

# MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

234/2

2005 SENATE HUMAN SERVICES

SB 2342

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2342

Senate Human Services Committee

Conference Committee

Hearing Date February 1, 2005

Tape Number	Side A	Side B	Meter #
1		x	950-end
2	x		00-125
2		x	300-1430
Committee Clerk Signature <i>Cathy Minard</i>			

Minutes:

**Chairman Lee opened the public hearing on SB 2342. All members were present.**

**Testimony in favor of SB 2342**

**Senator Thane introduced the bill.** He gave background on this bill and described how he became involved with this issue. This bill is relating to developmental disabilities service providers. He became involved in the ARC lawsuit against the state of North Dakota. We're doing much better today. But some who take care of these people with disabilities aren't treated well salary-wise. People who work in group homes aren't paid well, there is burnout and high turnover.

**Senator Dever;** Absence of a fiscal note?

**Sen. Thane:** Not addressed.

**Senator Mathern:** See attached testimony (Attachment 1)

**Rep. Kathy Hawken** testified without written testimony. She gave two examples of people who work more than one job if they are professional caregivers or leave the profession to work at Wal Mart because it pays better.

**Rep. Aarsvold, co-sponsor.** Testified that there is high turn over because of the low wages. The North Dakota agencies that provide services have competition from Minnesota because their compensation is better. The concerns are competition, retention and challenging budget limitations. Community based non-profits do a good job and need to be recognized by the legislature.

**Tom Newberger, President of the North Dakota Association of Community Facilities (NDACF)** See written testimony (Attachment 2, 2A)

**Barbara Murry, Chief Operations Officer at Pride, Inc.** See written testimony (Attachment 3)

The committee asked about the population of developmentally disabled individuals in North Dakota and the average wage of care providers. There are over 4000 and the hourly wage is \$7.50 to \$8.

**Nicole Hager, caregiver.** See written testimony (Attachment 4)

**Chairman Lee:** How is your health care insurance provided?

**Hager:** Employer pays a portion and its not very good.

**Sybil Wezelman, testifying on her own behalf.**

Ms. Wezelman is the mother of a mentally and physically disabled son. She talked about the importance of the group home caregivers. She believes they should be paid more so the people in the group home have the stability they need.

**Theresa Larson, Executive Director of the Protection & Advocacy Project (P&A)** See written testimony (Attachment 5)

**John Larson, Director of Enable, Inc.** Pointed out the language used in this bill will also be used in the Long Term Care bill because our industry is too small to get an index of our own.

**Jack McDonald, ARCDR of North Dakota.** Briefly stated that his organization was in favor of this bill.

**Mary Simonson, Administrator of Open Door Center, Valley City, North Dakota** See written testimony (Attachment 6).

**Chairman Lee:** If we would approve this, there would be a significant increase all at one time. Have there been any comparison made as to how it would increase the budget items for the providers of services at community facilities. Do we have a better chance of making it successful if there was a step up?

**Simonson:** I think it would be difficult, but it can be done. We have some base to go from and once we start it, this might be a better year economically for North Dakota to look at doing this than the other years in the past when we haven't been able to get it. Our FMAT is going down, but we also know then that economics of North Dakota are a little bit better so it would balance out.

There was no further testimony on SB 2342.

**Chairman Lee closed the public hearing on SB 2342.**

**Chairman Lee** reopened discussion on this bill. (tape 2 side B meter 300) after session.

**Tom Newberger, President of the North Dakota Association of Community Facilities**

(NDACF) was asked to return. He had a discussion with the Department and they came up with some suggestion that might make your life a little easier. We did a rewrite (Attachment 7).

We're advising to replace the bill that was presented this morning with this one. This works better for us and simplifies the items that they would have to do if the law was passed.

**Chairman Lee:** And it makes it clearer; they thought it was cumbersome the way it was originally written.

**Newberger:** The way it was written before, it talked about direct costs, indirect costs, other costs; and they would have to develop a way of tracking that. Basically, I don't think we'd like the way that would have turned out..

**Sen. Lyson:** This is all we need to replace the whole bill?

**Chairman Lee and Newberger:** Yes, and it will be put in the proper form by the intern.

**Newberger:** The other thing is the sheet you asked for earlier. (Attachment 7A, 7B).

**Senator Brown moved DO PASS on amendment, seconded by Senator Lyson.**

**vote: 5 yeas, 0 nays, 0 absent**

**Sen. Brown:** I have a question on the fiscal note; what does it mean?

**Chairman Lee** read the fiscal note and Mr. Newberger explained the fiscal effects.

**Sen. Warner:** Where do pharmaceuticals fit into this equation?

**Newberger:** It is outside the realm of that.

**Sen. Dever:** Does this apply to more than just labor costs?

**Newberger:** In the developmental disabilities, there is less than a handful of lines that we have in our budgeting process. One is salaries plus fringe benefits; that is called role number eight.

There's another category, which is other costs. What we're asking for, on the bottom line of the budget, to be inflated by that percentage. Historically, we have fallen behind year after year, and this is not meant to be a catch-up, but let's just from this point and more forward and get some increases that are at or close to inflationary increases we're experiencing.

**Chairman Lee:** You're not asking to raise the base, you're just asking for the increases from here on.

**Newberger:** That's correct; so take the historical cost and inflate it by the percentages. Don't go back and do a massive increase and then implement.

**Sen. Warner:** The original bill could not be used to inflate property costs or to adjust property costs to inflation. The amendment does cover property costs.

**Newberger:** That is correct.

**Chairman Lee:** What does the Department tell you. If the Department supports what you just presented to us, knowing that it includes the whole thing, and the original bill does not include property costs, did the Department make any comment on the property costs?

**Newberger:** The Department did not comment on the original bill, they did not express any concern that it was in or out, actually I was hoping to have a chance to proof the bill before it came before you, but I didn't have a chance; it would have been caught if I had looked at it previously. On line 16, where it says, indirect costs, it was discussed to change the word 'but' to 'and' and where it says 'may' get rid of the word 'not' so it would read "indirect care costs, may be used to adjust property costs." That was what I intended the bill to say in the first place. It was a typo.

Page 6  
Senate Human Services Committee  
Bill/Resolution Number SB 2342  
Hearing Date February 1, 2005

**Senator Brown moved DO PASS as amended, seconded by Senator Lyson and rerefer to**

**Appropriations.**

**Vote: 5 yeas, 0 nays, 0 absent. Carrier: Senator Lyson**

Chairman Lee ended discussion on SB 2342

**FISCAL NOTE**  
**Requested by Legislative Council**  
03/29/2005

Amendment to: Reengrossed  
SB 2342

**1A. State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$3,882,585	\$0	\$4,214,836
<b>Expenditures</b>	\$0	\$0	\$2,177,036	\$3,882,585	\$2,344,232	\$4,214,836
<b>Appropriations</b>	\$0	\$0	\$0	\$0	\$0	\$0

**1B. County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

**2. Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill includes a mandatory inflationary increase for all non-state owned Developmental Disability Service Providers equal to the inflationary factor used to develop the Legislative appropriation for the department. For state fiscal year 2006, the inflationary increase is 2.0% and for state fiscal year 2007 it is 2.0%. The Department's regular appropriation is affected.

For the 07-09 biennium, the same inflationary factors were used as we do not know what the actual indices will be at that time.

The amounts for 07-09 are based on projected ending number of people in each DD service for 05-07 and does not include any growth in the caseloads for the 07-09 biennium, although there will most likely be some growth in certain services.

**3. State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

**A. Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The majority of the increased revenues for 2005-2007 and 2007-2009 are federal Medicaid funds.

**B. Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Grants-Medical Assistance expenditures are estimated to increase by \$6,059,621, with \$2,177,036 being from the general fund for the 05-07 biennium.

The Grants-Medical Assistance expenditures for 2007-2009 are estimated to increase by \$6,559,068, with \$2,344,232 being from the general fund.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Department's appropriation as included in the Governor's budget would not need to be increased to account for the bill language. The 2% increase is still contained within HB 1012 after House amendments.

<b>Name:</b>	Brenda M. Weisz	<b>Agency:</b>	Department of Human Services
<b>Phone Number:</b>	701-328-2397	<b>Date Prepared:</b>	03/29/2005

**FISCAL NOTE**  
 Requested by Legislative Council  
 02/17/2005

Amendment to:           Engrossed  
                                   SB 2342

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$7,121,954	\$0	\$9,082,664
<b>Expenditures</b>	\$0	\$0	\$3,999,389	\$7,121,954	\$5,031,498	\$9,082,664
<b>Appropriations</b>	\$0	\$0	\$1,822,353	\$3,239,369	\$5,031,498	\$9,082,664

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill includes a mandatory inflationary increase for all non-state owned Developmental Disability Service Providers equal to the inflationary increase already in statute for the Long-Term Care Facilities. For state fiscal year 2006, the inflationary increase is 3.52% and for state fiscal year 2007 it is 3.92%. For the 07-09 biennium, the same inflationary factors were used as we do not know what the actual indices will be at that time.

The amounts for 07-09 are based on projected ending number so people in each DD service for 05-07 and does not include any growth in the caseloads for the 07-09 biennium, although there will most likely be some growth in certain services.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The majority of the increased revenues for 2005-2007 and 2007-2009 are federal Medicaid funds.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Grants-Medical Assistance expenditures are estimated to increase by \$11,121,343, with \$3,999,389 being general funds for the 05-07 biennium. The Grants-Medical Assistance expenditures for 2007-2009 are estimated to increase by \$14,114,612, with \$5,031,498 being general funds.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive*

*budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Department's appropriation as included in the Governor's budget would need to be increased by \$5,061,722, with \$1,822,353 being general funds to account for the increase in the inflation factors from 2%/2% to 3.52%/3.92%.

<b>Name:</b>	Brenda M. Weisz	<b>Agency:</b>	Department of Human Services
<b>Phone Number:</b>	328-2397	<b>Date Prepared:</b>	02/17/2005

**FISCAL NOTE**  
**Requested by Legislative Council**  
02/07/2005

Amendment to: SB 2342

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$7,121,954	\$0	\$9,082,664
<b>Expenditures</b>	\$0	\$0	\$3,999,389	\$7,121,954	\$5,031,498	\$9,082,664
<b>Appropriations</b>	\$0	\$0	\$1,822,353	\$3,239,369	\$5,031,498	\$9,082,664

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill includes a mandatory inflationary increase for all non-state owned Developmental Disability Service Providers equal to the inflationary increase already in statute for the Long-Term Care Facilities. For state fiscal year 2006, the inflationary increase is 3.52% and for state fiscal year 2007 it is 3.92%. For the 07-09 biennium, the same inflationary factors were used as we do not know what the actual indices will be at that time.

The amounts for 07-09 are based on projected ending number so people in each DD service for 05-07 and does not include any growth in the caseloads for the 07-09 biennium, although there will most likely be some growth in certain services.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The majority of the increased revenues for 2005-2007 and 2007-2009 are federal Medicaid funds.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Grants-Medical Assistance expenditures are estimated to increase by \$11,121,343, with \$3,999,389 being general funds for the 05-07 biennium. The Grants-Medical Assistance expenditures for 2007-2009 are estimated to increase by \$14,114,612, with \$5,031,498 being general funds.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive*

*budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Department's appropriation as included in the Governor's budget would need to be increased by \$5,061,722, with \$1,822,353 being general funds to account for the increase in the inflation factors from 2%/2% to 3.52%/3.92%.

<b>Name:</b>	Debra A. McDermott	<b>Agency:</b>	Human Services
<b>Phone Number:</b>	328-3695	<b>Date Prepared:</b>	02/08/2005

**FISCAL NOTE**  
 Requested by Legislative Council  
 01/24/2005

Bill/Resolution No.: SB 2342

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2003-2005 Biennium		2005-2007 Biennium		2007-2009 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>	\$0	\$0	\$0	\$7,121,954	\$0	\$9,082,664
<b>Expenditures</b>	\$0	\$0	\$3,999,389	\$7,121,954	\$5,031,498	\$9,082,664
<b>Appropriations</b>	\$0	\$0	\$1,822,353	\$3,239,369	\$5,031,498	\$9,082,664

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2003-2005 Biennium			2005-2007 Biennium			2007-2009 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

2. **Narrative:** *Identify the aspects of the measure which cause fiscal impact and include any comments relevant to your analysis.*

This bill includes a mandatory inflationary increase for all non-state owned Developmental Disability Service Providers equal to the inflationary increase already in statute for the Long-Term Care Facilities. For state fiscal year 2006, the inflationary increase is 3.52% and for state fiscal year 2007 it is 3.92%. For the 07-09 biennium, the same inflationary factors were used as we do not know what the actual indices will be at that time.

In addition, the bill calls for the inflationary factors to be applied to all Developmental Disability Service Providers' costs, except property costs. However, due to time constraints, the inflationary factors were applied to the entire Developmental Disabilities Grants budget, which includes property costs. It would take a minimum of two weeks to calculate the effect without including property costs.

The amounts for 07-09 are based on projected ending number so people in each DD service for 05-07 and does not include any growth in the caseloads for the 07-09 biennium, although there will most likely be some growth in certain services.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The majority of the increased revenues for 2005-2007 and 2007-2009 are federal Medicaid funds.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

Grants-Medical Assistance expenditures are estimated to increase by \$11,121,343, with \$3,999,389 being general funds for the 05-07 biennium. The Grants-Medical Assistance expenditures for 2007-2009 are estimated to increase by \$14,114,612, with \$5,031,498 being general funds.

**C. Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, of the effect on the biennial appropriation for each agency and fund affected and any amounts included in the executive budget. Indicate the relationship between the amounts shown for expenditures and appropriations.*

The Department's appropriation as included in the Governor's budget would need to be increased by \$5,061,722, with \$1,822,353 being general funds to account for the increase in the inflation factors from 2%/2% to 3.52%/3.92%.

<b>Name:</b>	Debra A. McDermott	<b>Agency:</b>	Department of Human Services
<b>Phone Number:</b>	701-328-3695	<b>Date Prepared:</b>	01/31/2005





**REPORT OF STANDING COMMITTEE**

SB 2342: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the Appropriations Committee (5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2342 was placed on the Sixth order on the calendar.

Page 1, replace lines 6 through 23 with:

**"Operating costs for developmental disabilities service providers.** The department of human services shall determine the historical costs for private, licensed developmental disability providers by using the annual percentage developed for long-term care facilities."

Page 2, remove lines 1 through 8

Renumber accordingly

2005 SENATE APPROPRIATIONS

SB 2342

2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2342

Senate Appropriations Committee

Conference Committee

Hearing Date February 9, 2005

Tape Number	Side A	Side B	Meter #
1	1		
2	1		0
Committee Clerk Signature <i>Janet Dukes</i>			

Minutes:

**Vice Chairman Bowman** opened the hearing on SB 2342.

**Senator Thane, 25th district.** Testified in **support of SB 2342** bringing to the attention of the committee an amendment that improves the wording on the bill. He discussed the wording change, eliminating historical costs, and adding the budget for private license developmental and then on line 8 after by would eliminate using and state inflating historical costs. He also indicated that he has a particular interest in this bill as he is in an unpaid position as board member of one of the homes.

**Representative Kathy Hawken, District 46, Fargo,** testified in **support of SB 2342** indicating the money portion of the bill is what the bill is about. She stressed that people who deal with the developmentally disabled citizens are saints and feels that it is important to fix the part of the budget that did away with the funds.

**Representative Aarsvold**, testified in **support of the SB 2342** . I, too, serve on the board with Senator Thane. He stressed that recruitment of staff is a major concern and are unable to compete with salaries as well as retaining employees. He encourages the committee to act favorably on SB 2342.

**Tom Neuberger**, testified in **support of SB 2342**. He indicated others that would also be testifying. He indicated there has been increases in all other areas, discussed the Braddock report on the total state fiscal efforts demonstrating that the total amount directed to DD has decreased, the bottom line of supporting home and community based DD services.

**John Larson, Executive Director of Enable Inc.**, a licensed facility for people with DD in Bismarck and Mandan, testified in **support of SB 2342**. He indicated they support the changes that Senator Thane proposed and requires that the Department of Human Services would be required to use the same inflationary increase used in long-term care when determining the budget for DD providers.

**Nicole Hager, employee, Pride Inc.**, testified in **support of SB 2342**. She indicated she had worked in the field for five years and indicated it is very hard to make ends meet on the salaries that are currently being paid. Employees are extremely underpaid.

**Barbara Murray, representing NDACF, employed by Pride Inc.**, testified in support of SB 2342, presenting some personal employee experiences at Pride, Inc as it relates to wages and dedication to the profession.

**Mary Simonson, Open Door Center, Valley City**, serves children and adults with developmental disabilities, mental illness and traumatic brain injury. She urged support of

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Senate Appropriations Committee

Bill/Resolution Number 2342

Hearing Date February 9, 2005

competitive wages and fringe benefit package for employees. We hire many young people who want to stay in North Dakota, but can't pay a competitive wage.

Questions raised included clarification of the raises of the past biennium. Question the people who are served inside or outside group homes (numbers in excess of 4000 statewide).

**Tom Newberg** indicated there is a fiscal note attached to the bill which is approximately \$1.8 million. Last session a bill signed into law created intermediary care assessment and that assessment just increased on July 1, 2004 by \$500 per bed. Using current 610 beds will bring in \$610,000 per biennium.

**Chairman Holmberg** closed the hearing on SB 2342.

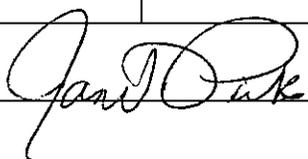
2005 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2342

Senate Appropriations Committee

Conference Committee

Hearing Date February 14, 2005

Tape Number	Side A	Side B	Meter #
1	a		735
Committee Clerk Signature 			

Minutes:

**Chairman Holmberg** opened the hearing on SB 2342.

**Senator Krauter moved for a DO Pass on SB 2342, Senator Mathern seconded.**

Discussion was held regarding the DD providers inflater of long term care, the average DD clients are in long term care for many years, the priority ranking of the bill, concerns that employees need increases in wages, a proposal that the bill should be amended to clean up some language to relate to the budget as previously distributed,

**Senator Krauter** moved to remove his motion and Senator Mathern seconded.

**Senator Mathern** moved that the amendment of word changes be adopted, Senator Krauter seconded. A voice vote was taken. The motion carried.

**Senator Krauter moved to DO Pass as amended on SB 2342, Senator Mathern seconded,** there was some discussion on the last session appropriation. A roll call vote was taken with 14 yes and 1 no, 0 absent. The motion carried.

Date 2/14/05  
 Roll Call Vote #: 1

**2005 SENATE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. SB**

Senate SENATE APPROPRIATIONS Committee

Check here for Conference Committee

Legislative Council Amendment Number 2342

Action Taken Do Pass as amend

Motion Made By Krauter Seconded By Mather

Senators	Yes	No	Senators	Yes	No
CHAIRMAN HOLMBERG	✓		SENATOR KRAUTER	✓	
VICE CHAIRMAN BOWMAN	✓		SENATOR LINDAAS	✓	
VICE CHAIRMAN GRINDBERG	✓		SENATOR MATHERN	✓	
SENATOR ANDRIST	✓		SENATOR ROBINSON	✓	
SENATOR CHRISTMANN		✓	SEN. TALLACKSON	✓	
SENATOR FISCHER					
	✓				
SENATOR KILZER	✓				
SENATOR KRINGSTAD	✓				
SENATOR SCHOBINGER	✓				
SENATOR THANE	✓				

Total (Yes) 14 No 1

Absent \_\_\_\_\_

Floor Assignment Thane

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

SB 2342, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 1 NAY, 0 ABSENT AND NOT VOTING). Engrossed SB 2342 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "historical costs" with "budget"

Page 1, line 8, replace "using" with "inflating historical costs by"

Renumber accordingly

2005 HOUSE HUMAN SERVICES

SB 2342

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2342

House Human Services Committee

Conference Committee

Hearing Date February 28, 2005

Tape Number	Side A	Side B	Meter #
1	x		1,233
Committee Clerk Signature <i>Janice Stein</i>			

Minutes:

**REP. CLARA SUE PRICE, CHAIRPERSON** Called the committee hearing to order.

**SEN. THANE, DIST. 25,** Introduced the bill. There are major changes from the original bill.

The bill puts the local community providers on the same playing field as the long-term care facilities are. He stated he has been in the legislature for quite a few years, to tour the warehouse at Grafton. He stated the ARC brought a lawsuit against the State of North Dakota in the early 80's, and ARC won the lawsuit. That is how come we have group homes scattered throughout the state. The group homes provide tremendous advantages for the disabled population compared to what they used to have. The providers of the disabled are doing exactly the same work as far as I am concerned, as those that still exist in Grafton, but are paid considerably less. It is my understanding at the present time, the average wage of a direct care provider in a group home is about \$8.99 an hour. Long term care facilities and even fast food restaurants pay much more without the stress and abuse that the group home employees endure. I am talking about

what they have to deal with, in this rather emotional, hard to work with, population.. Most of them believe in the work they are doing, and they really become family, to those they care for. In many cases, these individuals have been abandoned by their family, for various reasons. We talk about long-term care. In reality, this is long-term care, some of them will be there until the day they pass away. We have six group homes in the Wahpeton area, and they are well accepted in that community. The fiscal note calls for \$1,822,353 dollars in general funds, and \$3,239,369 in other funds. If we are going to put them in line with the long-term care providers, I think we have been paying them far too less, because, if we have to have a fiscal note of \$1,822,000 to bring them up to speed, that means they have been underpaid. The Senate Human Services committee referred this bill after major changes, to the appropriations committee, and they passed it out.

**REP. OLE AARSVOLD, DIST. 20** Co-sponsor of the bill, testified in support. Stated he served on a board of directors who provide services to the developmentally disabled and am an eight year member of the board of the Red River Human Services. We provide services to the developmentally disabled in the Wahpeton and Fargo area. I have encountered three major issues which providers face. We have much difficulty recruiting direct care providers. It is hard, hard work. Those people work very hard, they have an incredible amount of patience to work with those special population of folks. The salaries are less then competitive. We find a situation which is very difficulty to contend with. In the Fargo area, we are competing with Minnesota agencies, and those folks can go across the river for two and three dollars more per hour then we are providing. Once we get those folks, and provide the training, we find they are attracted to other providers, not only in Minnesota, but also within our own state. The third issue is that of

budgeting. Predictably, we face higher costs. Many of our costs are medical related. Our revenues are very unpredictable. This bill sends a message to the most vulnerable, that you care about the future and the quality of care they are receiving.

**REP. DEVLIN** As I recall, when the Human Services budget came out of appropriations, it passed on the House floor, the needy providers, nursing homes and hospitals were all going to be treated the exactly the same, with two and two, isn't that correct?

**REP. AARSVOLD** I don't have that information at the top of my head.

**JON LARSON, EXECUTIVE DIRECTOR OF ENABLE, INC.** Testified in support of the bill. See attached written testimony.

**REP. KREIDT** Do you get any type of a rate adjustment on an annual basis with your facility, fill us in how your structure works.

**JON LARSON** We receive an inflationary increase which is appropriated by the legislature. Our rates are developed on historical cause.

**REP. KREIDT** Was there some sort of adjustment made in 2002, in regard to your costs?

**JON LARSON** The legislature appropriated a two percent inflationary increase, but the executive branch withdrew that because of the budget shortfall.

**REP. KREIDT** Were you comfortable with the 2%, it's better then getting nothing?

**JON LARSON** There is a 2% currently, in 1012, and that will help. We were hoping that we could have a larger increase then that, but the problem with the current budget is, that it is at 2% and 2%, but that would be a total of 4% over a span of five years.

**REP. NELSON** With the house bill that passed over, there would be some changes in the fiscal note, as I would understand it, that fiscal note would actually grow, wouldn't it?

**JON LARSON** I am not sure I would understand the question.

**REP. NELSON** The bill says you would end up with long-term care, if they are at an advantageous salary situation now, that 2% would be greater for them than it would be for your providers, that gap only continues to grow.

**JON LARSON** We are not asking for wage parity with long-term care, just at the same level as inflation is applied. Prior to the current status of HB 1012, that was significantly different than 2%, I believe the current status of HB 1012 is, that nursing facilities will receive a 2% inflationary increase as well.

Mrs. Larson also submitted written testimony from Teresa Larsen, the Executive Director of the Protection & Advocacy Project. See attached testimony.

**REP. PORTER** Is a hundred percent of your clientele reimbursed by the state of North Dakota or are there other third party payers that are involved in reimbursement for services?

**JON LARSON** Almost one hundred percent reserved, receive medical assistance, so they are paid by the state. There are, I believe, a couple of exceptions to that.

**JACK MC DONALD, ON BEHALF OF THE ARC OF NORTH DAKOTA** Testified in support of the bill. See written testimony.

**BARBARA MURRY, CHIEF OPERATIONS OFFICER AT PRIDE, INC.** Testified in support of the bill. See attached written testimony.

**NICOLE HAGER, SUPERVISOR OF A LOCAL AGENCY** Testified in support of the bill. See attached written testimony.

**SYBIL WEZELMEN,** Testified in support of the bill, see attached written testimony.

**MARY SIMONSON, ADMINISTRATOR OF OPEN DOOR CENTER, VALLEY CITY**

Testified in support of the bill. See attached written testimony.

**ANNA ANDERSON, MOTHER OF DWIGHT ANDERSON** Testified in support of the bill. See attached written testimony.

**MIKE SCHWAB, EXECUTIVE DIRECTOR OF ARC OF BISMARCK** Testified in support of the bill. A lot of this has been discussed already, so I will be brief. The ARC of Bismarck feels that it is a necessity to at least allow a rate increase that keeps up the pace with current costs.

With no further testimony, the committee hearing was closed.

**COMMITTEE ACTION** Later in the day, Tape 2, Side B, Meter 2701

**REP. KREIDT** Gave an explanation of the bill.

**REP. WEISZ** Stated maybe HB 1012 is better than SB 2342.

**REP. DEVLIN** Stated that DD and the nursing home should both get the 3.5% and send it to appropriations.

**REP. PORTER** Stated one item was an actual wage increase, ten cents or eleven cents, the appropriation committee picked that out. I would have an easier time voting to remove the nursing homes automatic percentage increase and let the department and the executive branch work through those things, even though they both have unique situations and that one hundred percent of their budget is set by state agencies, and they have no other way to generate income, other than what the state agency decides. The other providers at least look at it from the standpoint that, maybe five or ten percent of their business is through medicaid, even though they

get less then their cost of doing the business, when you look at the DD providers and you look at the nursing homes providers, their rates are set by us. They have no option to go out and get into the low deficiency program and other programs.

**REP. DEVLIN** I don't have a problem with the bill, if for some reason, the income projections are better than we thought, the nursing homes may end up getting 3.5%. I don't see anything wrong with passing this bill and sending it to appropriations.

**REP. DEVLIN** Made a motion for **DO PASS AND REFER TO APPROPRIATIONS.**

**REP. POTTER** Second the motion. **MOTION CARRIED**

**10 YES      0 NO      2 ABSENT**

**REP. DEVLIN** Was given the floor assignment.

Date: 2/28/05

Roll Call Vote #: 1

2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. HB 2342

House Human Services Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken Do Pass + re ref - to Approp

Motion Made By Rep Devlin Seconded By Rep Potter

Representatives	Yes	No	Representatives	Yes	No
Chairman C.S.Price	✓		Rep.L. Kaldor	AB	
V Chrm.G. Kreidt	✓		Rep.L. Potter	✓	
Rep. V. Pietsch	✓		Rep.S. Sandvig	AB	
Rep.J.O. Nelson	✓				
Rep.W.R. Devlin	✓				
Rep.T. Porter	✓				
Rep.G. Uglem	✓				
Rep C. Damschen	✓				
Rep.R. Weisz	✓				

Total ( ) 10 No 0

Absent 2

Floor Assignment Rep Devlin

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE (410)**  
March 2, 2005 8:18 a.m.

**Module No: HR-28-3935**  
**Carrier: Devlin**  
**Insert LC: . Title: .**

**REPORT OF STANDING COMMITTEE**

**SB 2342, as reengrossed: Human Services Committee (Rep. Price, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (10 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2342 was rereferred to the Appropriations Committee.**

2005 HOUSE APPROPRIATIONS

SB 2342

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2342  
Allows DD Providers Same Inflatior

House Appropriations Committee  
Human Resources Division

Hearing Date: 3-8-05 Tuesday p.m.

Tape Number	Side A	Side B	Meter #
I	X	X	End: 22.4
Committee Clerk Signature 			

Minutes: **Chairman Delzer** called the meeting to order at 3:30 p.m. All members present except Rep. Bellew. (Rep. Kerzman came in at 3:36).

**Rep. William Devlin, District 23**, introduced SB 2342. It allows DD providers the same inflator of two-and-two as Long Term Care providers. The question is can they still get the hourly increases on top of the two-and-two.

**Chairman Delzer:** On the fiscal note, that is based on the 3-5-2 and the 3-9-2.

**Rep. Devlin:** That is correct.

**Chairman Delzer:** Did you ask for a new fiscal note?

**Rep. Devlin:** No, I did not think we would need to.

**Rep. Metcalf:** How will we resolve this?

**Chairman Delzer:** Committee members, I do not like putting inflators into code. That should be up to the department and the Legislature. I asked the Department of Human Services and they said the Legislature would do what it wants. We will ask Legislative Council to look at it for us. I

would kill the bill, myself, but I also understand it is very important to the DD people. We should sunset it before the next legislative session .

**Vice Chair Pollert:** The inflator would be the same as 3 1/2. If we repeal this inflator that we have for long term care, which is in HB 1252, this could go into statute.

(Rep. Kerzman came in at 3:30.)

**Chairman Delzer:** That is why I do not like putting it in Code. It would keep them from ever having a different inflator. Rep. Devlin, the standing committee made it because you did not see any problem in it?

**Rep. Devlin:** That is correct. There is a big problem if they cannot get the wage.

**Chairman Delzer:** Were different feelings with 3-and-2 and 3-and-9 discussed?

**Rep. Devlin:** I cannot answer for the committee.

**Chairman Delzer:** If we prefer to put Do Not Pass on, we need to have some sort of explanation why.

**Rep. Devlin:** I understand. You will ask for a new carrier, I presume.

**Chairman Delzer:** If we sunset it, do you want a different carrier?

**Rep. Devlin:** Yes. If the statute changes, probably.

**Vice Chair Pollert:** Can you explain the bill further?

**Chairman Delzer:** They have to get the same inflator as LTC. It is open-ended, but the department will determine the budget. Rather, what they pay the DD providers. That means, to me, they could not take any extra. Legislative Council will have to find out. What are your thoughts? If you want to support it, I would at least like to sunset it.

**Rep. Kerzman:** Explain the fiscal note.

**Chairman Delzer:** The 3.5 CPI and 3.9 Global Insight are the inflators. So the fiscal note would be zero, because the 2-and-2 is in the budget. When I read "the budget" it means the budget to pay the providers by the department.

**Rep. Kerzman:** I like the idea of tying it together.

**Chairman Delzer:** Then I feel we should tie everyone together, not just single out DD.

**Rep. Wieland:** But they are not obligated to pay it, even though we provide it.

**Chairman Delzer:** Correct.

**Rep. Metcalf:** It is questionable if they can pay it. I do not like across-the-board inflators.

**Chairman Delzer:** We need to ask if we want to put it in Code, or for how long. Before 1252 was passed, LTC was higher.

**Vice Chair Pollert** asked for clarification on something.

**Chairman Delzer:** We could send this out as Do Not Pass and kill on the Floor. Or we can send it out Do pass with the same idea. However, it could mean a \$4 million impact on General Fund.

**Rep. Metcalf:** If we put a sunset, there would have to be a conference committee.

**Chairman Delzer:** We will wait for information. I visited with Allen Knutson on the Bank fees on IGT revolving loans. It is set in Code at half of 1%. They are looking at \$98,000. This is a tremendous amount of money. Allen said the \$79,000 in the bill is not enough to cover it. I cannot believe the Bank of North Dakota has a \$100,000 worth of effort. They are not offering any more loans. Allen is gathering information regarding the IGT funds.

**Rep. Metcalf** lined up a meeting for 8:00 Wednesday morning for Mike Thatcher, CEO of Community, Counseling and Correctional Services, Inc. to meet the HR committee.

Meeting adjourned.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2342  
DD Service Providers Funding

House Appropriations Committee  
Human Resources Division

Hearing Date: 3-17-05 Thursday p.m.

Tape Number	Side A	Side B	Meter #
II		X	9.5 - 22.2
Committee Clerk Signature <i>Diane M. O'Leary</i>			

Minutes: **Chairman Delzer** called the meeting to order on SB 2342. Amendment 50775.0301 changes make the bill read the same as HB 1252 read when it was passed out. It replaces "the budget" with "annual payment rates" on page 1, line 7.

**Rep. Kerzman:** I think the Senate amended it.

**Chairman Delzer:** The standing committee changed it back. I do not like rates in Code. But if it is, everyone needs to be treated the same. The last time Long Term Care did okay and everyone else did not.

**Rep. Kerzman:** I was just going to say that.

**Chairman Delzer:** I would hate to kill the bill. But I at least would like to sunset it.

**Vice Chair Pollert:** I move Amendment 50775.0301 for SB 2342.

**Rep. Bellew:** I second it.

**Rep. Kerzman:** The staff pay is justified. They work hard. I would resist the amendment.

Page 2

Human Resources Division

Bill/Resolution Number SB 2342

Hearing Date 3-17-05

**Chairman Delzer:** I understand the situation and wish we could do more. But it should be even for everyone. The inflator should be evenly distributed.

**Rep. Kerzman:** I agree with part of that. Out there they have lost some trust in the Legislature.

**Rep. Wieland:** If LTC is increased, so it is increased for DD?

**Chairman Delzer:** The bill's language says so.

**Rep. Wieland:** I would like to DD get more money, too. But I want the same inflator.

**Chairman Delzer:** If we start losing control, I will fight for DD. A percentage is in the realm of \$4 million of General Fund. Another dime for DD would mean another \$575,000 for DD.

Referencing LTC specifically, however, would not be good. If no more discussion, the clerk will call the roll. With 4-2 vote, we have a Do Pass on Amendment 50775.0301.

**Rep. Bellew:** I move a Do Pass As Amended on SB 2342.

**Rep. Wieland:** I second it.

**Rep. Kerzman:** I oppose this motion.

**Chairman Delzer:** The clerk will call the roll. With a 4-2 vote, motion carries. Rep. Pollert will carry the bill.

2005 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2342  
Developmental Disabilities Service Providers

House Appropriations Full Committee

Conference Committee

Hearing Date March 24, 2005

Tape Number	Side A	Side B	Meter #
1	X		#0 - #8.1
Committee Clerk Signature <i>Chris Alexander</i>			

Minutes:

**Rep. Ken Svedjan, Chairman** opened the discussion on SB2342.

**Rep. Chet Pollert** explained that the subcommittee put the inflator rate at the same level as HB1252 which puts the Developmental Disability Service Providers (DD) at the same level as all the other providers in the Human Services budget. This puts the providers at the inflationary increase of 2 and 2. Rep Pollert moved to adopt amendment #0301 to SB2342.

**Rep. Tom Brusegaard** seconded

**Rep. James Kerzman** opposed this amendment because DD service providers are concerned about the inequity and think it ought to be brought up to the same level as the long term care services. These providers do an excellent job and develop relationships with their clients and the turnover rate is huge, so we should support them as best we can.

**Rep. Jeff Delzer** supports this amendment because this now mirrors what we did in HB1252 which puts everyone in Human Services at the same level. The bill references long term care and it is wrong to reference another provider in the bill.

**Rep. Joe Kroeber** asked what the increase would be for DD service providers.

**Rep. Jeff Delzer** answered that it depended on what you looked at. HB1252 took the inflator out. There was a statutory inflator for long term care that was different than everyone else and that stands at 3.52 for the first year and 3.92 for the second year. This is arrived at by taking half of the CPI and half of the Global Index. HB1252 and HB1012 both were passed out at the 2 and 2 level, so now it depends on what the Senate does to it. It is important that this committee keeps the levels consistent in all of these bills so that when we go into conferences we are dealing with the same issues in all of the bills.

**Rep. Chet Pollert** commented that if we decided on the 2 and 2 and go with the inflator of 3.5 and 3.9 the cost to the general fund would be \$1.822 million. (meter Tape #1, side A, #6.7)

**Rep. Ken Svedjan, Chairman** called for a voice vote on the motion to adopt amendment #0301 to SB2342. Motion carried.

**Rep. Chet Pollert** moved a Do Pass As Amended motion to SB2342.

**Rep. Larry Bellew** seconded

**Rep. Ken Svedjan, Chairman** called for a roll call vote on the Do Pass As Amended motion for SB2342. Motion carried with a vote of 13 yeas, 6 nays and 4 absence. Rep Pollert will carry the bill to the house floor.

**Rep. Ken Svedjan, Chairman** closed the discussion on SB2342.

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2342

Page 1, line 7, replace "the budget" with "annual payment rates"

Page 1, line 8, replace "inflating historical costs by the annual percentage developed for long-term care" with "applying the inflation rate for these providers used to develop the legislative appropriation for the department."

Page 1, remove line 9

Renumber accordingly





Date: March 24, 2005  
Roll Call Vote #: 1

**2005 HOUSE STANDING COMMITTEE ROLL CALL VOTES**  
**BILL/RESOLUTION NO. SB2342**

House Appropriations - Full Committee

Check here for Conference Committee

Legislative Council Amendment Number 50775.0301

Action Taken DO PASS AS AMENDED

Motion Made By Rep Pollert Seconded By Rep Bellew

Representatives	Yes	No	Representatives	Yes	No
Rep. Ken Svedjan, Chairman	X		Rep. Bob Skarphol	AB	
Rep. Mike Timm, Vice Chairman	X		Rep. David Monson	AB	
Rep. Bob Martinson	X		Rep. Eliot Glasheim	AB	
Rep. Tom Brusegaard	X		Rep. Jeff Delzer	X	
Rep. Earl Rennerfeldt	X		Rep. Chet Pollert	X	
Rep. Francis J. Wald	X		Rep. Larry Bellew	X	
Rep. Ole Aarsvold		X	Rep. Alon C. Wieland	X	
Rep. Pam Gulleeson		X	Rep. James Kerzman		X
Rep. Ron Carlisle	X		Rep. Ralph Metcalf		X
Rep. Keith Kempenich	X				
Rep. Blair Thoreson	X				
Rep. Joe Kroeber		X			
Rep. Clark Williams		X			
Rep. Al Carlson	AB				

Total Yes 13 No 6

Absent 4

Floor Assignment Rep Pollert

If the vote is on an amendment, briefly indicate intent:

**REPORT OF STANDING COMMITTEE**

**SB 2342, as reengrossed: Appropriations Committee (Rep. Svedjan, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (13 YEAS, 6 NAYS, 4 ABSENT AND NOT VOTING). Reengrossed SB 2342 was placed on the Sixth order on the calendar.

Page 1, line 7, replace "the budget" with "annual payment rates"

Page 1, line 8, replace "inflating historical costs by the annual percentage developed for long-term care" with "applying the inflation rate for these providers used to develop the legislative appropriation for the department."

Page 1, remove line 9

Renumber accordingly

2005 TESTIMONY

SB 2342

Senate Human Services Committee Testimony

Senate Bill 2342, February 1, 2005

Chairman Lee and members of the Senate Human Services Committee. My name is Tim Mathern, Senator from District 11 in Fargo and a former member of your committee.

You have received other testimony and will receive details from providers so I will be brief.

I see Senate Bill 2342 as establishing a method for providers of developmental disabilities services to prepare for reimbursement discussions with the Department of Human Services and the Legislature. It is one way to plan services for vulnerable members of our state, using public economic data.

Madam Chairman, I will leave discussion of further details and the fiscal note to others. I ask for your support of SB 2342. Thank you.

**Senate Bill 2342**  
**Developmental Disability Inflation**  
**February 1, 2005**

Chairman Lee and members of the Senate Human Services Committee, I am Tom Newberger, the President of the North Dakota Association of Community Facilities (NDACF). NDACF has 25 member agencies that support thousands of people with developmental disabilities across the state in 70 different communities. NDACF members employ approximately 4,500 staff and are supported by over 600 volunteers.

I am here today to ask you to support SB 2342. This Bill is critical to ensuring the financial health of community based Developmental Disability (DD) services by giving an automatic inflationary increase each year.

Before I discuss some very specific examples of why this Bill is necessary, I want to share with you, who a person with DD is. A person with DD is a person first. They came into this world not asking for any special care or treatment. They came into this world wanting to be a productive and an accepted member of society. Unfortunately, society has not been to kind to people with DD. At the turn of the Century in North Dakota, they were institutionalize and exploited by the institutions. The most capable people were put to work helping raise crops and doing chores for others that were unable to care for themselves. In the early 1980's a law suit was filed by the ARC that brought all but 144 people out of the institution.

Today, consistent funding for DD is needed. The past wage increases have helped, but we are still behind our counterparts in state operated facilities and our competition. Our competition includes fast food restaurants, long term care and other industries. With consistent funding, our staff turnover rates decrease and we are able to attract more staff. In DD, having the same staff work with a person that has DD is extremely important. When staff turnover is high, people with DD become more reclusive and withdrawn and are less productive. The hardest question I have ever had to answer was from a person with DD. This person asked "who is going to work with me today?"

Like many other industries, we have seen inflation in the past 3 years, with no new dollars. For example, we have seen increases in heating, gasoline prices, unfunded mandates by the state, such as background checks. We are required to be HIPAA compliant and the agency I work for has spent approximately \$50,000 to do so. We have seen the cost of our computer consultants raise their hourly fee from \$70 per hour three years ago to \$85, or a 21.4% increase. Our dietitian and registered nurse needed increases, while the cost of our physical and occupational therapies escalated by double digits. Our property cost continues to increase as have many other costs. My main point is we continue to see increased costs in many areas and no new dollars to pay them.

Several months ago I was talking with a legislator about this Bill and I was asked a question that I would like to repeat here. The question, paraphrased, was "won't an automatic increase tie the hands of the legislature?" My response was, and is, anytime the legislature passes an increase in funding for any program, they are impacting future

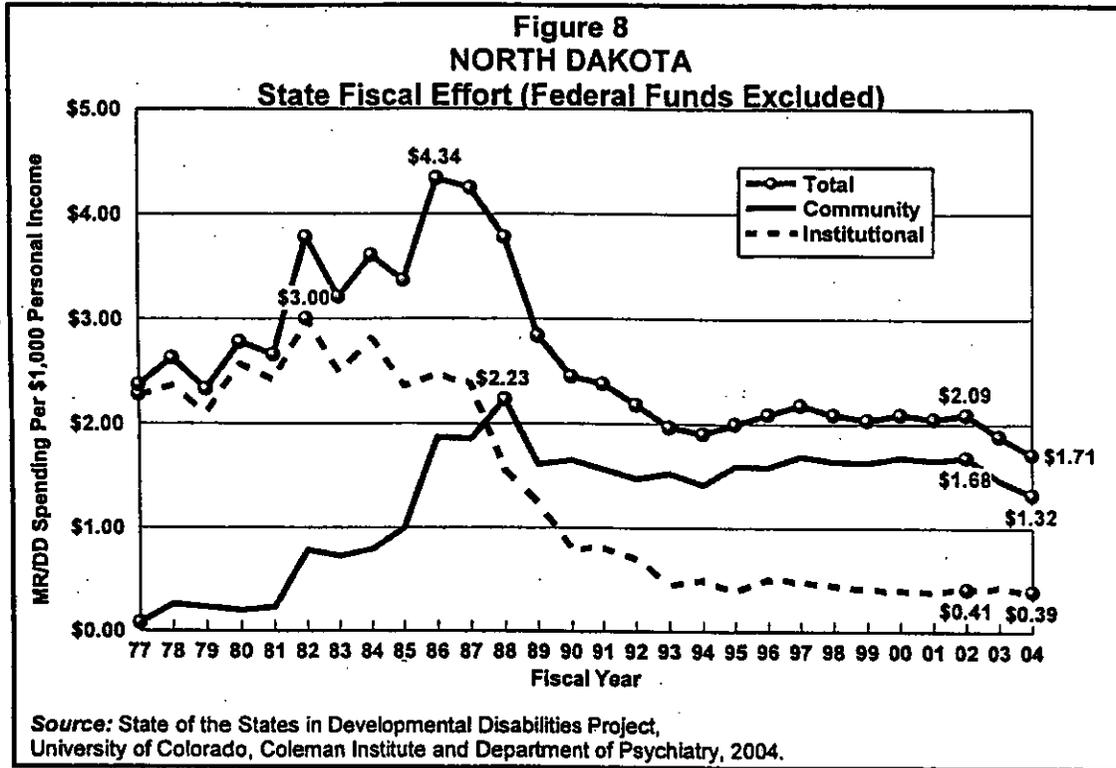
legislative sessions by ear-marking funds. In addition, the legislature has rightfully granted the long term care industry automatic inflationary adjustments.

*Attachment 2A*

The Braddock report, (attached) discusses developmental disabilities in North Dakota. According to this report, the total state fiscal effort on DD spending peaked in 1986 at \$4.74 per \$1,000 of personal income. In 2004, this number has been reduced to \$1.71. This means that as personal income in North Dakota has increased, the amount directed toward DD has decreased. In addition, since 1986, general inflationary increases to state operated facilities has totaled 44.3% compared to 30.6% for DD providers. These percentages exclude specific wage increases for both state employees and DD providers as the calculations are difficult. The bottom line, however, is without an automatic inflator in place, the philosophy of supporting institutionalized care over home and community based services most likely will continue.

I would like to end my testimony by asking you to remember a few things. First, remember how people with DD have been treated historically. They have been termed the "most vulnerable people in the state." Second, I would like you to think about the equity in having the other long term care industry having an automatic inflator, while DD does not. Finally, I would like to leave you with a quote from an unknown author. The author said, "A society will be judged on how well it takes care of its' most vulnerable people." I ask you to support this Bill so we can leave a legacy of caring for the most vulnerable.

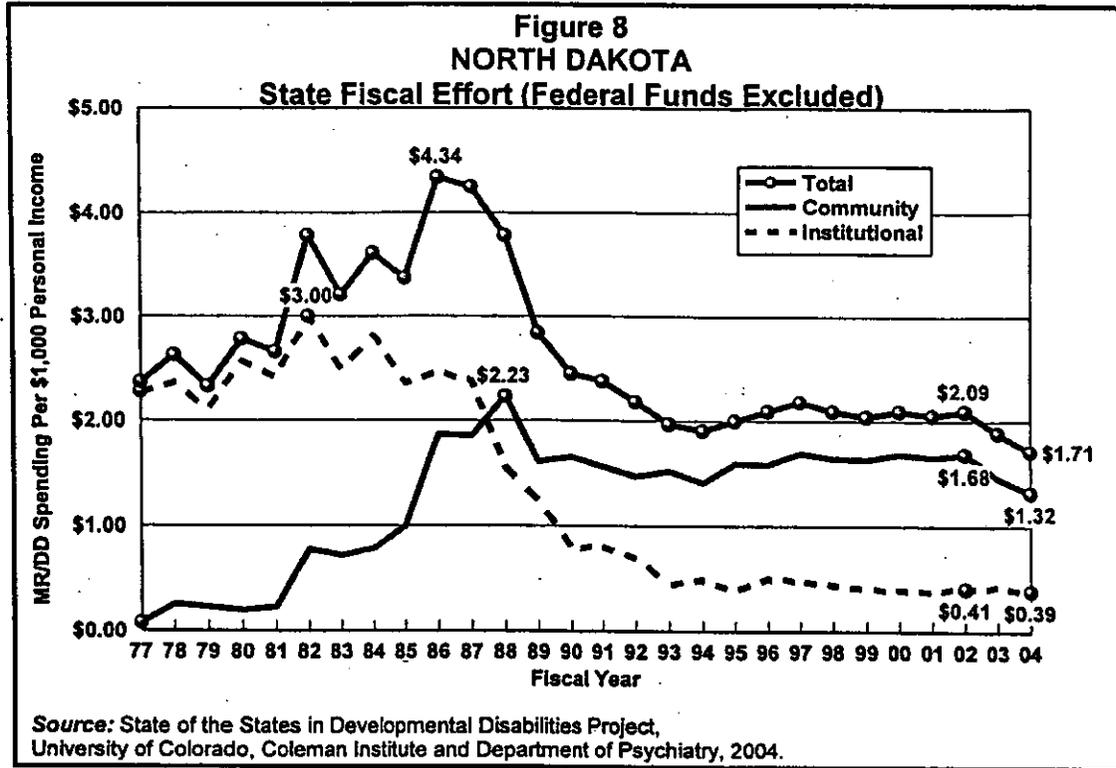
Thank you.



accomplished by a dramatic decline in state spending as a proportion of state personal income.

Total state funds fiscal effort dropped from a peak of \$4.34 in 1986 to \$1.71 in 2004 (Figure 8). Community (15 or fewer) effort dropped from \$2.23 in 1988 to \$1.32 in 2004. The marked decline from 2002 and 2004 reflects growth in both ICF/MR and Waiver federal Medicaid reimbursement, and the impact of enhanced federal medical assistance percentage (FMAP) rates authorized by the Jobs Growth Tax Relief Reconciliation Act of 2003 (Pub. L. 108-27). That Act provided North Dakota \$50 million through enhanced federal medical assistance percentage (FMAP) rates from January 2003 to June 2004 (Dalton, 2004; NCSL, 2004). In 2002, North Dakota ranked 5<sup>th</sup> in state fiscal effort for community services (<15) among the 8 states with populations of less than 1,000,000. Community state fiscal effort in Alaska, Delaware, DC and Vermont surpassed the North Dakota effort level<sup>2</sup>.

<sup>2</sup> When federal funds are included in the calculation of fiscal effort and when community services are defined in terms of persons in settings for 15 or fewer individuals, North Dakota ranked 5<sup>th</sup> nationally in total spending, 5<sup>th</sup> in community spending, and 7<sup>th</sup> in institutional spending fiscal effort. However, the State's total fiscal effort declined slightly from 2002-04, from \$6.94 to \$6.92.



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**Testimony on SB 2342  
Developmental Disabilities  
Senate Human Services Committee  
February 1, 2005**

*same given  
to Senate  
Appropriations*

Chairman Lee and members of the Senate Human Services Committee, thank you for the opportunity to testify on SB 2342, the Automatic Inflationary Increase for providers of developmental disabilities. My name is Barbara Murry, and I'm the Chief Operations Officer at Pride, Inc., a provider of services in Bismarck and Mandan and a member of the North Dakota Association of Community Facilities. I am testifying on behalf of NDACF.

As providers, we are proud of the work we do and are committed to providing quality services. We support a very vulnerable population and strive to provide services that assist people to become as independent as possible.

In preparation for this testimony, I asked my staff to tell me what it was like to work for the wages we pay them to do their job. The following are excerpts from the letters they gave me this week. Several are long term staff and one is a much newer staff. I have changed the first names, as they felt uncomfortable having their stories told so publically.

Bill - I have 10 years of experience working in the field of developmental disabilities, most of the time in ISLA, and I work two jobs at companies supporting people with developmental disabilities. During that time, I have worked with at least 40 different staff, and most stayed in the field less then five months. The hours are long, you have a certain amount of physical abuse if one of your clients has an emotional problem, you often work nights and weekends - and all for the same amount of pay you could receive at McDonald's or Burger King. I have owned three different cars during my 10 years in the field, and I have to buy old cars. Using my car so much means paying for repairs and the cost of repairs and gas has skyrocketed. I have two credit cards and have

maxed them both out - not for personal items like new tv's, car stereos, or the like, but for car repairs and gas. By the middle of the month I have to use my income for food to eat. We have had increases in the past but frankly the increases only pay like 70% of the amount we have had to cover for rising health insurance premiums. Blue Cross gets our raises, not us. I want to stay in this field, if I can make it. With all of the better jobs coming to the area, who is going to do this work.

Mary - I have worked three jobs for the last 10 years. I just can't make it on the little wage that we get. I work so many hours that it leaves me with no family life, no time with my husband, and no time to spend with my four grandchildren. I was so excited at our \$.87 raise after the last session, but I never saw it because our health insurance ate it up. I have so many responsibilities, I am in charge of medications, baths, cleaning, meals, clean up vomit, and feces, not to mention I have to deal with explosive behaviors and have had individuals verbally and physically attack me. It's a tough field of work. So my question is why am I here. I want to promote good health and make sure the individuals I support have a quality life. It makes my day when I'm greeted with a smile, or see their excitement in seeing me. That's when I know I have touched their lives. For myself, all I want at this point is to make enough money at one job so I can finally have a life outside of work and enjoy what time I have left here on earth. Thank you for listening to me. I'm very hopeful that it will make a difference.

Beth - I have a four year degree and I've worked in the field of disabilities for almost 20 years, and still would be almost at the poverty level at my current salary. That is sad. I love my job but couldn't continue working here if my spouse didn't have a better income than I do. I see what happens to the people we support when staff leave. It takes a long time for consumers to know that staff and trust them, and for team members to get to know them and understand their needs. It almost goes without saying that there are pieces that do not get picked up when people leave. The consumers themselves experience sadness, regret, and fear over the future. They wonder if they've done

something wrong, and are sometimes angry, frustrated or aggressive.

Joan - I've worked in this field for almost three years. Before I had my new baby, my salary would barely stretch to the end of the month. After having her, there are many extra expenses and there are many months that I am completely broke at the end of the month. I worry about this all the time, and wonder how I will be able to get her the things she needs as she gets older. If I can barely afford to buy the things she needs, now, how will I make it in a few years, if our salaries don't keep up with inflation?

Lisa - I've worked in this field the last eight years. I can't survive on the money we now make so I work another job for another DD agency in town. I have to work a total of 60 - 65 hours a week. I have no time to share with family and friends. My life consists of working, working and working. I miss parts of my life that a mother or grandmother should be able to celebrate with. Why do jobs working with people pay so little? I work with consumers struggling with DD, Alzheimer, and dementia. They need familiar faces every day and staff who know their schedules, likes and dislikes. Their security and quality of care lies with consistent staff who do not come and go because of money.

One of the professional staff at Pride stated that he currently works over 80 hours per week, 40 in his professional position at Pride, and the remainder in direct support at HIT and Enable. While he is doing it now, he knows that he isn't willing to do this for the rest of his life, just to get by. Another noted that one of our consumers makes more "pushing carts at Walmart" than the job coach that supports them. A supervisor at our work center noted that just about everyone that works here has to have another job. When staff leave it has a chain effect because not only are you training new people so they understand the job, but individuals sometimes do not receive all of the support they need to continue to be successful. When competing industries get increases, staff will go to work in the one that offers more pay. I am starting to wonder myself about living in North Dakota. The cost of living isn't that much less here.

The above is just a small sample of the struggles faced by our employees. Our staff are the most compassionate, committed, and hard working people out there. They are asked to assume difficult jobs. They want to remain in North Dakota and be a part of the community, and stay in this field, supporting people with disabilities, but they see others getting much larger wage increases. They are then left with difficult choices: staying in this profession and working two or even three jobs, or leaving the field and the individuals they love to support their family. They are painfully aware that turnover creates a huge sense of loss, and know the problems that will arise with trust and skill retention for the individuals they support. They worry what will happen to those folks when they leave.

I urge you to pass the automatic inflationary increase to support these 4,500 unsung heroes working in our agencies.

**Testimony on SB 2342**

**Developmental Disabilities**

**Senate Human Services Committee**

**February 1, 2005**

Chairman Lee and members of the Senate Human Services Committee, thank you for allowing me the chance to testify on Senate Bill 2342, in relation to an automatic inflationary increase for dd providers. My name is Nicole Hager.

I have worked in this field for five years. I started out working as a direct staff and became a supervisor 3 years ago. I love my job, however it is very hard for my family to make ends meet each month. The salary for my position is very much under paid. I have 11 people that I help live independently and around 25 part-time staff that I oversee. I get phone calls at home at night and on the weekends. I basically work around the clock. Like I said before I love this job. I did try quitting and taking a better paying job with better benefits. I was very unhappy and my family suffered from my unhappiness. I have returned to this job because I know that this is what I am suppose to do with my life. I have thought about getting another part time job to make more income, but then I would never see my kids and husband. Paying for health insurance is the most difficult part. I have to pay \$362 per month toward a family policy. I am worried how I will manage it if this cost increases again in July.

I would like to take a quick minute to tell you about the people I support. They are the most grateful people. The littlest thing makes them happy. When I walk into one of

their homes and they are so excited to see me, it is the greatest feeling in the world. Due to the under pay and only part of the benefits being paid, we have a high turn over of employees. This is very hard on the people I help support. They make a real connection with the staff and when that staff leaves to go work at Wal-Mart or McDonald's because they can make more money and have better benefits the people don't understand. They think they did something wrong. So I ask of you to help with our budget. We are asking for \$1.05 per hour and 3% in benefits over the next biennium. Thank you for your time. If there are any questions, I would be happy to try and answer them.

**Senate Human Services  
February 1, 2005  
SB 2342**

Same given on Feb 28, 05

Chairman Lee and members of the Committee, I am Teresa Larsen, the Executive Director of the Protection & Advocacy Project (P&A). I am P&A's representative on the Legislative Partnership Committee which is comprised of various stakeholders including developmental disabilities service providers, advocates, consumers, and family members. The stated purpose of the Committee is as follows: *In an effort to assist our state leadership to plan and respond to the support service needs for people who have developmental disabilities, the stakeholders involved in DD services will collaborate to identify support service needs for people who have developmental disabilities.*

The Legislative Partnership Committee met a number of times during 2004 to identify and prioritize a list of support service needs for individuals with developmental disabilities. Included in the top five issues was the need for an automatic annual inflation rate for DD service providers. SB 2342 would provide for an automatic annual inflation rate equitable to that given to long term care facilities.

While both the long term care and DD service provider industries serve North Dakota citizens who are vulnerable, as do others including Qualified Service Providers (QSP's), DD service providers and QSP's often receive much smaller rate increases or, in some years, nothing at all. Providing the automatic rate increase to DD service providers is a step in the right direction of balancing the scales between institutional care and home and community-based services. It will initiate equity between the service industries that serve our family members and friends who are elderly or who have disabilities.

Thank you. I will be glad to answer questions.

**Madame Chairperson and members of the Committee,**

**My name is Mary Simonson. I am the Administrator of Open Door Center, Valley City. Our agency serves children and adults with Developmental Disabilities, individuals with mental illness and people with traumatic brain injury.**

**We hire many young people who want to remain in the State of North Dakota, who want to raise their children in North Dakota, who want to earn a reasonable living in North Dakota. However we have difficulty offering a competitive wage. Last year the 2% increase that was allocated by the legislature was not given to us. Consequently those employed at the agency did not get a raise. Some looked elsewhere for employment in the health care community such as hospitals and nursing homes, and some of these agencies actively recruited and still recruit our staff. In fact we recently had a young person who worked for us for several years leave for a position at a local health care provider who will receive an increase of 9.5% over the next biennium and receive almost \$2.00 an hour more than we are able to offer.**

**An annual inflator provides for regular salary increases and a competitive wage. Full health insurance benefits are also extremely attractive to employees. I, as well as other community providers, would like to be able to offer a similar employment package to those who work in the field of disabilities.**

**Open Door Center has a "self-insured" Blue Cross Blue Shield program to help keep insurance premium increases to a minimum. However over the last few years, our policy has risen by 14-16 per cent each year. Staff have had to pay more for their insurance than they have in the past because our fringe benefit percentage does not cover the cost. We employ young people who have families so their medical expenses may be higher than the average citizen. However we need these young families to grow North Dakota.**

**I would urge you to provide an annual inflator for community providers which positively effects wages and fringe benefits so that together we**

**can offer employment that will attract young people keeping them as well as their families in North Dakota.**

**A competitive wage and fringe package with an annual inflator would help in retaining the excellent employees we have. There are currently 4500 people employed by approximately 25 community providers throughout 70 cities in North Dakota. They are good people and dedicated employees who should receive a competitive wage and benefit package and a promise for future raises without working two jobs or having to change jobs to meet the needs of their families. They deserve equity.**

**Thank you for the opportunity to share my thoughts. I would be happy to try to answer any questions you may have.**

**Mary Simonson  
Open Door Center  
Valley City, North Dakota**

**SB 2342**

Proposed Amendment

Replace entire Bill with:

"For budgeting purposes, private licensed developmental disability providers shall have their historical costs inflated by an annual percentage equal to the percentage provided by the Department of Human Services to Long Term Care.

### Direct Service Staff Comparison

Fiscal Year Ending June 30	Provider Maximum Wage/Hour Pay	Average Pay	Provider Percentage Increase	State Employee Percentage Increase
1986	\$5.04	\$6.39	0.0%	4.0%
1987	\$5.04	\$6.39	0.0%	0.0%
1988	\$5.12	\$6.39	1.6%	0.0%
1989	\$5.20	\$6.78	1.6%	7.1%
1990	\$5.30	\$6.78	2.0%	0.0%
1991	\$5.41	\$7.10	2.0%	4.0%
1992	\$5.63	\$7.88	4.0%	2.0%
1993	\$5.63	\$8.23	0.0%	3.2% (a)
1994	\$5.74	\$8.57	2.0%	3.0%
1995	\$5.85	\$8.57	2.0%	3.0%
1996	\$6.05	\$8.90	3.5%	2.0%
1997	\$6.26	\$9.33	3.5%	3.0%
1998	\$6.84 (b)	\$9.59	2.2%	3.0%
1999	\$6.99	\$9.50	2.0%	2.0%
2000	\$7.49 (c)	\$9.70	2.0%	3.0%
2001	\$7.64	\$9.70	2.2%	3.0%
2002	\$7.91 (d)	\$10.26	0.0%	2.0%
2003	\$8.08	\$10.26	0.0%	0.0%
2004	\$8.78 (e)	\$10.26	0.0%	0.0%
2005	\$8.78 (f)			
<b>Total of Percentage Increases</b>			30.6%	44.3%

- (a) - In 1993 in addition to the 3.2% general inflationary increase, all direct contact staff was reclassified from a pay grade 11 to a pay grade 13 (10% increase). Also they were given a 5% additional hazard pay increase. The net effect was an 18.2% increase in 1993.
- (b) - 44¢ per hour increase by Legislature.
- (c) - 36¢ per hour increase by Legislature.
- (d) - 10¢ per hour increase by Legislature.
- (e) - 87¢ per hour increase by Legislature.
- (f) - Group Homes wages: 1<sup>st</sup> FTE = \$11.50; 2<sup>nd</sup> FTE = 10.33; remainder FTE's = \$8.78; ISLA, Day Supports & Extended Services = \$9.30

Proposed Amendments to Senate Bill 2342

February 1, 2005

Page 1, line 1, after "A BILL" replace remainder of bill with "for an Act to create and enact a new subsection to section 50-24.1 of the North Dakota Century Code, relating to the costs of private licensed development disability providers.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1.** A new subsection to section 50-24.1 of the North Dakota Century Code is created and enacted as follows:

For budgeting purposes, private licensed development disability providers shall have their historical costs inflated by an annual percentage equal to the percentage provided by the Department of Human Services to Long Term Care."

Renumber accordingly.

**Testimony on HB 2342**  
**Senate Appropriations Committee**  
**February 09, 2005**

Chairman Holmberg and members of the committee, my name is Jon Larson. I am the executive Director of Enable, Inc, a licensed service provider for people with developmental disabilities in Bismarck and Mandan. I am also here today to testify on behalf of the North Dakota Association of Community Facilities (NDACF). I am here today in support of SB 2342.

We are very appreciative of the sponsors of this bill and the Senate Human Services Committee for their support. We would like to offer an amendment by adding a few words to the sentence to clarify the intent of this bill.

The department of human services shall determine the budget historical costs for private, licensed developmental disability providers by ~~using~~ inflating historical costs by the annual percentage developed for long-term care facilities.

The intent of this bill is very simple. It would require the department of human services to use the same inflationary increase that is used in long term care when determining the budgets for providers of developmental disability services. There is a lot of justification for the need for this bill but I will leave that explanation to others here who wish to testify.

Thank-you for this opportunity to testify today. I would be glad to answer any questions you may have.

Jon Larson, Executive Director Enable, Inc.  
North Dakota Association of Community Facilities

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**Testimony on SB 2342  
House Human Services Committee  
February 28, 2005**

Chairman Price and members of the committee, my name is Jon Larson. I am the executive Director of Enable, Inc, a licensed service provider for people with developmental disabilities in Bismarck and Mandan. I am also here today to testify on behalf of the North Dakota Association of Community Facilities (NDACF). I am here today in support of SB 2342. NDACF has 25 member agencies that support thousands of people with developmental disabilities across the state in 70 different communities. NDACF members employ approximately 4,700 staff and are supported by over 500 volunteers.

I am here today to ask you to support of SB 2342. This Bill is critical to ensuring the financial health of community based Developmental Disability (DD) services by giving an automatic inflationary increase each year. This bill has very simple language. It simply would require the Department of human Services to use the same inflationary percentage when figuring budgets for DD providers as are used in Long Term Care. The bill passed on a unanimous vote in the Senate. We are hopeful the House will respond as favorably.

Most of the people we serve in the Developmental Disabilities system need a life-long series of supports. It is not uncommon for someone to live in one of our group homes for 10-15 years. Our group homes and ISLA settings are definitely "long-term care" situations. To provide a consistent quality level of care for these people we need to create an employment environment that encourages our staff to also stay long-term.

Consistent increases in funding for DD services are needed so that our staff can count on getting at least an annual cost of living increase. The past wage increases granted by the Legislature have helped, but we are still behind our counterparts in nursing facilities and state operated facilities. As part of an effort to correct this inequity, our staff received a \$.87 increase on July 01, 2003 but have not received an increase since then. With

consistent inflationary increases we can tell our staff that there is a future for them in our industry, our staff turnover rates will decrease and we will be able to attract more, well qualified staff.

Like most other industries, we have seen a steady rate of inflation in our costs over the past several years, without a corresponding increase in funding. We have not received an inflationary increase since July 01, 2001. We have seen sizable increases in insurance costs, gasoline prices, utility costs and consultant services costs. We have also incurred the added costs of HIPAA compliance and criminal background checks. Our costs in these areas have increased significantly over the past three years without any inflationary increases in our budgets.

Since 1986, general inflationary increases to state operated facilities has totaled 44.3% compared to 30.6% for DD providers. These percentages exclude specific wage increases for both state employees and DD provider as the calculations are difficult. The bottom line, however, is without an automatic inflator in place, the philosophy of supporting institutionalized care over home and community based services most likely will continue.

We urge you to pass this bill so we can more adequately address the needs of people with disabilities in North Dakota.

Thank you for your consideration and this opportunity to testify.

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February 28, 2005

HOUSE HUMAN SERVICES COMMITTEE  
SB 2342

CHAIRMAN PRICE AND COMMITTEE MEMBERS:

My name is Jack McDonald. I'm appearing here today on behalf of The Arc of North Dakota. **We support SB 2342 and urge a do pass.**

The Arc is an open membership organization made up of people with mental retardation and other related developmental disabilities, their families, friends, interested citizens, and professionals in the disability field.

It is organized on three levels: local chapters, state chapters and the national organization. All three levels provide opportunities to engage policy-makers in efforts to improve public policy affecting people with mental retardation and related developmental disabilities and their families.

The Arc of North Dakota has over 1,500 committed members and friends...your neighbors and constituents...in chapters in Grand Forks, Fargo, Valley City, Jamestown, Bismarck, Dickinson and Bowman.

Our **Mission Statement** is to improve the quality of life for children and adults with mental, retardation and related developmental disabilities and their families through advocacy, education and family support services.

Public policy advocacy is an essential component of the Arc movement, and that's why we're here today. Arc members have worked together over the past 50 years to secure family support services, special education, health care, leisure opportunities, vocational training, community housing and other community support services.

The Arc works closely with the providers in helping persons with developmental disabilities. Higher wages to ensure fewer turnovers and a higher quality of provider services has long been one of the main goals of The Arc's legislative program.

Therefore, we respectfully request that you give SB 2342 a do pass. If you have any questions, I will be happy to try to answer them. THANK YOU FOR YOUR TIME AND CONSIDERATION.

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**Testimony on SB 2342  
Developmental Disabilities  
House Human Services Committee  
February 28, 2005**

Chairman Price and members of the House Human Services Committee, thank you for the opportunity to testify on SB 2342, the Automatic Inflationary Increase for providers of developmental disabilities. My name is Barbara Murry, and I'm the Chief Operations Officer at Pride, Inc., a provider of services in Bismarck and Mandan and a member of the North Dakota Association of Community Facilities. I am testifying on behalf of NDACF.

As providers, we are proud of the work we do and are committed to providing quality services. We support a very vulnerable population and strive to provide services that assist people to become as independent as possible.

In preparation for this testimony, I asked my staff to tell me what it was like to work for the wages we pay them to do their job. The following are excerpts from the letters they gave me this week. Several are long term staff and one is a much newer staff. I have changed the first names, as they felt uncomfortable having their stories told so publically.

Bill - I have 10 years of experience working in the field of developmental disabilities, most of the time in ISLA, and I work two jobs at companies supporting people with developmental disabilities. During that time, I have worked with at least 40 different staff, and most stayed in the field less than five months. The hours are long, you have a certain amount of physical abuse if one of your clients has an emotional problem, you often work nights and weekends - and all for the same amount of pay you could receive at McDonald's or Burger King. I have owned three different cars during my 10 years in the field, and I have to buy old cars. Using my car so much means paying for repairs and the cost of repairs and gas has skyrocketed. I have two credit cards and have

maxed them both out - not for personal items like new tv's, car stereos, or the like, but for car repairs and gas. By the middle of the month I have to use my income for food to eat. We have had increases in the past but frankly the increases only pay like 70% of the amount we have had to cover for rising health insurance premiums. Blue Cross gets our raises, not us. I want to stay in this field, if I can make it. With all of the better jobs coming to the area, who is going to do this work.

Mary - I have worked three jobs for the last 10 years. I just can't make it on the little wage that we get. I work so many hours that it leaves me with no family life, no time with my husband, and no time to spend with my four grandchildren. I was so excited at our \$.87 raise after the last session, but I never saw it because our health insurance ate it up. I have so many responsibilities, I am in charge of medications, baths, cleaning, meals, clean up vomit, and feces, not to mention I have to deal with explosive behaviors and have had individuals verbally and physically attack me. It's a tough field of work. So my question is why am I here. I want to promote good health and make sure the individuals I support have a quality life. It makes my day when I'm greeted with a smile, or see their excitement in seeing me. That's when I know I have touched their lives. For myself, all I want at this point is to make enough money at one job so I can finally have a life outside of work and enjoy what time I have left here on earth. Thank you for listening to me. I'm very hopeful that it will make a difference.

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something wrong, and are sometimes angry, frustrated or aggressive.

Joan - I've worked in this field for almost three years. Before I had my new baby, my salary would barely stretch to the end of the month. After having her, there are many extra expenses and there are many months that I am completely broke at the end of the month. I worry about this all the time, and wonder how I will be able to get her the things she needs as she gets older. If I can barely afford to buy the things she needs, now, how will I make it in a few years, if our salaries don't keep up with inflation?

Lisa - I've worked in this field the last eight years. I can't survive on the money we now make so I work another job for another DD agency in town. I have to work a total of 60 - 65 hours a week. I have no time to share with family and friends. My life consists of working, working and working. I miss parts of my life that a mother or grandmother should be able to celebrate with. Why do jobs working with people pay so little? I work with consumers struggling with DD, Alzheimer, and dementia. They need familiar faces every day and staff who know their schedules, likes and dislikes. Their security and quality of care lies with consistent staff who do not come and go because of money.

One of the professional staff at Pride stated that he currently works over 80 hours per week, 40 in his professional position at Pride, and the remainder in direct support at HIT and Enable. While he is doing it now, he knows that he isn't willing to do this for the rest of his life, just to get by. Another noted that one of our consumers makes more "pushing carts at Walmart" than the job coach that supports them. A supervisor at our work center noted that just about everyone that works here has to have another job. When staff leave it has a chain effect because not only are you training new people so they understand the job, but individuals sometimes do not receive all of the support they need to continue to be successful. When competing industries get increases, staff will go to work in the one that offers more pay. I am starting to wonder myself about living in North Dakota. The cost of living isn't that much less here.

The above is just a small sample of the struggles faced by our employees. Our staff are the most compassionate, committed, and hard working people out there. They are asked to assume difficult jobs. They want to remain in North Dakota and be a part of the community, and stay in this field, supporting people with disabilities, but they see others getting much larger wage increases. They are then left with difficult choices: staying in this profession and working two or even three jobs, or leaving the field and the individuals they love to support their family. They are painfully aware that turnover creates a huge sense of loss, and know the problems that will arise with trust and skill retention for the individuals they support. They worry what will happen to those folks when they leave.

The Bismarck-Mandan Chamber of commerce reports that new retail will arrive bringing 2,000 jobs and indicates that 1,000 new primary sector jobs are on the drawing board. The February 27, 2005 Bismarck Tribune quoted the beginning salary of an employee at Wal-Mart at \$9.68 an hour. I urge you to pass the automatic inflationary increase to support these 4,500 unsung heroes working in our developmental disabilities agencies.

**Testimony on SB 2342**  
**Developmental Disabilities**  
**House Human Services Committee**

**February 28, 2005**

Chairman Price and members of the House Human Services Committee, thank you for allowing me the chance to testify on Senate Bill 2342, in relation to an automatic inflationary increase for dd providers. My name is Nicole Hager.

I have worked in this field for five years. I started out working as a direct staff and became a supervisor 3 years ago. I love my job, however it is very hard for my family to make ends meet each month. The salary for my position is very much under paid. I have 11 people that I help live independently and around 25 part-time staff that I oversee. I get phone calls at home at night and on the weekends. I basically work around the clock. You're probably thinking "how could anyone love a job like this?" I would like to take a quick minute to tell you why I love this job. The people I support are the most grateful people. The littlest thing makes them happy. When I walk into one of their homes and they are so excited to see me, it is the greatest feeling in the world. Taking a half hour out of my busy day may make everything in their day go a lot smoother.

I did try quitting and taking a better paying job with better benefits. I was very unhappy and my family suffered from my unhappiness. I have returned to this job because I know that this is what I am suppose to do with my life. I have thought about getting another part time job to make more income, but then I would never see my kids and

husband. Paying for health insurance is the most difficult part. I have to pay \$362 per month toward a family policy. I am worried how I will manage it if this cost increases again in July. My employer has tried to keep the cost of the premiums down, but that raised total out of pocket costs.

I'd like to tell you what happens to the people I support due to high turnover from the low pay and poor benefits. This is very hard on the people I support. They make a real connection with the staff and when that staff leaves to go work at Wal-Mart or McDonald's because they can make more money and have better benefits the people don't understand. They think they did something wrong. So I ask of you to help with our budget. We are asking for your support in giving us an automatic inflationary raise that will keep up competitive and slow down turnover. Thank you for your time. If there are any questions, I would be happy to try and answer them.

(6)

# Don't Forget the Hearing aid

Chairman ~~Lee~~ <sup>Price</sup>, members of the committee

I am Sybil Wezelner, the mother of a man who is developmentally & multiply disabled. Beside Down syndrome Ira contends with severe psoriasis, a skin disease and severe Arthritis as well as conditions caused by those disabilities.

He has lived in his current group home for 5 years. Only 3 of the 11 employees working there at the he moved in are there now. The rest have left either to go to better jobs or because they found the work too hard for the pay they get.

The skills ~~employees~~ <sup>staff</sup> at group homes are called on to use are mind boggling.

these skills include; cooking, cleaning,  
shopping, chattering, creating leisure  
activities, helping to bath, dress, brush  
teeth, <sup>helping with bathing chores</sup> supervising or giving of medication  
both oral + topical, <sup>supervising physical + speech therapy</sup> and knowing what  
to do when one resident needs help  
and another wants attention. No

wonder the number that ~~have~~ come  
and gone <sup>in the years my son has lived</sup> I would guess to be would  
be between 30 and 40 people

I can tell when a new or inattentive  
employee has helped Ira  
with his care and grooming. His  
~~skin~~ skin will have deteriorated very  
quickly and his general grooming  
will be sloppy.

I believe Ira and other developmentally  
disabled people deserve a stable  
environment provided by ~~people~~<sup>staff</sup>  
who care about them, and about  
doing a good job. I also these  
staff people deserve ~~a living wage~~<sup>a living wage</sup>  
~~and~~ the ~~automatic~~<sup>automatic</sup> inflationary increases  
provided in this bill. So 2342

Thank you

SB 2342

February 28, 2005

Representative Clara Sue Price and Members of the House Human Services Committee:

I am Anna Anderson, Mother and Legal Guardian of Dwight Anderson. Dwight is living in an ISLA apartment with 24-hour supervision. Dwight becomes attached to his caregivers and they are like part of his family. The turnover of staff is difficult for him, as he does not fully understand why someone is leaving. He becomes moody and quiet for a period of time until he bonds with the new caregiver. Dwight has limited communication abilities and new staff needs time to become familiar with his speech to understand what he is trying to communicate. When someone in a normal family situation leaves for college or a job and moves out of the home, the family members require an adjustment; however, they are able to understand and continue to have contact with each other. The individuals with disabilities do not have this ability and in most instances lose contact with the caregiver leaving a void.

Frequently the turnover in staff is related to finding a higher paying position. Senate Bill 2342 addresses an automatic inflationary increase for DD providers similar to that provided to long-term care providers since 1997. I support this bill, as the caregivers then will have equity in salary increases.

Thank you for your attention.