

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

Chairman Holmberg and members of the Senate Appropriations Committee, I am Nancy McKenzie of the Department of Human Services. I am submitting this written testimony to provide you an overview of the budget for the Northeast and Southeast Human Service Centers.

REGION IV – NORTHEAST HUMAN SERVICE CENTER

Recent trends and characteristics that impact services provided by Northeast Human Service Center, serving Grand Forks, Nelson, Walsh and Pembina counties.

Characteristics of Region:

- The region's population of approximately 91,000 comprises 14% of the state's population.
- 15% of the state's children, approximately 23,500, reside in this region.

Service Trends:

Northeast Human Service Center provided services to 2865 individuals in FY 2004 (2080 adults and 785 children received services). In addition, 1189 individuals received Vocational Rehabilitation services. Of the total number of VR clients, 29% also received some other service from NEHSC. 40% of the clients seen by NEHSC have a diagnosis of serious mental illness; 47% have a more acute diagnosis. We place priority on serving those most vulnerable, who cannot access services from other local providers.

- In the last two years, NEHSC has seen an increase in the number of clients impaired by methamphetamine use. Because longer or more intensive treatment is needed for many, this in turn impacts the workload for addiction services.
- We have been impacted by growth in the numbers of children screened for infant development and DD case management services. The unduplicated cumulative number of infants and toddlers served in FY 2002 was 108; in FY 2004 this was 151.
- Within the child welfare system, child abuse and neglect reports continue to result in need for parental capacity evaluations and children/family mental health services. A slight increase was also seen in the average number of children in foster care.

Substance Abuse Services for Adults and Adolescents:

- Established contract to expand evaluation and intensive outpatient treatment for rural areas of the region, using federal block grant funds;
- Enhanced access to care for adult and adolescent treatment services with federal block grant funds;
- Will use block grant funds to establish new contracts for detoxification and long-term residential services to fill gaps in the service continuum.

Services for Individuals with Developmental Disabilities:

- Utilized a part-time temporary DD case manager to manage increased caseload demand.

Services for individuals with Serious Mental Illness (SMI):

- Prioritized resource use for the medication budget to improve access to needed medications unavailable through other funding sources;
- Improved service access for TANF clients by expanding regional case management services, utilizing federal funds.

Family Caregiver Services:

- Utilized additional federal funds to expand stipends available for volunteers in the program.

OVERVIEW OF BUDGET CHANGES

Northeast Human Service Center

	2003 - 2005 Budget	Increase / Decrease	2005 - 2007 Request	Increase / Decrease	Request to Senate
HSCs / Institutions	19,514,728	1,181,414	20,696,142	(199,190)	20,496,952
General	7,928,063	556,469	8,484,532	(178,240)	8,306,292
Federal	10,754,962	572,019	11,326,981	(20,950)	11,306,031
Other	831,703	52,926	884,629	-	884,629
FTEs	137.90	4.00	141.90	-	141.90

Changes to the NEHSC budget are requested to maintain the current level of service.

- Salaries and fringe benefits cost to fund the Governor’s salary increase plan is \$833,608, of which \$443,566 is general funds.
- The increased FTEs were to convert long-term temporary Community Home Counselors at our Ruth Meiers Adolescent Treatment program (RMAC) and an Activity Assistant to regular employees, in order to enhance recruitment and retention of qualified staff. There was a small increase in general funds to cover the cost of benefits as a result of this change.
- Inflationary increase for contracted providers of \$112,903.
- Federal Substance Abuse Prevention and Treatment Block Grant (SAPT) increase of \$528,200 for enhancement of adult and adolescent addiction services.
- Increase of \$14,306 in National Family Caregiver Grant funds.

House Changes:

- **Reduction of \$48,869 in salaries, of which 27,919 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 \$97,692 in salaries as part of the overall salary underfunding department-wide.**
- **Reduction of \$52,629 in general operations of the Center as part of the \$400,000 overall reduction to Human Service Centers.**

REGION V SOUTHEAST HUMAN SERVICE CENTER

Trends and characteristics that are affecting the operations of the Southeast Human Service Center, serving Steele, Traill, Cass, Ransom, Sargent and Richland counties.

Characteristics of Region:

- **The regional census of approximately 162,000 individuals comprises just over 25% of the state's population.**
- **Within this total population, over 41,000 are children under age 18; this is 24% of the children in North Dakota.**
- **The Fargo area has a strong job market with a low unemployment rate. This has created challenges in terms of placing us in a very competitive market for healthcare professionals, including physicians, psychologists and addiction counselors.**
- **Because this urban area has more available private providers, SEHSC prioritizes serving the most vulnerable who cannot access services elsewhere in the community.**

Service Trends:

Southeast Human Service Center provided services to 4,708 individuals in FY 2004. 3,814 adults were served (6% increase over FY 2003); children served totaled 894 (11% increase from the prior year). In addition, 1435 individuals received Vocational Rehabilitation services; of the total number of VR clients, 34% also received other services from SEHSC.

- In the last two years, SEHSC has seen an increase in the number of clients impaired by methamphetamine use. Because longer and/or more intensive treatment is often needed, this in turn has impacted demand and wait time for addiction services.**
- Over 50% of SEHSC clients have a diagnosis of serious mental illness, so require a broad array of services over longer periods of time to be able to stay in the community.**
- With many of the state's children residing in this region, we have seen an increase in the numbers screened for infant development and DD case management services. The unduplicated number of infants and toddlers served in FY 2002 was 130; that increased to 210 in FY 2004.**
- Within the child welfare system, 1761 child abuse and neglect reports were completed in FY 2003. This results in demand for parental capacity evaluations and other child/family mental health or addiction referrals.**
- Service coordination and referrals from law enforcement have also increased. We work closely with Parole and Probation as well as the Cass County jail, providing evaluations and case management follow-up for incarcerated clients.**

Adolescent Substance Abuse Services:

- Intensive outpatient level of care is now provided in Fargo schools; this was initiated with federal block grant funds received.**
- Youth addiction services to rural outreach were expanded; we established a contract with PATH to provide social detox and crisis**

care for adolescents in the region; both of these enhancements were funded with federal block grant monies.

Adult Substance Abuse Services:

- 8 crisis/social detox beds were funded with federal block grant dollars to provide alternatives/step-down from inpatient treatment.
- Contracted to provide transitional living therapeutic services for individuals requiring residential supports to stay in the community, with substance abuse block grant funds.
- Block grant funds are also being used to add an addiction counselor to the admissions staff, to improve access to emergency services.
- Day treatment and intensive outpatient services were enhanced to reduce client wait times, using federal block grant dollars.

Services for Individuals with Serious Mental Illness (SMI):

- Prioritized existing resources to improve access to case management services for individuals with serious mental illness.
- Prioritized resource use for the medication budget to improve access to needed medications unavailable through other funding sources.
- Improved rural access to TANF pilot project by expanding regional case management services with federal TANF funds.

Services for Individuals with Developmental Disabilities:

- Utilized a temporary DD Case Manager to meet increased caseload demand.

Services for High-Risk Infants/Children:

- Numbers of high-risk children referred for infant development and DD case management services increased early in the current biennium, and has since remained fairly steady.

Family Caregiver Services:

- Utilized federal funds to expand stipends for volunteers.

OVERVIEW OF BUDGET CHANGES

Southeast Human Service Center

	2003 - 2005 Budget	Increase / Decrease	2005 - 2007 Request	Increase / Decrease	Request to Senate
HSCs / Institutions	20,896,483	2,925,763	23,822,246	(295,824)	23,526,422
General	9,457,220	691,309	10,148,529	(267,702)	9,880,827
Federal	10,372,181	2,064,446	12,436,627	(28,122)	12,408,505
Other	1,067,082	170,008	1,237,090	-	1,237,090
FTEs	181.20	2.40	183.60	-	183.60

Changes to the SEHSC budget are needed to provide access to current level of services with continued growing demand in the region.

- Salaries and fringe benefits cost to fund the Governor's salary increase plan is \$1,129,408, of which \$628,963 is general funds.
- \$1,147,837 increased salary cost is to fund: 2.4 FTEs for the Substance Abuse Prevention and Treatment Block Grant (SAPT) block grant service expansion; needed staff resources to manage increased client volume at SEHSC; and, market equity or workload adjustment increases needed to retain staff in hard-to-fill classifications.
- Inflationary increase for contracted providers of \$44,619.
- Federal SAPT increase of \$729,905 to improve access to adult and adolescent addiction services.
- Increase of \$18,777 in National Family Caregiver Grant funds.
- \$162,160 increase in TANF block grant.
- Foster care IV-E funding increase of \$81,493.

House Changes:

- **Reduction of \$71,224 in salaries, of which \$43,102 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 \$137,046 in salaries as part of the overall salary underfunding department-wide.**
- **Reduction of \$87,554 in general operations of the Center as part of the \$400,000 overall reduction to Human Service Centers.**