

TESTIMONY
HB 1012 – DEPARTMENT OF HUMAN SERVICE
SENATE APPROPRIATIONS
SENATOR HOLMBERG, CHAIRMAN
MARCH 2, 2005

Chairman Holmberg and members of the Senate Appropriations Committee, I am Lynn Nelson of the Department of Human Services. I am submitting this written testimony to provide you an overview of the budget for the Lake Region and South Central Human Service Centers.

Lake Region Human Service Center

Recent trends and characteristics that are affecting the operations of the Lake Region Human Service Center, serving Ramsey, Cavalier, Rolette, Towner, Benson and Eddy counties. In the year 2000, there were 43,168 residents in Region III.

Characteristics of Region:

- **Racial diversity continues to increase in the Lake Region. 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.**
- **Unemployment rates remain high, approximately twice the state average.**
- **Poverty Rates: One in every four Lake Region residents live in poverty, which is twice the poverty rate of any other region.**
- **TANF Recipients: The Lake Region recently had 38% of all TANF recipients in the state. Rolette County alone has over 700 families on TANF.**
- **We are experiencing difficulties in both recruiting and retaining Licensed Addiction Counselors and Psychologists.**

- All of our counties are designated mental health professional shortage areas by the National Health Service Corp.

Service Trends:

The Lake Region Human Service Center provided services to 2,347 individuals in fiscal year 2004 (1,773 adults and 574 children received services). In addition, 310 individuals received Vocational Rehabilitation services. Of the total number of Vocational Rehabilitation clients, 29% also received some other services from Lake Region Human Service Center.

Substance Abuse Services for Adolescents:

- Increase for high intensity residential alcohol and drug treatment services for young children (ages 8-12); 22 children evaluated to need this level of care in fiscal year 2004. Major placement challenges due to age of the children, with no identified programs in North Dakota. Most referrals are coming from the Spirit Lake Nation and to a less degree from Turtle Mountain Band of Chippewa.
- Inhalant use as a secondary diagnosis with adolescents is up 20%.
- Methamphetamine use for adolescents on the two reservations in Region III seems to be increasing.
- An increase in adolescent consultations at Mercy Hospital in Devils Lake for alcohol poisoning.

Substance Abuse Services for Adults:

- Continued growth of clients presenting with methamphetamine as their drug of choice.

Clinical Services:

- Referrals coming through our Fort Totten Four Winds School outreach site continue to grow, including adolescent alcohol and drug services.

Regional Intervention Services:

- Continued increases in the number and complexity of crisis line calls (first 11 calendar months of 2004, there were 629 calls).
- An increase in the number of calls that reflect dual diagnosis problems, and an increase in substance abuse callers.

Psychiatry:

- Our physicians indicate the increasing complexity of clients with dual diagnosis and increasingly challenging substance abuse presentations with complications.

Vocational Rehabilitation Services:

- Statistics indicate that our clientele are becoming more significantly disabled, i.e., presenting with more than one disability or with several functional limitations.
- Vocational Rehabilitation outcomes are negatively affected by the region's high unemployment and poverty rates.
- Lake Region is anticipating an increase in Vocational Rehabilitation referrals from Rolette County. The cooperative agreement resulting in a clinical staff member to work with the TANF Program and the fact that the on-reservation tribal VR project presently has a waiting list for applications.

County Supervision:

- A significant increase in use of foster care in Region III. In the fall of 2003, there were 41 children in foster care. In December 2004, there

were 95 children in foster care. (These numbers do not include the two reservations where 150 children were placed in tribal affidavit homes).

During the past year, we have worked with several community providers to improve the services available to individuals in Region III.

- **TANF Clinical Position:** In a collaborative effort involving the Division of Economic Assistance, Lake Region Human Service Center, Rolette County Social Services, Job Service of North Dakota and a number of tribal agencies from the Turtle Mountain Band of Chippewa, Lake Region Human Service Center will be placing a clinical staff member at the Rolette County Social Services office to assist in assessing the mental health and substance abuse needs of TANF recipients in Rolette County.
- **Extended Care staff** will be providing treatment service on site to up to 22 seriously mentally ill residents at the new Prairie Heights Residential Program in Devils Lake. This is a single room occupancy home with 24-hour supervision that is being funded and operated by the local Odd Fellows Lodge.

OVERVIEW OF BUDGET CHANGES

Lake Region Human Service Center

	2003-2005 Budget	Increase/ Decrease	2005-2007 Request	House Changes	Request to Senate
HSC Total	\$8,493,470	\$702,910	\$9,196,380	(94,791)	9,101,589
General	\$4,641,584	\$332,915	\$4,974,499	(86,966)	4,887,533
Federal	\$3,338,304	\$397,595	\$3,735,899	(7,825)	3,728,074
Other	\$513,582	(\$27,600)	\$485,982	0	485,982
FTEs	62	0	62	0	62

- **\$379,745 increase due to Governor's recommended salary and benefit package. This increase includes \$258,503 in General Funds.**
- **Prior to the Governor's salary package, the Center had a decrease of \$105,978 in salaries and benefits. This was largely the result of a transfer of an FTE to South Central Human Service Center without transferring the funding and the filling of some vacancies at lower than their predecessor's salary.**
- **Statewide Regional Office Automation Project (ROAP) lead position located at Lake Region Human Service Center and included in the administration cost center.**
- **Inflationary increase for contracted providers of \$73,412.**
- **Increase of \$10,000 for contracted psychiatric services.**
- **Travel decreases of \$45,689.**
- **Increase of \$13,989 in National Family Caregiver Grant funds.**
- **Federal Infant and Toddlers Grant increase of \$41,000.**
- **Federal Substance Abuse Prevention and Treatment Block Grant increase of \$333,320 for contracting addiction services with both reservations, increase case aide services and transportation needs.**

HOUSE CHANGES

- **Reduction of \$25,570 in salaries of which \$17,745 is General Funds to fund the salary increase at 3% and 4% rather than at 4% and 3% as recommended by the Governor's salary package.**
- **Reduction of \$38,052 in salaries as part of the overall salary underfunding department-wide.**
- **Reduction of \$31,169 in general operations of the Center as part of the \$400,000 overall reduction to Human Service Centers.**

South Central Human Service Center

Recent trends and characteristics that are affecting the operations of the South Central Human Service Center, serving Foster, Wells, Griggs, Barnes, Stutsman, LaMoure, Dickey, McIntosh and Logan counties. In the year 2000, there were 61,454 residents in Region VI.

Characteristics of 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.
- The poverty rate for seniors exceeds the statewide average of 11.1% in five Region VI counties.
- Five of the nine counties located in Region VI are projected to have more dependents than workers by the year 2020.
- Region VI, like Region III, has no private inpatient mental health treatment facility. Region 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.

Service Trends:

The South Central Human Service Center provided services to 3,148 individuals in fiscal year 2004 (2,448 adults and 700 children received services). In addition, 743 individuals received Vocational Rehabilitation services. Of the total number of Vocational Rehabilitation clients, 25% also received some other services from South Central Human Service Center.

- The Infant Development Program in Region VI has grown from 24 cases in the year 2002 to 44 cases in the year 2004.
- The Right Track Program has been successful in identifying children with special needs birth through age 2. As a result, the demand for developmental evaluations and case management services has increased significantly.
 - Infant Development staff are seeing more children with significant medical needs. The survival rate for these children has increased and many are now living to adulthood. We are seeing them both as infants and again when they are pre-teens because families are no longer able to manage the health needs of the children in their home.
- Region VI, like Region III, is experiencing difficulty recruiting and retaining Licensed Addiction Counselors and Psychologists.

Some areas we are experiencing change are as follows:

Substance Abuse Services for Adults:

- The length of stay for treatment is increasing as a result of the methamphetamine usage.
- Many alcohol and drug referrals have no means of financial support.

Substance Abuse Services for Children:

- More time is required to work with family members to meet the needs of the children in treatment.

Clinical Services:

- Many children have multiple agency involvement.
- Multiple admissions from the same family are increasing. Simply sorting out the problems of the family system vs. the individual needs of the children is a difficult task.

County Supervision:

- Increase in the number of children in foster placement (in October 2003, 38 children were placed in Region VI foster homes; in October 2004, 75 children were placed in foster homes).
- Substance abuse usage by parents is attributed to approximately 25% of the increase in foster home placements in Region VI.

Extended Care:

- The length of stay in our Crisis Residential Unit has increased.
- Additional coordination with private inpatient psychiatric units in other regions is increasing.

OVERVIEW OF BUDGET CHANGES

South Central Human Service Center

	2003-2005 Budget	Increase/ Decrease	2005-2007 Request	House Changes	Request to Senate
HSC Total	\$11,473,954	\$765,038	\$12,238,992	(99,846)	12,139,146
General	\$5,531,905	\$384,730	\$5,916,635	(87,770)	5,828,865
Federal	\$5,095,879	\$357,723	\$5,453,602	(12,076)	5,441,526
Other	\$846,170	\$22,585	\$868,755	0	868,755
FTEs	88	0	88	0	88

- \$526,129 increase due to Governor’s recommended salary and benefit package. This increase includes \$323,541 in General Funds.
- Inflationary increase for contracted providers of \$61,189.
- Infant Development Services increase of \$50,088 due to increased consumer demand.
- Increase in the need for contracted psychiatric coverage of \$32,132.
- Decrease in travel of \$42,371.
- Decrease in telephone usage of \$25,214.

- **Federal Substance Abuse Prevention and Treatment Block Grant increase of \$52,773 for addiction case aides and flexible funding for clients.**
- **Increase of \$14,704 in National Family Caregiver Grant funds.**

HOUSE CHANGES

- **Reduction of \$33,723 in salaries of which \$21,647 is General Funds to fund the salary increase at 3% and 4% rather than at 4% and 3% as recommended by the Governor's salary package.**
- **Reduction of \$20,000 in salaries as part of the overall salary underfunding department-wide.**
- **Reduction of \$46,123 in general operations of the Center as part of the \$400,000 overall reduction to Human Service Centers.**