

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET COMMITTEE ON INSTITUTIONAL SERVICES

Wednesday, June 7, 2000
Harvest Room, State Capitol
Bismarck, North Dakota

Representative Merle Boucher, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Merle Boucher, Jeff Delzer, William E. Gorder, Scot Kelsh, Joe Kroeber, Ralph Metcalf, Chet Pollert; Senators David E. Nething, Harvey Sand, Wayne Stenehjem, Harvey D. Tallackson

Members absent: Representatives LeRoy G. Bernstein, Rod Froelich

Others present: See attached appendix

It was moved by Senator Stenehjem, seconded by Representative Kroeber, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.

COLLOCATION OF THE DEVELOPMENTAL CENTER AND STATE HOSPITAL

Mr. Alex Schweitzer, Superintendent, State Hospital and the Developmental Center, presented information regarding potential services that may be shared between the State Hospital and the Developmental Center and on the status of the shared superintendent's position. Mr. Schweitzer said he was appointed as superintendent of both institutions in April 2000. He said each institution has identified a lead manager--at the State Hospital, Dr. Alan Broadhead, the State Hospital's medical director, and at the Developmental Center, Ms. Sue Foerster, the Developmental Center's residential services director. He said the primary responsibility of these individuals is to ensure that safe, effective, and quality client care is provided on a day-to-day basis at each institution. He said the superintendent's role will involve budgeting; strategic planning; dealing with human, fiscal, and physical resources; and working with external groups such as legislators, advocacy groups, families, other Department of Human Services units, other governmental entities, and the public.

Mr. Schweitzer identified the following services and programs that are being shared between the two institutions:

1. The superintendent's position.
2. Psychology contract.
3. Combined information systems department.
4. Joint strategic planning.

Mr. Schweitzer said the following services and programs are being considered for sharing:

1. Chief financial officer positions. The chief financial officer of the Developmental Center may be retiring at the end of 2000.
2. Situational leadership training for managers.
3. Residential leader positions.
4. Support services leadership at the Developmental Center.
5. Consideration of employee issues.

Mr. Schweitzer said the department is in the process of developing a formal written plan on ways to cooperate and combine programs between the two institutions. A copy of the report is on file in the Legislative Council office.

Senator Nething asked whether the Developmental Center has a committee similar to the State Hospital Governing Body. Mr. Schweitzer said the Developmental Center has a citizens' advisory group that meets quarterly.

Ms. Elaine Little, Director, Department of Corrections and Rehabilitation, presented information on current and projected prison space needs, the current usage of facilities on the State Hospital grounds, and on possible additional uses for facilities at the State Hospital.

Ms. Little said the inmate population at the James River Correctional Center ranges from 210 to 220. Of this number, she said, 45 to 50 are women.

Ms. Little said because of a delay in receiving the federal funds for renovating the fifth and sixth floors of the James River Correctional Center facility, the project will not be completed until June 2001 rather than November 2000.

Regarding additional uses for facilities on the State Hospital grounds by the Department of Corrections and Rehabilitation, Ms. Little said the department has included the State Hospital superintendent in its strategic planning process for the James River Correctional Center. She said through this process, additional potential uses of State Hospital property have been identified for use by the Department of Corrections and Rehabilitation. She said the department plans to include funding in its 2001-03 budget request to renovate the State Hospital dormitory building, located east of the James River Correctional Center, for use as a women's facility. She said the

department plans to house all women inmates in this facility. In addition, Ms. Little said the State Hospital day care building located west of the James River Correctional Center is being considered for renovation by the department. She said the department could renovate the second and third floors of this building to house the James River Correctional Center administrative offices.

Ms. Little said because additional inmates will be housed at the James River Correctional Center as a result of the completion of the fifth and sixth floors and possibly the women's unit, if approved, consideration should be given to the Department of Corrections and Rehabilitation operating the State Hospital food service and dining room facility and the State Hospital laundry facility. A copy of the report is on file in the Legislative Council office.

Ms. Little indicated the current inmate population is 1,022, compared to 932 on July 1, 1999.

In response to a question from Senator Nething, Mr. Schweitzer said he has been involved in the strategic planning discussions of the Department of Corrections and Rehabilitation, and the changes outlined by Ms. Little are possible and will be considered by the State Hospital.

Ms. Chris Runge, Executive Director, North Dakota Public Employees Association, commented on the committee's study of collocating the State Hospital and the Developmental Center. She said the association has had concerns with staffing levels at the Developmental Center in the past. She said the association has met with Mr. Schweitzer and is pleased with the early results of these meetings.

Ms. Runge expressed the association's concern with the possibility of the State Hospital food service facility being transferred to the Department of Corrections and Rehabilitation which may result in state employees losing their jobs.

Senator Nething asked Mr. Schweitzer for the impact on State Hospital food service employees if the food service facility is transferred to the Department of Corrections and Rehabilitation. Mr. Schweitzer said that although it is very early in the process, the State Hospital would hope to avoid employee layoffs as a result of any potential transfer of the food service facility to the Department of Corrections and Rehabilitation.

CONSOLIDATING VISION SERVICES

The Legislative Council staff reviewed two bill drafts that:

1. Clarify the responsibility of the School for the Blind for serving persons of all ages with visual impairments.
2. Consolidate the School for the Blind under the Department of Human Services.

Senator Stenehjem suggested statutory language in the bill draft relating to admitting students to the

School for the Blind is outdated and should be changed.

Senator Sand expressed opposition to the bill draft that consolidates the School for the Blind under the Department of Human Services.

Mr. Gene Hysjulien, Director, Disabilities Services Division, Department of Human Services, commented on the bill drafts. Mr. Hysjulien said the department is committed to finding the most effective and efficient way to provide statewide services to individuals with visual impairments. He said the department supports the bill draft that consolidates the School for the Blind under the Department of Human Services. He said under this option, independent living services available in communities could be better utilized and provide a more cost-effective method of providing services to persons who are blind or visually impaired.

Mr. Hysjulien said consolidating the School for the Blind under the Department of Human Services provides opportunities for better communication with other community services, reduces duplication of administrative duties, and provides for a closer affiliation with other independent living services, the assistive technology program, and the eight human service centers.

Mr. Hysjulien said contracting with the independent living centers located in the four quadrants of the state to provide additional services to persons who are blind or visually impaired will bring these services closer to a person's home and eliminate the need for the blind or visually impaired person to travel to Grand Forks. A copy of the report is on file in the Legislative Council office.

In response to a question from Representative Delzer, Mr. Hysjulien said if funding is available, the School for the Blind could also contract with the independent living centers to provide vision services locally.

Ms. Carmen Suminski, Superintendent, School for the Blind, commented on the bill drafts on behalf of the School for the Blind and the Department of Public Instruction. Ms. Suminski said the Department of Public Instruction and the School for the Blind recommend that the school:

1. Be renamed North Dakota Vision Services/School for the Blind with emphasis on North Dakota vision services.
2. Provide services to adults who are blind or visually impaired who are not eligible for vocational rehabilitation services and continue to provide services to vocational rehabilitation clients on a fee-for-service basis.
3. Continue to be organizationally a part of the Department of Public Instruction reporting to the Superintendent of Public Instruction with a separate budget and separate staff.
4. Continue collaborating with related entities such as Vocational Rehabilitation, local

education agencies, infant development, independent living centers, and developmental disabilities.

5. Request funding for two additional FTE positions to be based in western regions with expertise in vision-specific skill areas such as technology, orientation and mobility, and Braille.

A copy of the report is on file in the Legislative Council office.

In response to a question from Representative Delzer, Ms. Suminski said the School for the Blind discontinued admitting students in 1994.

Mr. Jay Johnson, representing the North Dakota Association of Centers for Independent Living, Grand Forks, commented on the vision services study. Mr. Johnson said the independent living centers support the bill draft consolidating the School for the Blind under the Department of Human Services. Mr. Johnson reviewed the reasons why the four independent living centers and the Statewide Independent Living Council support this proposal. Primary reasons include:

1. People with disabilities, including people who are blind or visually impaired, prefer community-based services delivered in or near the community in which they reside.
2. The School for the Blind is not a school but a resource center for technology, technical assistance, training, Braille, talking books, and equipment. It should be renamed the North Dakota Vision Resource Center and be available as a resource and for providing technical assistance and guidance to community-based service providers.
3. The School for the Blind is no longer a school; therefore, it should not be administered by the Department of Public Instruction.
4. Consolidating the School for the Blind under the Department of Human Services would improve cooperation, reduce duplication of services, eliminate competition, decrease costs, and increase services to this population.

A copy of the testimony is on file in the Legislative Council office.

Mr. Stan Mosser, Trinity Regional Eyecare, Minot, commented on the vision services study. Mr. Mosser expressed support for the bill draft that clarifies the responsibility of the School for the Blind for serving persons of all ages with visual impairments. He suggested not consolidating the School for the Blind under the Department of Human Services. He further suggested that funding for vision services be coordinated and consistent in order to provide adequate vision services across the state. A copy of the testimony is on file in the Legislative Council office.

Ms. Elaine Kelm, Jamestown, commented on the vision services study. She suggested not

consolidating the School for the Blind under the Department of Human Services. She said Vocational Rehabilitation and the School for the Blind currently complement each other but should not be consolidated.

Ms. Lynn Iverson, Mandan, commented on the vision services study. Ms. Iverson expressed concern regarding the bill draft that consolidates the School for the Blind under the Department of Human Services. She suggested the Legislative Assembly maintain the School for the Blind separate from the Department of Human Services. She said combining the organizations would limit the consumer's choice for services.

Ms. Iverson expressed support for independent living services but does not believe the independent living centers can provide the vision-specific services that a visually impaired person needs. A copy of the testimony is on file in the Legislative Council office.

Mr. Larry Skwarok, Dickinson, commented on the vision services study. Mr. Skwarok discussed vision services he received at the School for the Blind. He suggested expanding community-based services for the visually impaired. He said community-based services allow for more consumer input and result in more support from family and friends. A copy of the testimony is on file in the Legislative Council office.

Ms. Cheryl Johnson, Independence Center, Minot, commented on the vision services study. She expressed support for community-based services and believes it is more efficient to provide services locally. A copy of the testimony is on file in the Legislative Council office.

Ms. Danene Harkness, Minot, commented on the vision services study. Ms. Harkness said she grew up in a state in which specialized services for the blind were available through a community-based system; however, after moving to North Dakota, she learned that specialized services were available only at the center-based School for the Blind in Grand Forks. She suggested the state consider more regionalized vision services. A copy of the testimony is on file in the Legislative Council office.

Mr. Allan Peterson, representative of the North Dakota Association of the Blind, Fargo, commented on the vision services study. Mr. Peterson expressed support for the bill draft that clarifies the responsibility of the School for the Blind for serving persons of all ages with visual impairments. He suggested not consolidating the School for the Blind under the Department of Human Services.

Mr. Peterson indicated that the School for the Blind, as a separate entity, is able to fill in the gaps in services that exist between vision services provided by North Dakota public schools and the vision services provided by Vocational Rehabilitation for individuals seeking work and under the older blind program.

Mr. Peterson suggested the bill draft provide that:

1. The School for the Blind be considered the state's lead agency for the provision of blind-specific rehabilitation services.
2. The School for the Blind be allowed to maintain a statewide data base of all blind and visually impaired people regardless of age.
3. The fee-for-service payment system between Vocational Rehabilitation and the School for the Blind be eliminated and be replaced with a contractual arrangement.
4. The School for the Blind be allowed to pursue funding from all sources for adult and children services.

A copy of the testimony is on file in the Legislative Council office.

Ms. Mabel Dever, Bismarck, commented on the vision services study. Ms. Dever suggested vision services be expanded by providing more support groups, support leaders, and peer counselors.

Ms. Cheryl Brooks, Grand Forks, commented on the vision services study. Ms. Brooks expressed support for continuing the School for the Blind under the administration of the Department of Public Instruction rather than the Department of Human Services. She said although it would be beneficial to have comprehensive vision services available in each city in North Dakota, she does not believe the independent living centers have the expertise to perform the vision-specific services necessary to assist a blind or visually impaired person. A copy of the testimony is on file in the Legislative Council office.

Mr. Nate Aalgaard, Freedom Resource Center, Fargo, commented on the vision services study. Mr. Aalgaard expressed support for consolidating the School for the Blind under the Department of Human Services in order to integrate services for people with disabilities.

Mr. Gary Bornsen, Network Administrator, School for the Blind, commented on the vision services study. Mr. Bornsen expressed support for maintaining the School for the Blind as a separate organization from the Department of Human Services. He said it is important for the School for the Blind to have teachers available to assist public schools in providing vision services.

Ms. Sandi Johnson, Director, Independence Center, Minot, commented on the vision services study. Ms. Johnson said the independent living centers serve all people with disabilities, including the visually impaired. She said the majority of the independent living center staff and its governing board are disabled. She said if additional funding was available to the independent living centers, these centers could serve more people in the local communities.

Ms. Doranna Robertson, Bismarck, commented on the vision services study. Ms. Robertson expressed support for the services provided by the School for the Blind.

It was moved by Senator Nething, seconded by Senator Stenehjem, and carried on a roll call vote that the Legislative Council staff change the bill draft clarifying the responsibility of the School for the Blind for serving persons of all ages with visual impairments by providing that:

- 1. The School for the Blind assist residents to access appropriate vision services including vocational rehabilitation, independent living, local education programs, infant development, and developmental disabilities.**
- 2. The School for the Blind be considered the state's lead agency for the provision of blind-specific rehabilitation services.**
- 3. The School for the Blind maintain a statewide data base of blind and visually impaired people regardless of age.**
- 4. The School for the Blind pursue funding from all sources for adult and children vision services.**
- 5. Statutory language that is no longer appropriate for the services being provided by the School for the Blind be updated.**

Representatives Boucher, Delzer, Gorder, Kelsh, Kroeber, Metcalf, and Pollert and Senators Nething, Sand, Stenehjem, and Tallackson voted "aye." No negative votes were cast.

Representative Delzer asked whether changes included in the bill draft will require additional funding. Chairman Boucher said the committee's intent is not to require additional funding to provide these services. He said the agencies will be asked to provide information on the fiscal impact of the bill drafts at the next committee meeting.

Representative Metcalf said nothing in law precludes these agencies from providing these services now. He suggested the agencies improve their coordination and cooperation to serve persons who are blind or visually impaired in the state.

The committee recessed for lunch at 1:05 p.m. and reconvened at 1:30 p.m.

RESIDENTIAL TREATMENT CENTERS AND RESIDENTIAL CHILD CARE FACILITIES

Mr. Don Snyder, Administrator, Independent Living Services and Refugee Programs, Department of Human Services, presented information on the types of services provided by in-state and out-of-state foster care facilities, daily rates paid to these facilities, and children placed in these facilities.

Mr. Snyder provided examples of children placed in out-of-state facilities, ages of these children, and IQs. Mr. Snyder reviewed the minimum IQ requirement of North Dakota facilities, which for most

facilities is 70. He said children with IQs lower than 70 are difficult to treat.

Mr. Snyder reviewed the foster care rates of North Dakota facilities compared to the rates paid to out-of-state facilities. A copy of the report is on file in the Legislative Council office.

Ms. Jean Doll, Administrator, Foster Care Program, Department of Human Services, presented information on children placed in foster care facilities, unmet service needs, the need for additional foster care facilities, the need to continue the moratorium on the expansion of residential child care and residential treatment center beds for the 2001-03 biennium, and on recommended statutory changes.

Ms. Doll said during April 2000, of the 905 children in foster care, 271 were in a foster care facility. Of the 271, she said, 40 were in an out-of-state facility.

Ms. Doll indicated that the department supports the continuation of the moratorium on residential child care facility and residential treatment center beds for the 2001-03 biennium. If the moratorium is continued, she said, the department suggests an amendment to allow the department to allocate closed beds based on the children's population, treatment, and geographic needs and through the use of a request for proposal. She said this would ensure residential beds are targeted to areas of need.

Ms. Doll said while the department believes the current number of group, residential child care facility, and residential treatment center beds is adequate, there is a need to increase the number of therapeutic foster care beds. She said the number of therapeutic foster care beds is approximately 150, and in May 2000, 145 children were in therapeutic foster care homes. A copy of the report is on file in the Legislative Council office.

OTHER RESPONSIBILITIES

Mr. David Zentner, Medical Services Director, Department of Human Services, reported on the status of the nursing facilities alternative grant and loan program provided for in 1999 Senate Bill No. 2168. Mr. Zentner said the department made its first government nursing facility funding pool payment in April 2000 totaling \$37 million. He said this resulted in \$26 million being deposited in the North Dakota health care trust fund.

Mr. Zentner said the department received 56 responses to its request for applications for loans or grants. He said the department has notified 33 of the applicants to proceed with the application process. Of the 33 projects notified, he said, 22 requested and will be awarded grant funds for feasibility studies totaling \$360,500. Mr. Zentner said eight applicants have provided additional information on their projects and are requesting approximately \$6.2 million in loans and grants to develop alternatives to nursing facility care. He said in order to provide funding for these eight projects, an additional \$2.2

million of spending authority will be needed. He said the department is seeking Emergency Commission and Budget Section approval for an additional \$2.2 million of spending authority if the projects are approved.

Mr. Zentner said under the provisions of the loan program, the interest rate on loans received will be approximately seven percent. He said to make the projects feasible, the department intends to supplement the loan funds with grant funds to lower the effective interest rate to approximately four percent.

Mr. Zentner said the department has received correspondence that the federal Health Care Financing Administration is considering making changes to the federal regulation that allows states to access these additional federal funds through the intergovernmental transfer program. He said these changes may eliminate or substantially reduce the amount of federal funds that may be accessed through this process. Mr. Zentner said Governor Schafer has sent a letter to North Dakota's Congressional Delegation regarding the issue asking for their assistance in convincing the Department of Health and Human Services to allow North Dakota to continue to access these funds. A copy of the report is on file in the Legislative Council office.

Mr. Zentner presented a status report on the establishment of a traumatic brain-injured facility in western North Dakota. Mr. Zentner said that Housing, Industry, and Training (HIT), Inc., Mandan, is in the process of developing a facility that will meet the care needs of individuals with traumatic brain injuries. He said HIT, Inc., has obtained property in northwest Mandan on which it plans to construct a facility that will be operational by September 2000. He said the organization has applied for loan and grant funds to finance the facility through the nursing facilities alternative grant and loan program.

Mr. Zentner said the traumatic brain-injured facility is being constructed to meet basic care licensing requirements. He said if basic care licensing remains unchanged and the moratorium is eliminated, the facility will need to apply for licensure after the moratorium is lifted. He said if the moratorium remains, the facility will need an exception to be provided if it is to continue providing services after the pilot project ends in 2003.

Mr. Mike Remboldt, Housing, Industry, and Training, Inc., presented the proposed budget for the traumatic brain-injured facility proposed for Mandan. Mr. Remboldt said HIT, Inc., has begun construction of its facility in Mandan on property donated by the city. He said the facility plans to open in September 2000 and serve 10 individuals. A copy of the proposed budget is on file in the Legislative Council office.

Mr. Zentner presented the final progress report regarding the Alzheimer's and related dementia projects.

Mr. Zentner reported that, based on the department's review of the Baptist Home in Kenmare and the approval of three additional units, the Alzheimer's and related dementia experiment has accomplished the goals set forth in the original legislation.

Mr. Zentner said the reviews disclosed the facility in Kenmare provided appropriate and adequate care to its residents with Alzheimer's and related dementia. He said the current payment rate for Medicaid recipients is \$67.26 per day and the room and board rate is \$12.10 per day. He said the total cost to a Medicaid recipient eligible for the home and community-based waiver is \$79.36 per day, or \$15.05 per day less than services of a similar nature in a nursing facility of \$94.41 per day.

Mr. Zentner said the department has approved four additional pilot projects this biennium including three more Alzheimer's and related dementia facilities in Bismarck, Minot, and Jamestown and a separate facility designed to meet the needs of other elderly and disabled individuals requiring 24-hour care in Carrington. He said the Bismarck facility has been operating for about three months and the Jamestown and Minot facilities have not yet begun operations. He said the facility in Carrington eliminated all 40 of its nursing facility beds and is in the process of creating a 23-bed assisted living pilot project. He said the facility is able to provide services to residents who

can access multiple funding sources including the Medicaid home and community-based waiver and the basic care assistance program depending on their care needs. A copy of the report is on file in the Legislative Council office.

Chairman Boucher announced that the next committee meeting is tentatively scheduled for September 6, 2000, in Bismarck.

It was moved by Senator Tallackson, seconded by Senator Nething, and carried on a voice vote that the meeting be adjourned.

The committee adjourned subject to the call of the chair at 3:10 p.m.

Allen H. Knudson
Assistant Legislative Budget Analyst and Auditor

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1