$17,896 general fund decrease in Operating expenses, which amounts to a total reduction of \$28,112 general fund. This will result in an overall operating expense decrease of approximately \$28,120 when federal matching funds are considered. This will result in further reductions in service contracts decreasing residential, case aide, and support services. Reducing capacity to treat at these lower levels of care, already identified as shortage, will result in the limiting of care and drive higher rates of hospitalization and over-incarceration.
- \$ 6,850 decrease in Grants, all of which is general fund due to elimination of the 1% inflationary increase for providers that had been proposed for the second year of the biennium.

### **North Central Human Service Center (NCHSC)**

NCHSC provides community behavioral health and safety net services to the residents of Bottineau, Burke, McHenry, Mountrail, Pierce, Renville and Ward counties, with an estimated population of 103,481 (2015 US Census Bureau) which is an approximate increase of 4,092 since my 2015

testimony and 10,466 since my 2013 testimony. Outreach offices are located in Rugby, Stanley and New Town.

### **Program Trends/Program Changes**

NCHSC offers psychiatric evaluation/medication monitoring and psychological evaluations, Targeted Case Management for individuals with a intellectual disability, a serious mental illness and to families with children who have a mental illness (Partnership/Transition into Permanency-TIP). NCHSC offers specialized evidence based services for traumatized children and adults. NCHSC also provides substance use evaluations, low-intensity outpatient, intensive outpatient, addiction residential, aftercare as well as adolescent evaluation, individual and low-intensity group. NCHSC is also involved in North Central District drug court.

NCHSC began providing open access services on January 1, 2016, along with Just In Time Scheduling which schedules medication appointments no more than 10 days out. This allows for appointments to be made closer to the time it is needed and has improved the no-show rate dramatically for the medication providers.

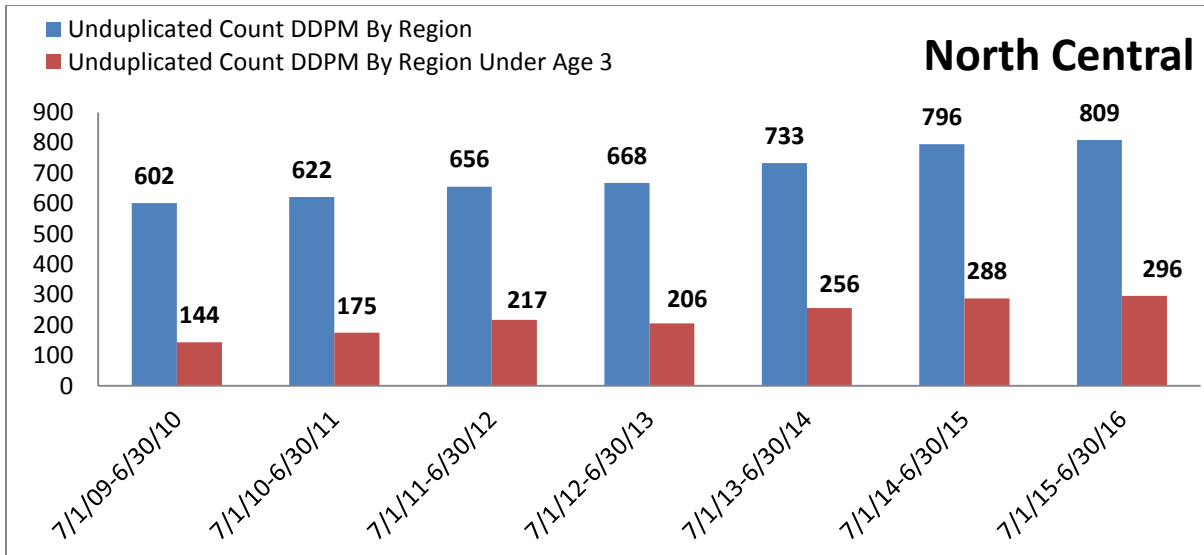
You may recall from the last legislative session that NCHSC was requesting funding for a 10 bed Transitional Living/Crisis Residential Unit (TL/CRU). The funding was granted and NCHSC completed two requests for proposal (RFP) processes which resulted in no solicited vendor interest in the contract. NCHSC currently operates Kay's Place which is a residential child care facility for adolescent females in foster care. However, NCHSC will be closing Kay's Place and using that funding and staff to open a 12 bed TL/CRU. The anticipated opening date will be July

1, 2017. This will bring NCHSC in compliance with licensing requirements in ND Administrative Code. This facility will allow clients to maintain stability and receive the full benefit of treatment. The availability of these beds allows for medication monitoring, nutritional meals and the ability for community-based care, all while preventing a psychiatric hospital stay at Trinity Hospital (under the hospital contract) or at the North Dakota State Hospital.

NCHSC continues to struggle with filling the degreed positions such as psychiatrist, Certified Nurse Specialist/Practitioner (medication provider) and Psychologist. This greatly impacts the number of consumers who can be seen for medication management or psychological evaluations.

Developmental Disabilities Program (DD) caseload continues to grow. During this past biennium, NCHSC added a full time temporary position in the DD unit. The position is now carrying a full caseload (60:1 ratio). An FTE was transferred to NCHSC from the Life Skills Transition Center (LSTC) as the caseload is growing and providing services with temporary staff creates instability for clients and is expensive for the center to train. NCHSC currently has 11 Developmental Disabilities Case Managers who are all carrying a full caseload.





Division	2017-2019 Executive Budget					State Fiscal Year 2016 Actual	
	Salary/Wages and Operating Expenses	Grants & Contracts	Total	HSC FTE's	HSC Temporary Staff	# of Contract Provider Staff *	# of Individuals Served
Behavioral Health	11,631,304	4,047,791	15,679,095	61.00	5.00	38.00	2,452
Developmental Disabilities	2,107,213		2,107,213	12.00	1.00		809
Vocational Rehabilitation	1,926,954		1,926,954	12.00			290**
Child Welfare	2,384,036		2,384,036	13.15	0.40		
Aging Services	450,892		450,892	2.50			
Administration	2,876,935		2,876,935	19.60			
<b>Total</b>	<b>21,377,334</b>	<b>4,047,791</b>	<b>25,425,125</b>	<b>120.25</b>	<b>6.40</b>	<b>38.00</b>	

\* This number is a combination of full and part-time staff.

\*\* VR applicant data is for FFY 2016

## Overview of Budget Changes-North Central Human Service Center

Description	2015-2017 Budget	Increase / (Decrease)	2017-2019 Executive Budget	House Changes	2017-2019 Budget To Senate
HSC / Institution	26,839,726	(1,414,601)	25,425,125	(154,891)	25,270,234
General Fund	17,509,328	(4,510,797)	12,998,531	(133,459)	12,865,072
Federal Funds	8,298,341	1,829,896	10,128,237	(21,432)	10,106,805
Other Funds	1,032,057	1,266,300	2,298,357	0.00	2,298,357
Total	26,839,726	(1,414,601)	25,425,125	(154,891)	25,270,234

Full Time Equivalent (FTE)	119.25	1.00	120.25	0.00	120.25
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### **Budget Changes from Current Budget to the Executive Budget:**

The overall budget decreased by \$1,414,601 and can be mainly attributed to the following:

- \$421,527 in total funds, of which \$354,956 is general fund needed to fund the Governor’s compensation package for state employees.
- \$249,863 in total funds, of which \$221,152 is general fund needed to sustain the employee increases approved by the last Legislative Assembly.
- The salary underfunding changed from \$321,838 to \$497,644, which is a net change of (\$175,806).
- A decrease in Salary Other of \$293,555 with the majority of the loss due to no longer providing Oil Impact dollars to staff.
- A decrease in Overtime of \$37,536 with the on call pay being moved to salary other.

- \$145,983 in total funds of which \$85,006 is the general fund need for the FTE for a Developmental Disabilities program manager in order to meet the required client to staff ratio of 60:1.
- An increase of \$51,120 in Temporary Salaries with the addition of a full time temp salary in the DD unit to meet the ratio of 60:1.
- The remaining decrease in Salaries and Wages, totaling \$618,816 is a combination of increases and decreases needed to sustain the 120.25 FTEs. A significant amount of the decrease is due to new staff with lower starting salaries than their predecessor.
- \$149,403 decrease in Travel due to the Department-wide process used to develop the Department's saving plan.
- A decrease in Food and Clothing of \$9,036 which is based on history and actual expenditures.
- An increase in IT-Communications of \$14,079 based on historical costs and actual expenditures.
- \$11,540 decrease in Professional Development due to the Department-wide process used to develop the Department's saving plan.
- Grants, Benefits and Claims decreased by \$1,046,585 and is mainly attributed to the following:
  - \$903,983, decrease for a ten bed residential facility. The funding was granted and NCHSC completed two requests for proposal (RFP), but found no vendor having interest in the contract. The funding was later part of the budget adjustment decrease.
  - A decrease of \$108,471 to the 15-17 budget for anticipated increases for Alcohol & Drug residential services. Due to oil the impact, the increase did not materialize.

- \$17,181 for a 1% provider inflationary increase the second year of the biennium.

### **House Changes From Executive Budget:**

- The Department-wide FTE allocation would result in the reduction of three FTEs for the North Central HSC area of the budget, resulting in a \$459,000 decrease in Salary and Wages, of which \$231,945 is general fund. The majority of HSC staff provides interrelated behavioral health, child welfare, aging, vocational rehabilitation, and DD program management services. Cuts to one area adversely impact another.

Each behavioral health FTE loss would reduce client services by 1300 hours annually, the consequences of which would include revenue loss, delays in court-ordered assessments, wait time for specialized services, reduced response to community emergencies and further narrowing of priority population served to ensure resources are not spread so thin so as to render treatment ineffective. Behavioral health service reductions would further contribute to the statewide behavioral health service shortage, the significance of which include the worsening of illnesses left untreated, the severest of which result in lengthy hospitalization, overrepresentation within prison and jails, and violent law enforcement encounters ultimately shifting and increasing costs.

Other consequences to FTE reductions would include the decrease of county social service oversight and the delay of child care licensing, foster care licensing, family permanency planning,

adoption facilitation, or child abuse investigation, all of which adversely affect children.

- \$8,210 decrease in Salary and Wages, of which \$1,749 is general fund due to the removal of the Fair Labor Standards Act overtime funding. The impact of this would be staff would not be allowed to work over the allotted 40 hours if necessary. This would affect emergency/crisis availability since staff covering the after hours emergency line are already working 40 hours in addition to providing after hour coverage.
- \$13,549 decrease in Salary and Wages, of which \$10,937 is general fund due to the House Amendments that removed funding for anticipated retirements of two FTE in this area.
- \$78,087 decrease in Salary and Wages, of which \$65,728 is general fund due to the elimination of the 1% salary increase that had been proposed for the second year of the biennium.
- \$37,864 general fund decrease in Operating expenses will result in an overall operating expense decrease of approximately \$74,075 when federal matching funds are considered. This will result in further reductions in service contracts decreasing residential, case aide, and support services. Reducing capacity to treat at these lower levels of care, already identified as shortage, will result in the limiting of care and drive higher rates of hospitalization and over-incarceration.
- \$ 17,181 decrease in Grants, all of which is general fund due to the elimination of the 1% inflationary increase for providers that had been proposed for the second year of the biennium.

This concludes my testimony on 2017-2019 budget request for the NWHSC and NCHSC.