

**Testimony**  
**HB 1012 – Department of Human Services**  
**House Appropriations – Human Resource Division**  
**Representative Pollert, Chairman**  
**January 22, 2009**

Chairman Pollert and members of the House Appropriations Human Resource Division, I am Tim Sauter, Director of West Central Human Service Center(WCHSC) and Badlands Human Service Center (BHSC) for the Department of Human Services (DHS). I am submitting this testimony to provide you an overview of the budget for both of these centers.

**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.

**Caseload/Customer Base**

- 4,913 individuals received service in Fiscal Year 2008 (3,681 adults and 1,232 children).
- 1,566 individuals received vocational rehabilitation services.
- A high percentage of adults who receive services (95 percent) and parents whose children receive services (83 percent) report satisfaction.
- 91% of Vocational Rehabilitation Service clients report satisfaction.

**Program Trends**

- The number of individuals with developmental disabilities receiving services has increased from 1,021 in State Fiscal Year (SFY) 2006 to 1,133 in SFY 2008.

- There is an increasing need for residential services for children, particularly transition age with severe emotional disorders, and children with dual disorders.
- Alcohol remains the biggest drug problem, there is a slight decrease in methamphetamine numbers, but increasing numbers of clients who have polysubstance abuse problems.
- Increasing numbers of referrals come from the Department of Corrections and Rehabilitation; this comprises 72 percent of WCHSC adult addiction clients.
- Staff recruitment and retention continue to be a challenge, due to market salary equity problems.

### **Accomplishments**

- WCHSC has implemented several evidenced-based models of treatment.
- Adult and adolescent drug courts continue to produce positive results.
- The WCHSC Vocational Rehabilitation Unit has assisted the start-up of two new businesses and assisted six farm ranch operations to address disability issues and remain in business.
- We have successfully implemented residential services for adolescents receiving substance abuse treatment and safe beds for children.
- The WCHSC Aging Services Unit received a \$10,000 grant to establish an Elder Justice Coalition.
- WCHSC nursing staff have successfully assisted 350 consumers to obtain medication from pharmaceutical companies through their Indigent Medication Programs.

- We continue to have a minimal number of residents from Region VII enter the North Dakota State Hospital or the Developmental Center.

**Overview of Budget Changes**

Description	2007 – 2009 Budget	2009 – 2011 Budget	Increase/ Decrease
West Central HSC	\$21,028,858	\$26,008,933	\$4,980,075
General Funds	\$10,172,407	\$13,315,641	\$3,143,234
Federal Funds	\$9,940,424	\$11,482,159	\$ 1,541,735
Other Funds	\$ 916,027	\$ 1,211,133	\$ 295,106
Total	\$21,028,858	\$26,008,933	\$4,980,075

FTE	135.30	136.30	1.00
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- The Governor's salary and benefit package adds \$1,552,214 in total funds of which \$1,163,095 is general fund.
- The cost to continue the July 2008 4% salary increases, for 24 months, totaled \$232,921 of which \$175,569 is general funds.
- Additional changes in the salary area are a result of one additional FTE for DD Case Management, totaling \$100,626 of which \$50,313 is general funds, and realignment of staff to meet client needs totaled \$723,488 of which \$95,095 is general funds.
- Changes to the Operating budget include:
  - Travel increased \$46,142 based on Department of Transportation 2009-2011 rates.

- Information Technology Equipment under \$5,000 increased by \$15,000 based on the need to update equipment in the Rehabilitation Services technical equipment lab.
- Building Rent increased \$203,074 based on a \$0.54 per square foot increase on 35,521 square feet and an additional 5,210 square feet at a cost of \$16.00. The additional space is being occupied by our Rehabilitation Services unit and was needed to alleviate the problem of multiple clinical staff sharing offices, as well as the need for group room space.
- Operating Fees and Services increased by \$15,390. The increased funding is for wraparound services and flexible funding for services with the Homeless Program.
- Equipment over \$5,000 increased by \$16,500 and will be used to replace our primary network copier.
- Grants increased by \$2,059,222. Major increases include \$304,546 to address local capacity levels and rates for inpatient hospitalization, \$496,900 for provider inflationary increases, \$750,000 for residential services for young adults transitioning from the Partnership program to the adult system of care, \$383,328 for contracted CD adolescent residential and safe bed services, \$60,500 to cover a rate increase for contracted Title XIX Evaluation services and \$40,124 for increased costs tied to contracted CD Residential services for adults.
- General funds increased by \$3,143,234 with \$1,484,072 related to salaries and benefits, \$1,540,893 related primarily to contracted services for inpatient hospitalization, provider inflation and the proposed residential program for young adults. The remaining \$118,269 is related to ongoing costs to continue operations.

- Federal Funds increased by \$1,541,735, based on additional Medical Assistance and Foster Care IV-E Case Management, generated through client services and open-ended federal funding sources such as Basic Support for Rehabilitation Services.
- Other Funds increased by \$295,106, based on additional collections for services generated through direct client and third party payments.

### **Badlands Human Service Center**

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

### **Caseload/Customer Base**

- Badlands served 1,854 individuals (1,308 adults and 546 children) in SFY 2008.
- 311 individuals received vocational rehabilitation services.
- 89% of adults receiving services, and 98% of the parents whose children receive services, report satisfaction with those services.
- 91% of clients receiving vocational rehabilitation services report satisfaction.

### **Service Trends**

- The number of individuals receiving developmental disabilities services has stabilized since SFY 2006.
- Clients continue to present with complex problems including dual diagnosis and polysubstance abuse.

- The number of referrals from the Department of Corrections and Rehabilitation has increased; this now comprises 55% of individuals in adult addiction programs in this region.
- There is a need for long term residential services for persons with chronic addictions and for persons with severe and persistent mental illness.
- Staff recruitment and retention issues continue to be difficult, due to market equity problems.
- There has been an increase in referrals to North Dakota State Hospital due to the closing of the local hospital's inpatient psychiatric unit.

### **Accomplishments**

- BHSC, along with the other Regional Human Service Centers, has implemented evidence-based practice models.
- We increased the number of residential beds available to adults with mental illness and for those who have substance abuse problems from 9 to 16.
- We successfully contracted with an independent psychiatrist and a telemedicine provider.
- We initiated contracts with the medical centers in Bismarck to provide psychiatric stabilization of indigent clients from Region VIII.
- BHSC in partnership with other providers implemented an addiction counselor training consortium.
- To meet the need of rural areas, we have enhanced our outreach services in Adams, Bowman, Hettinger and Golden Valley counties.

## Overview of Budget Changes

Description	2007 – 2009 Budget	2009 – 2011 Budget	Increase/ Decrease
Badlands HSC	\$9,905,399	\$11,694,235	\$1,788,836
General Funds	\$4,911,935	\$6,264,582	\$1,352,647
Federal Funds	\$4,096,595	\$4,614,839	\$ 518,244
Other Funds	\$ 896,869	\$ 814,814	\$ (82,055)
Total	\$9,905,399	\$11,694,235	\$1,788,836
FTE	72.7	72.7	0

- The Governor’s salary and fringe benefit package for state employees increased total funds by \$776,794 of which \$592,676 is general fund.
- The cost to continue the July 2008 4% salary increase, for 24 months, requires \$123,157 total funds of which \$95,188 are general funds.
- Due to staffing realignment during the 07-09 biennium, we have a decrease in salary of (\$29,085) of which (\$24,932) are general funds.
- Operating expenses increased by \$88,276. The primary contributors to this increase are:
  - Rentals for Office space increased by \$91,461. Due to increase in utility and labor costs, the rental rate at Pulver Hall, our main office, will increase from \$9.50 to \$12.50 per square foot. There are other minor rental increases, but this increase accounts for the majority of the change.

- Other changes in our operating expenses result in a net decrease of (\$3,185).
- Grants increase by \$829,694. Major contributors to this increase are the proposed new 16 bed residential facility and the 7% / 7% inflationary increase for our providers.
- The general fund request increased by \$1,352,647, with \$770,000 attributed to the proposed residential facility; \$592,676 of this increase is related to the Governor's salary package for state employees; offset by a decrease of (\$10,029) attributed to the ongoing costs to continue operations.
- Federal funds increased by \$518,244, based on additional Medical Assistance and Foster Care IV-E Case Management generated through client services and open-ended federal funding sources such as Basic Support for Rehabilitation Services.
- Other funds have decreased by (\$82,055) based on our current trend in patient fee collections.

This concludes my testimony for West Central Human Service Center and Badlands Human Service Center. I would be happy to answer any questions you may have.