

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

Chairman Holmberg, members of the Senate Appropriations Committee, I am JoAnne Hoesel, Director of the Division of Mental Health & Substance Abuse Services for the Department of Human Services. I am here today to provide you an overview of the budget area for the Division of Mental Health & Substance Abuse.

The Division of Mental Health & Substance Abuse provides system-wide education, regulation, technical assistance, training for public and private service providers, and federal and state reporting. The Division manages the federal block grants for both mental health and substance abuse services. This includes assuring the availability of an array of services for adolescent and adult substance abuse treatment services, adult and child mental health services, and substance abuse prevention services. The Division also manages the compulsive gambling education and treatment programs.

Customer Base

During FY 2004, the public mental health system provided services to 14,925 children, youth, and adults. For the same time period, the public substance abuse treatment system provided services to 4,808 adolescents and adults. The Division licenses 84 substance abuse providers, 8 human service centers, and 6 residential treatment centers for children and

adolescents. The Prevention Resource Center distributes over 345,000 educational products annually.

Recent Trends affecting mental health & substance abuse services

Complexity of admissions - We see people coming in for services with more and more complicated situations, and we see them at a much younger age. Examples of how this translates to service requests includes:

- **clients who have engaged in sexual offending behavior,**
- **clients who have significant substance abuse and mental health disorders plus histories of physical or emotional abuse and neglect, and**
- **people who need longer substance abuse treatment services in the community because of their severe symptoms and use of methamphetamine.**

This increased complexity means people have multiple problems and it complicates the delivery of treatment. It also requires that we keep our staff well trained in order to be effective.

Enhanced substance abuse treatment services - Additional federal substance abuse block grant dollars were made available to the regional human service centers. The additional federal funding totals approximately 2.3 million dollars for the 2005-2007 biennium. These dollars were distributed based on plans submitted by the regional human service centers. These plans address the gaps in the service array and involved the region's total population plus the treatment target groups of Native Americans and adolescents. This process has allowed us to add services to better match the intensity of treatment to individual needs with expansions in the areas of residential and case management.

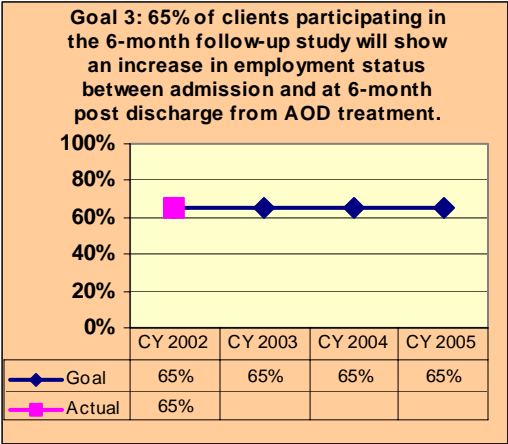
Aging population base - North Dakota has a population that is aging. This trend, along with the demand for community based services, impacts mental health and substance abuse services delivered in the public sector. The Division has worked with service partners to increase educational and training opportunities to deliver age appropriate services.

New Freedom Commission - President Bush created the President's New Freedom Commission on Mental Health in 2002. The commission was to study the mental health system and make recommendations enabling adults with serious mental illness and children with serious emotional disturbances to live, work, learn, and participate fully in communities. The commission's final report was published in 2003. Based on this report, the Division is involved in education and training to support the workforce in providing optimum care for the best outcomes and care that helps consumers reach their full potential in recovery.

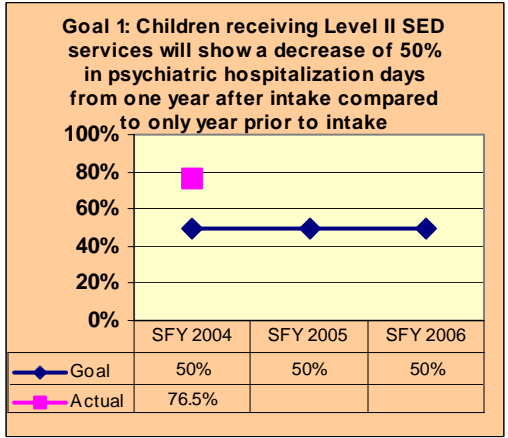
Performance Measures

The Division has identified performance measure for each of its major programs: substance abuse treatment, adult and children's mental health services, and prevention. These outcomes focus on how clients are functioning in their homes, schools, jobs, or communities.

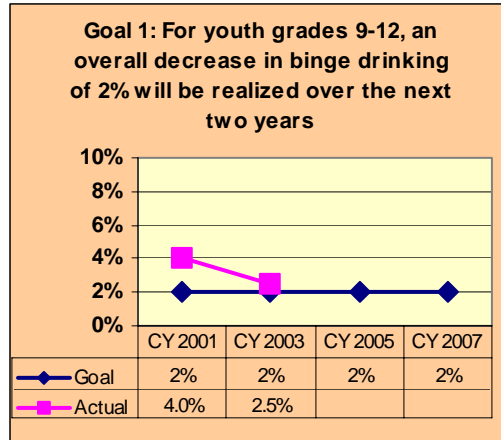
- 1) 65% of adults involved in alcohol/other drug treatment who participate in the 6-month follow-up study will show that they continue to be employed or increased the time they are employed. This is measured from the time of their admission and at 6 months after they are discharged from alcohol and other drug treatment.**



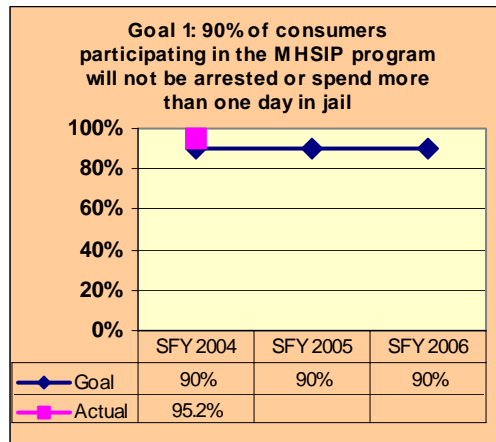
2) Children receiving wraparound care coordination through the Partnerships Program services will spend 50% fewer days in a psychiatric hospital measured from one year after their involvement with this program compared to one year prior to intake. The current result is 76.5%.



3) Substance Abuse Prevention. For youth grades 9 – 12, an overall decrease in binge drinking of 2% will be realized over the next two years. (2003 baseline data). The most recent outcome is 2.5%.



4) 90% of consumers who have a serious and persistent mental illness and participating in the outcome program will not be arrested or spend more than one day in jail. (SFY 2003 baseline) The current outcome is 95.2%.



Additional outcomes measures are available.

Overview of budget changes:

	2003 - 2005 Budget	Increase/ (Decrease)	2005 - 2007 Request	House Changes	Request to Senate
Salaries	1,447,686	(181,595)	1,266,091	(23,972)	1,242,119
Operating	2,726,997	(716,897)	2,010,100	(50,000)	1,960,100
Grants	3,980,120	98,651	4,078,771	250,000	4,328,771
Total	8,154,803	(799,841)	7,354,962	176,028	7,530,990
General	1,213,565	61,302	1,274,867	(223,972)	1,050,895
Federal	6,553,406	(502,111)	6,051,295	0	6,051,295
Other	387,832	(359,032)	28,800	400,000	428,800
FTEs	12.00	(1.00)	11.00	0.00	11.00

Governor's Budget

Salary and FTE

- **Reduced FTEs by 1 – eliminated the position of the deputy director of mental health. Duties are covered through realignment of staff and others taking on additional duties. This reduces the salary authority, however, the general funds were removed by the previous legislature as part of the \$1.5 million adjustment to administration.**
- **Reduction of salaries - initially – (\$256,574) offset by the employee salary package - \$74,979 in total; \$61,302 general fund, bringing the authority to net decrease of (\$181,595).**

Operating Expenses

Operating expenses show a net decrease for a variety of reasons (all federal funds - \$716,897.)

- **Decrease in operating fees and services is due to a shift of substance abuse block grant dollars to the regional human service centers based on formula funding and targeted for enhanced substance abuse services - \$775,428.**

This decrease is offset in part by the following increases (all federal funds):

- **Increase in travel comes from increased licensing activity for 84 substance abuse treatment providers, 8 human services centers, and 6 residential treatment centers, and increased federal grant requirements - \$22,227.**
- **Increase in professional development for increased use of the Interactive Video Network (IVN) as the method to hold meetings versus face-to-face meetings. There has also been an increase in national professional memberships and conference registrations for the field - \$19,170.**
- **Increase in professional supplies and materials due to increased demand at the Prevention Resource Center (PRC) for books, pamphlets, and videos - \$5,800.**

Grants

- **Increase in grants, \$98,651, is based on an increase in the Governor's fund for high-risk youth, part of the Drug Free Schools dollars and the increase in the substance abuse block grant which increased prevention grants.**

Other Funds

- **Reduction of \$359,032 is attributed to no longer passing on the CSCC refinancing dollars to the Indian Affairs Commission (\$200,000) and the elimination of excess spending authority which is not needed (159,032).**

House Changes

- **Reduction of salaries (\$20,000) as a part of the overall salary underfunding departmentwide. An additional reduction of (\$3,972) to fund salary increase at 3% and 4% rather than at 4% and 3% as recommended in the Governor's salary package.**

- **Reduction in operating (\$50,000) general fund. This reduction is reflected in operating fees and services.**
- **Reduction in Compulsive Gambling Treatment program (\$150,000) general fund.**
- **Increase in Compulsive Gambling Treatment program \$400,000 special funds. The continuing appropriation was removed for this fund in a separate bill and these special funds reflect the amount the Compulsive Gambling program will receive from Lottery revenue.**

Thank you.