

**Senate Bill 2012 – Department of Human Services
Senate Appropriations Committee
Senator Holmberg, Chairman
January 9, 2007**

Chairman Holmberg, members of the Senate Appropriations Committee, I am Alex C. Schweitzer, Superintendent of the North Dakota State Hospital and Developmental Center of the Department of Human Services. I am here today to provide you with an overview of the North Dakota State Hospital and North Dakota Developmental Center.

North Dakota State Hospital Programs:

The North Dakota State Hospital provides short-term inpatient and long-term residential psychiatric, forensic and chemical addiction services for adults. Within this group of adult patients are inmates referred from the Department of Corrections for residential addiction services.

The State Hospital provides inpatient services for children and adolescents with serious emotional disorders and substance abuse problems. The Jamestown School system provides educational services to the child and adolescent population on the grounds of the State Hospital.

The above-mentioned patients are considered to be the traditional patient population of the hospital.

The hospital also provides psychiatric, medical and pharmacy services under a contract with the James River Correctional Center.

The hospital also provides inpatient evaluation and treatment services for sexually dangerous individuals. This group of patients are housed and treated in the secure services unit of the hospital.

North Dakota State Hospital Census:

The North Dakota State Hospital admissions and average daily census data for the period from July 1, 2005 to December 1, 2006 is outlined in (Attachment A1) (Attachment A2).

The State Hospital operates 284 beds.

The hospital utilizes ninety (90) of these beds to provide addiction services to offenders referred by the Department of Corrections and Rehabilitation, comprised of the 60 male and 30 female offenders.

These beds for the time period July 1, 2005 to December 1, 2006 were occupied at 92%.

The hospital operates 62 beds in the sex offender unit, and we have current occupancy of 58 patients. This program continues to show sustained growth in admissions.

The current number of offenders and level of commitment status is outlined in (Attachment B1) (Attachment B2).

The remaining 132 beds are in the inpatient and residential services unit where the hospital treats adults, children and adolescents with serious and persistent mental illness, serious emotional disorders and chemical addiction. The inpatient and residential services unit has been fully occupied for the past two years, with occupancy often running over 100%. The hospital has increased the capacity of the inpatient and residential services unit by 8 beds in the current biennium to deal with this increased occupancy. The reasons for the high occupancy are the admission of first time patients, increased acuity from community admissions and the need for treatment because of the increased use and abuse of drugs, specifically methamphetamine.

The current budget request for the State Hospital is for a total capacity of 304 patients. The breakdown by program includes; 90 beds in the Tompkins Rehabilitation Center, with 60 men and 30 women, 82 beds in the Secure Services Unit (sex offender program) and 132 beds in the traditional services program. The sex offender program would increase by 20 beds in this budget request.

Major Program Changes/Trends:

- High occupancy in the traditional services program for adults.
- The trend continues toward reduced third party reimbursement and more indigent clients served at the hospital.

- The hospital plans to transition 15 individuals with serious and persistent mental illness from the State Hospital to a transitional living facility in Jamestown by April of 2007.
- The increase of 20 beds in this budget request for the sex offender program to bring capacity from 62 to 82 beds and three units to four units.
- The construction of a one story building addition on the GM Building to allow for the containment of high risk sex offenders.
- The proposal to transition responsibility for the sex offender unit from the Department of Human Services to the Department of Corrections and Rehabilitation.

Overview of Budget Changes:

Description	2005-2007 Budget	2007-2009 Budget	Increase/ Decrease
<u>Traditional Services</u>			
Institutions	42,807,951	52,371,738	9,563,787
General Funds	27,127,625	36,644,504	9,516,879
Federal Funds	4,377,653	4,383,288	5,635
Other Funds	11,302,673	11,343,946	41,273
FTE	380.29	380.29	-
<u>Secure Services</u>			
Institutions	5,459,220	12,587,384	7,128,164
General Funds	5,459,220	12,426,308	6,967,088
Federal Funds	-	-	-
Other Funds	-	161,076	161,076
FTE	65.72	84.72	19.00
Total FTE	446.01	465.01	19.00

Traditional Services Cost Changes:

- Salary and benefit increase of \$2,945,911 total funds, with general funds increase of \$2,431,734 to cover the Governor's budget recommendation for employee salary increase of 4% and 4% and benefit increases (increase in health insurance).

- Other increases in salaries due to: \$657,288 under funding of 2005 -2007 salaries, \$758,174 transfer of salaries budget to operating and capital improvements, \$67,976 for 1 FTE from the Developmental Center, \$536,283 on 1/1/06 for market increases for mental health care specialists, cost to continue 2005-2007 4% salary increase into 2007-09 of \$482,762, and \$511,610 for workload adjustments and higher starting salaries for nursing and medical staff due to market pressures, for a total of \$3,014,093. The 2007-2009 budget request includes \$1,059,046 under funding of salaries to cover salary roll-up.
- Operating costs increase of \$956,915 is due to high patient occupancy and need for more medications and medical supplies.
- Capital improvements increase includes; major capital improvements of \$2,498,757 for Phase II of Electrical Service Replacement, \$614,000 for resurfacing of streets and parking lots and \$250,000 for a new lift station for a total of \$3,362,757. There is a decrease of \$460,000 from the 2005-2007 budget to the 2007-2009 recommendation for emergency generator and water tower repairs. The net increase in the 2007-2009 budget recommendation for capital improvements is \$2,902,757.
- Extraordinary repairs of \$1,153,500 includes infrastructure repairs of utility systems, roof and window replacements and heating plant repairs. There is a decrease of \$232,600 from the 2005-2007 budget to the 2007-2009 budget recommendation. The net increase for extraordinary repairs is \$920,900.

- Bond payment is a decrease of \$51,243 in the 2007-2009 budget recommendation. Final bond payments are scheduled for the 2009-2011 biennium.
- There is a decrease of \$66,500 in equipment over \$5,000 in the 2007-2009 budget recommendation.

Secure Services Cost Changes:

- Salary and benefit increase of \$521,700 total funds, with general funds increase of \$518,159 to cover the Governor's budget recommendation for employee salary increase of 4% and 4% and benefit increases (increase in health insurance).
- Other increases in salaries due to 19 FTEs for third unit added in 2006 of \$1,302,540, market increase of \$163,216 for mental health care specialists on 1/1/06, 2 FTEs added for 2007-09 biennium for \$157, 528, 1 FTE transferred from the Developmental Center of \$175,842, less \$257,146 for nursing staff transferred to inpatient programs, for a total of \$1,541,980.
- Operating costs increase of \$698,295 due to higher patient occupancy, the third ward and security upgrades for the building.
- Projected fourth unit would add an additional 20 beds and 17 FTEs. Salaries \$1,059,352, Operating \$206,837 and Total General Funds \$1,266,189.

- Capital improvements of \$3,100,000 for addition to the GM Building for a high security treatment unit.
- Other funds increase of \$161,076 because a small number of patients have third party payors or private funds for payment.
- Total FTE increase by 19 in the secure services unit and remain the same in the traditional services program. Total FTE increases from 446.01 to 465.01, an increase of the 19 FTE.

North Dakota Developmental Center Programs:

The Developmental Center provides services for individuals with developmental disabilities. The program includes residential services, work and day activity services, clinical and medical services and evaluation and consultation services. The Developmental Center continues its efforts on an outreach program to assist the community with crisis evaluation and consultation to prevent admission to the Developmental Center.

Residential Services at the Developmental Center includes:

- Secure Services Unit – this unit is for individuals with developmentally disabilities who have sex offending behaviors and for other individuals from the campus that require a more secure living environment. These individuals require long-term care.

- Medical Unit – for individuals with developmental disabilities who are totally dependent on staff to complete daily cares and have medical concerns that require nursing staff accessibility 24 hours per day. Also, in this area are a small number of individuals diagnosed with profound mental retardation and dual sensory disabilities (vision and hearing). These individuals require long-term care.
- Behavioral Care Unit – these individuals with developmental disabilities present with psychiatric diagnoses and significant challenging behaviors. Some of these individuals may also have less severe medical needs.

North Dakota Developmental Center (NDDC) Census:

See (Attachment C1) (Attachment C2), for the census data for the Center for the period of 1997 through December 2006. The facility currently has resources for occupancy of 130 individuals.

Major Program Changes/Trends:

- The One Center (NDSH/NDDC) shares ten (10) senior and middle management positions.
- Transition task force working on reducing the population of the Developmental Center with appropriate placements into community settings. July 1, 2007 goal is 127 individuals residing at the Center. (Current occupancy is 130.)

- The NDDC Outreach Team has prevented admissions of people with developmental disabilities to both the North Dakota Developmental Center and State Hospital.
- The facility continues to experience a staffing shortage in the direct care staff, which has lead to reallocation of human resources.

Overview of Budget Changes:

Description	2005-2007 Budget	2007-2009 Budget	Increase/ Decrease
Institutions	42,425,282	48,456,612	6,031,330
General Funds	11,625,706	15,212,922	3,587,216
Federal Funds	27,850,053	29,241,084	1,391,031
Other Funds	2,949,523	4,002,606	1,053,083
FTE	449.54	449.54	-

Cost Changes:

- Salary and benefit increase of \$3,055,001 (General funds of \$1,043,196) to cover the Governor’s budget recommendation for employee salary increase of 4% and 4% and benefit increases (increase health insurance).

- Additional increases in the salary area totaling \$897,967 (General funds of \$281,187) to fully fund the pay plan are composed of the \$724,930 under funding in the 05-07 biennium and the balance is a result of critical market equity increases to recruit and retain staff in hard-to-fill classifications, and to meet staff to client ratios. The 2007-2009 budget request includes \$1,047,908 under funding of salaries to cover salary roll-up.
- Operating costs increase of \$1,502,656 (General funds of \$469,016) is due to increases in utilities (freight and coal costs), travel costs (increased fuel cost), and medication costs.
- Medical, clinical and business equipment at a cost of \$92,640 (General funds of \$80,782) less reduction of \$8,500 from the current budget, for a net increase of \$84,140.
- The bond payments decreased by \$58,726 (General funds of \$58,726) per repayment schedule. Final bond payments are scheduled for the 2009-11 biennium.
- Increase of \$1,598,200 (General funds of \$1,547,092) for roof, building and grounds capital improvements and extraordinary repairs.
- Federal Funds increase of \$1,391,031 because of operating expense increase and salary and benefit increase.

- Other Funds increase of \$1,053,083 primarily because of additional revenue from Medicare Part D.
- No increase in FTE at the Developmental Center for this biennial period.

Thank you. I would be glad to answer any questions about the budget request for the North Dakota State Hospital and North Dakota Developmental Center.