

Testimony
House Bill 1012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
January 28, 2013

Chairman Pollert, members of the House Appropriations Committee- Human Resources Division, I am Laurie Gotvaslee, Director of the Northwest Human Service Center (NWHSC) and North Central Human Service Center (NCHSC) of the Department of Human Services (DHS). I am here today to provide an overview of the budget requests of both centers.

Northwest and north central North Dakota are continuing to experience an influx of population from every part of the United States. Both human service centers continue to see an increase of people seeking help with psychiatric medications, as many come to North Dakota without a prescription and no income or very limited income. We are also seeing an increase of clients who do not speak English, therefore increasing the need to utilize interpreters in order to meet their ongoing needs.

Housing continues to be an issue in the two regions, not only because of the oil influx, but because of the flood of 2011. Many clients cannot afford the high cost of rental properties. Even if they are able to obtain a housing voucher, apartments are not available. Some clients also continue to struggle with post-flood trauma as many lost everything and continue to be displaced. The housing shortage is also impacting the ability to hire and retain staff due to the difficulty obtaining affordable housing.

Northwest Human Service Center

NWHSC serves the three county areas of Divide, McKenzie, and Williams counties, with an estimated population of 33,518. Outreach offices are located in Watford City and Crosby. Case managers, clinicians, and program staff travel to deliver outreach services to each of the three counties.

Caseload/Customer Base

- 1,833 clients were served, excluding Vocational Rehabilitation (VR), at the NWHSC in State Fiscal Year (SFY) 2012.
- 220 individuals received VR services.
- In SFY 2012, approximately 21 percent of the clients served were children and 79 percent were adults.

Programs Trends/Major Program Changes

- The partnership NWHSC has with the North Dakota Association for the Disabled remains a critical resource. NWHSC has the ability to contract to develop residential options that provide safe supervised living situations for individuals in crisis or in treatment. The partnership has produced 20 beds for individuals with serious mental illness, and clients are served in crisis residential beds, long-term addiction treatment, and supportive housing. This allows clients to maintain stability and receive the full benefit of treatment. The availability of these beds allows for medication monitoring, maintenance of nutritional meals, and the ability for community-

based care, as opposed to hospitalization. It continues to be a cost-effective solution.

- NWHSC continues to have difficulty hiring staff when positions become vacant.
- NWHSC staff provides crisis counseling and intervention services to local communities and businesses, families, and individuals when a severe or tragic incident occurs.
- NWHSC is implementing the Integrated Dual Disorder Treatment (IDDT) Program, which is an evidence-based practice designed to promote the recovery of adults who have serious co-occurring mental health and substance abuse challenges.
- The Transition to Independence Program (TIP) is operational in the NWHSC region. This program is designed to assist young people who struggle along the pathway into adulthood who otherwise do not qualify for transition assistance. TIP provides case management, coordination, referral, and resources that can help to achieve successful transition. Many of the young people served would be homeless without the program and its services.

Overview of Budget Changes – Northwest Human Service Center

Description	2011 - 2013 Budget	2013 - 2015 Budget	Increase/ Decrease
HSCs/Institutions	8,260,691	8,958,191	697,500
Total	8,260,691	8,958,191	697,500
General Fund	4,614,269	5,393,391	779,122
Federal Funds	3,177,416	2,966,763	(210,653)
Other Funds	469,006	598,037	129,031
Total	8,260,691	8,958,191	697,500
FTE	43.75	43.75	-

Budget Changes from Current Budget to Executive Budget:

The Salary and benefits portion of the budget increased by \$164,305 and can be attributed to the following:

- An increase of \$147,308 in total funds, of which \$116,059 is general fund needed to fund the Governor’s benefit package for health insurance and retirement for state employees.
- An increase of \$274,455 in total funds, of which \$199,323 is general fund needed to fund the employee increases approved by the last Legislative Assembly.
- \$83,425 decrease in temporary salary costs as a result of eliminating temporary salaries in support services, clinical services, and a decrease in the Supported Employment program.

- An increase of \$106,535 to cover an underfunding of salaries from the 2011-2013 budget, all general fund.
- A decrease of \$101,389 to underfund the 2013-2015 pay plan, all general fund.
- The remaining decrease of \$179,179 is a combination of increases and decreases to sustain the NWHSC's 43.75 FTEs.

The Operating portion of the budget increased by \$466,679 and is a combination of the increases and decreases expected next biennium with a majority of the changes in travel and rent as follows:

- An increase of \$40,424 in travel costs of which \$27,056 is due to increased anticipated state fleet costs and higher per diem costs allowed in the 2011-2013 biennium, as approved by the last Legislative Assembly. The remaining increase of \$13,368 is due to increased need largely in the area of outreach services.
- A \$454,848 increase in the NWHSC's rental costs. This is due to the large increase in the value of rental space in the Williston area. The rent increased from \$9 per square foot to approximately \$15 per square foot.

The Grants portion of the budget increased a total of \$66,516, mainly attributed to the following items:

- An increase of \$80,335 that is all general fund to allow for a 4 percent inflationary increase for the contracted providers each year of the biennium.
- A decrease of \$13,819, which is due to the decreased need for contracted psychiatric services.

NWHSC's general fund request increased \$779,122. Of this amount, \$315,382 is related to the continuing of the current salaries and benefits into the new biennium and \$80,335 is related to the Governor's request for a 4 percent inflationary increase for contracted providers. The remaining amount is due to changes in funding to the NWHSC's various programs and the decreased federal medical assistance percentage (FMAP).

I would be happy to answer any questions about the NWHSC.

North Central Human Service Center

North Central Human Service Center (NCHSC) serves Bottineau, Burke, McHenry, Mountrail, Pierce, Renville, and Ward counties, with an estimated population of 93,015. Outreach offices are located in Bottineau, Rugby, Stanley, and New Town. Case managers, clinicians, and program staff travel to deliver outreach services to clients in all seven counties.

Caseload/Customer Base

- 3,398 clients, excluding vocational rehabilitation (VR), were served at the NCHSC in State Fiscal Year 2012 (SFY).
- 896 individuals received vocational rehabilitation services.
- In SFY 2012, approximately 25 percent of the clients served were children and 75 percent were adults.
- The number of information and referral calls increased from 266 in 2011 to 409 in 2012.

Program Trends/Major Program Changes

- NCHSC was able to hire a psychiatrist who is providing psychiatric services to both NCHSC and NWHSC. This has alleviated the need for the contract with the Rural Mental Health Consortium.
- NCHSC received notification in 2012 that the lease for the Transitional Living (TL) home would not be renewed. The case managers took the necessary action to find housing for the affected clients. This modified the way client services are delivered when it comes to consumers with more intense needs. Clients now live in the community and are monitored by staff on a daily basis, sometimes more often depending on their needs. This allows consumers to maintain stability in their own homes with supports rather than residing in a TL arrangement. This is a cost effective solution.

- NCHSC staff provides crisis counseling and intervention services to local communities and businesses, families, and individuals when a severe or tragic incident occurs.
- Outreach outpatient therapy has been increased from two to three days per week in the Stanley Outreach Office because of the increased need in that community.
- NCHSC is in the initial stages of implementing the Integrated Dual Disorder Treatment (IDDT) Program. IDDT is an evidence-based practice designed to promote the recovery of adults who have serious co-occurring mental health and substance abuse challenges.
- The Transition to Independence Program (TIP) has been operational at NCHSC and is proving to be successful. This program is designed to assist young people who struggle along the pathway into adulthood who otherwise do not qualify for transition assistance. TIP provides case management, coordination, referral, and resources that can help to achieve successful transition. Many of the young people served in the TIP program would be homeless without this program.

Overview of Budget Changes – North Central Human Service Center

Description	2011 - 2013 Budget	2013 - 2015 Budget	Increase/ Decrease
HSCs/Institutions	21,116,103	21,989,171	873,068
Total	21,116,103	21,989,171	873,068
General Fund	11,948,432	12,803,866	855,434
Federal Funds	8,248,234	8,062,838	(185,396)
Other Funds	919,437	1,122,467	203,030
Total	21,116,103	21,989,171	873,068
FTE	120.78	120.78	-

Budget Changes from Current Budget to Executive Budget:

The salary and benefits portion of the budget increased by \$1,093,183 and can be attributed to the following:

- An increase of \$395,883 in total funds, of which \$287,256 is general fund needed to fund the Governor’s benefit package for health insurance and retirement for state employees.
- An increase of \$443,263 in total funds, of which \$313,534 is general fund needed to fund the employee increases approved by the last Legislative Assembly.
- An increase of \$118,108 transferred from grants to salaries to fully fund the psychiatrist position.

- An increase of \$141,561 to cover an underfunding of salaries from the 2011-2013 budget, all general fund.
- A decrease of \$266,846 to underfund the 2013-2015 pay plan, all general fund.
- An increase in temporary salaries of \$38,352, which is largely due to the NCHSC employing partnership case aides as temporary employees rather than contracting for these services. This allows for the NCHSC staff to directly supervise and manage the case aide services provided to clients.
- The remaining increase of \$222,862 is a combination of increases and decreases needed to sustain the NCHSC's 120.78 FTEs.

The Operating portion of the budget decreased by \$60,201 and is a combination of the increases and decreases with a majority of the changes in the following areas:

- An increase of \$98,498 in travel costs of which \$63,967 is due to increased anticipated state fleet costs and higher per diem costs established in the 2011-2013 biennium. The remaining increase of \$34,531 is due to increased travel largely in the area of outreach services.
- A decrease of \$31,000 in food and clothing due to the closing of the NCHSC's Transitional Living program.

- A decrease of \$49,875 in rental costs. This is largely due to decreases of \$36,000 for a home that was flooded and not repaired that was used for addiction clients in recovery, and a \$63,592 decrease due to the change in the TL program. These decreases are offset by a projected increase in the NCHSC's main office rent in the amount of \$49,717.
- An increase of \$18,419 in repair costs, which largely represents increased costs for janitorial services for the NCHSC's building.
- A decrease of \$68,690 in Operating Fees and Services, which is largely the result of a \$102,294 decrease due to the Options Counseling being administered out of the DHS Aging Services Central Office and the addition of \$40,000 in funding for TIP.

The Grants portion of the budget decreased a total of \$159,914, with a majority of the changes in the following areas:

- A decrease of \$118,108 due to the hiring of a full time psychiatrist.
- A decrease of \$202,907 for case aides in the partnership program. This service is being provided by temporary staff and has resulted in a savings of approximately \$19,000.
- An increase of \$192,620 that is all general fund to allow for a 4 percent inflationary increase for the contracted providers each year of the biennium.

NCHSC's general fund request increased \$855,434. Of this amount, \$600,790 is related to continuing the current salaries and benefits into

the new biennium, and \$192,620 is related to the Governor's request for a 4 percent inflationary increase for contracted providers. The remaining amount is due to changes in funding of the NCHSC's various programs and the decreased federal medical assistance percentage (FMAP).

I would be happy to answer any questions about the NCHSC.