

**TESTIMONY**  
**HB 1012 – DEPARTMENT OF HUMAN SERVICES**  
**SENATE APPROPRIATIONS COMMITTEE**  
**MARCH 2, 2005**

Chairman Holmberg and members of the Senate Appropriations Committee, I am Tim Sauter of the Department of Human Services. I am submitting this written testimony to provide you an overview of the budget for the West Central and Badlands Human Service Centers.

**REGION VII – 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.

**Characteristics of Region:**

- 130,418 individuals reside in the Region which is 20% of the state's population
- 37,794 children reside in the Region which is 21% of the children living in North Dakota

**Service Trends:**

- 4085 individuals received service in Fiscal Year 2004 (3135 adults and 950 children)
- Additionally, 1535 individuals received vocational rehabilitation services. 28% of the VR clients received other Center services
- Over the past 3 fiscal years the monthly average number of children in foster care has been 150
- Since 1998 client ratings of satisfaction with mental health and substance abuse services have averaged 4.13 on a 5 point scale

- **Challenges we face include:**
  - **Increasing numbers of children with developmental disabilities. Increasing from 93 children in State Fiscal Year (SFY) 1997 to 192 in SFY 2004 an increase of 106%.**
  - **People having more complex problems (co-existing conditions). 25% of all the clients receiving mental health or substance abuse services have a co-existing condition. 60% of individuals receiving substance abuse services have a diagnosed mental health condition. 15% of individuals receiving mental health services also have a substance abuse diagnosis.**
  - **Increasing referrals from the Department of Corrections and the legal system. 687 referrals for mental health and substance abuse services in SFY 2004. 407 referrals in the first six months of SFY 2005. 80% of these referrals are referred for addiction services.**

**OVERVIEW OF BUDGET CHANGES**

	<b>2003-2005 Budget</b>	<b>Increase \ Decrease</b>	<b>2005-2007 Request</b>	<b>House Changes</b>	<b>Request to Senate</b>
<b>HSC/Inst.</b>	<b>\$17,783,656</b>	<b>\$916,963</b>	<b>\$18,700,619</b>	<b>(\$194,851)</b>	<b>\$18,505,768</b>
<b>General</b>	<b>\$8,463,209</b>	<b>\$562,207</b>	<b>\$9,025,416</b>	<b>(\$178,561)</b>	<b>\$8,846,855</b>
<b>Federal</b>	<b>\$8,559,317</b>	<b>\$343,785</b>	<b>\$8,903,102</b>	<b>(\$16,290)</b>	<b>\$8,886,812</b>
<b>Other</b>	<b>\$761,130</b>	<b>\$10,971</b>	<b>\$772,101</b>	<b>0</b>	<b>\$772,101</b>
<b>TOTAL</b>	<b>\$17,783,656</b>	<b>\$916,963</b>	<b>\$18,700,619</b>	<b>(\$194,851)</b>	<b>\$18,505,768</b>
<b>FTEs</b>	<b>124.0</b>	<b>0.5</b>	<b>124.5</b>	<b>0.0</b>	<b>124.5</b>

**Major changes in the West Central Human Service Center budget needed to meet current service needs:**

- **Salaries and Benefits needed to fund the Governor’s salary/benefit package - \$753,248 – \$471,248 in General Funds**
- **Inflationary Increase for Contract Providers \$75,946**
- **Building Rent – decrease (\$52,788)**
- **Equipment over \$5000 – decrease (\$24,000)**
- **Federal Mental Health Block Grant – increase \$35,044**
- **Federal Substance Abuse Prevention and Treatment Block Grant – increase \$159,923. To be used for outpatient programming and contracted detoxification, residential and case aide services.**
- **Federal Vocational Rehabilitation funds – decrease (\$25,061)**
- **Federal Medical Assistance – decrease of (\$97,456)**
- **Federal Social Service Block Grant – decrease (\$29,332)**
- **Federal Foster Care IV-E – decrease (\$60,012)**
- **Federal Part C - Experienced Parent Program – increase \$50,000**
- **Federal Child Care Licensing funds - .5 FTE transfer from Badlands HSC– increase \$47,446**

**House Changes:**

- **Reduction of \$49,156 in salaries, of which \$32,866 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 \$69,804 in salaries as part of the overall salary underfunding department wide.**
- **Reduction of \$75,891 in general operations of the Center as part of the \$400,000 overall reduction to Human Service Centers.**

**REGION VIII – BADLANDS HUMAN SERVICE CENTER**

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

### **Characteristics of Region:**

- **38,365 residents live in the Region which constitutes 6% of the state's population**
- **10,437 children reside in the Region which is 6% of the children residing in the state**

### **Service Trends:**

- **Badlands served 2032 individuals (1531 adults and 501 children) in SFY 2004**
- **363 individuals received vocational rehabilitation services with 39% of that total also receiving other services from the Center**
- **The average number of children in foster care each month has increased from 43 in State Fiscal Year (SFY) 2002 to 60 in SFY 2004**
- **Strong working relationship with County Social Service Boards, and have partnered to provide Adult Protective Services and Care Coordination**
- **Strong partnership with St. Joseph's Hospital which provides continuity of care for individuals with substance abuse and mental health issues**
- **Client ratings of satisfaction with mental health and substance abuse services have averaged 4.16 on a 5 point scale**
- **Since 1998 the "BHSC Treatment Outcome Study" has identified that 86% to 91% of treatment goals have been achieved**
- **Challenges we face include:**
  - **Increasing numbers of children with developmental disabilities. Increasing from 54 children in SFY 1997 to 1990 in SFY 2004, an increase of 67%.**
  - **People having more complex problems including co-existing disorders. 32% of individuals receiving mental health and substance abuse services have a co-existing disorder. 76% of individuals receiving substance abuse services also have a**

mental health diagnosis. 22% of individuals receiving mental health services have a substance abuse diagnosis.

- Recruiting and retaining staff. Positions may remain vacant for extended periods of time due to inability to recruit staff due to lack of availability, such as psychologists, addiction counselors, advanced credentialed counselors and social workers. Inability to compete with the private sector, county social services, and tribal agencies. Examples include; a supervisory position, where a nursing home social work supervisor was making \$12,000 more annually than we could offer; county social service social workers making \$6,000 to \$10,000 more annually than we could offer; and a social worker from a tribal agency making \$10,000 more per year than we could offer.

**OVERVIEW OF BUDGET CHANGES**

	<b>2003-2005 Budget</b>	<b>Increase \ Decrease</b>	<b>2005-2007 Request</b>	<b>House Changes</b>	<b>Request to Senate</b>
<b>HSC/Inst.</b>	<b>\$8,980,522</b>	<b>\$408,269</b>	<b>\$9,388,791</b>	<b>(\$80,504)</b>	<b>\$9,308,287</b>
<b>General</b>	<b>\$4,365,904</b>	<b>\$203,710</b>	<b>\$4,569,614</b>	<b>(\$70,824)</b>	<b>\$4,498,790</b>
<b>Federal</b>	<b>\$3,798,144</b>	<b>\$203,024</b>	<b>\$4,001,138</b>	<b>(\$9,680)</b>	<b>\$3,991,458</b>
<b>Other</b>	<b>\$816,504</b>	<b>\$1,535</b>	<b>\$818,039</b>	<b>\$0</b>	<b>\$818,039</b>
<b>TOTAL</b>	<b>\$8,980,522</b>	<b>\$408,269</b>	<b>\$9,388,791</b>	<b>(\$80,504)</b>	<b>\$9,308,287</b>
<b>FTEs</b>	<b>78.0</b>	<b>(1.3)</b>	<b>76.7</b>	<b>0.0</b>	<b>76.7</b>

Major changes to the budget needed to meet the needs of Region VIII include:

- **Salaries and Benefits to fund the Governor’s Salary/Benefits Package – \$441,547 - \$273,710 General Funds**

- **Child Care Licensing expenditure decrease of (\$54,110) due to a .5 FTE transfer to West Central**
- **Reduction of .8 FTE Vocational Rehabilitation Administrator – decrease (\$106,437)**
- **Employee travel – decrease (\$42,399)**
- **Rent – Inflationary increase \$10,529**
- **Increase of \$138,840 for contracts to reflect inflationary and demand increases. Major changes occurred in the following:**
  - **Psychiatry - \$53,400**
  - **Adult Protective Services - \$9,600**
  - **Chemical Dependency Short Term Residential - \$58,340**
  - **Chemical Dependency Adolescent Residential - \$4,000**
  - **Short-term psychiatric inpatient - \$10,500**
- **Federal Substance Abuse Prevention and Treatment Block Grant – increase \$84,562. To be used for residential services.**
- **Federal Vocational Rehabilitation Funding – decrease (\$50,728)**
- **Federal Medical Assistance – decrease (\$45,380)**
- **Federal Part C – increase \$41,500 for Experienced Parent Program**
- **Federal Family Care Giver Support funding - increase \$28,714**

**House Changes:**

- **Reduction of \$27,769 in salaries, of which \$18,089 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 \$20,286 in salaries as part of the overall salary underfunding department wide.**
- **Reduction of \$32,449 in general operations of the Center as part of the \$400,000 overall reduction to Human Service Centers.**