

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET COMMITTEE ON INSTITUTIONAL SERVICES

Wednesday, September 8, 1999
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, LeRoy G. Bernstein, Jeff Delzer, Rod Froelich, Scot Kelsh, Joe Kroeber, Ralph Metcalf, Chet Pollert; Senators David E. Nething, Harvey Sand, Wayne Stenehjem, Harvey D. Tallackson

Member absent: Representative William E. Gorder

Others present: See attached appendix

COLLOCATING THE DEVELOPMENTAL CENTER AND THE STATE HOSPITAL

Mr. Alex C. Schweitzer, Superintendent, North Dakota State Hospital, provided information on the number of staff by category, budget information by program, and operating costs per day for the State Hospital.

Mr. Schweitzer presented the following schedule showing the State Hospital's FTE positions by category:

Table with 2 columns: Category, FTE. Rows include Administration (2.00), Business support (49.60), Support services (98.00), Medical services (22.25), Clinical and nursing services (365.25), and Total (537.10).

Mr. Schweitzer presented the following schedule showing State Hospital daily rates as of July 1, 1999:

Table with 2 columns: Service Type, Daily Rate. Rows include Adult psychiatric services - Admissions (\$472.70), Adult psychiatric services - Sexual offenders and secure beds (\$541.27), Adult psychiatric services - Other (\$345.20), Children and adolescent services (\$474.64), Chemical dependency services - Inpatient (\$346.88), Chemical dependency services - Residential (\$252.13), Eight Rivers Residential Treatment Center (\$378.88), Transitional living - Therapeutic (\$188.39), and Transitional living - Rent (\$9.00).

Mr. Schweitzer reviewed the following concerns regarding collocating the Developmental Center and the State Hospital:

- 1. Cost factors - Both campuses have space available to locate the residents of the other facility; however, the space would need to be remodeled. He said the State Hospital has two buildings that could serve a population of 140 residents from the Developmental Center; however, the estimated cost of remodeling these two buildings is approximately \$7.2 million. The Developmental Center has three possible buildings available to house the 165 patients from the State Hospital; however, the estimated remodeling cost for these buildings would total approximately \$8.1 million.
2. Geographic problem - Jamestown is more centrally located than Grafton, which is beneficial to county sheriffs who transport individuals to the State Hospital. He said 68 percent of the State Hospital's admissions come from a 100- to 150-mile radius of Jamestown.
3. Special needs of the two distinct populations - Because the populations at Jamestown and Grafton are different and unique, extensive planning would need to be done to develop the clinical programming needed for each population if collocation occurred. The State Hospital's wards are arranged for short-term stays while the Developmental Center has very new, homelike units for longer term residents. It would be difficult to mix the populations if they were located on one campus. The State Hospital has adult sexual offenders, mentally ill, dangerous individuals, and emotionally disturbed youth who could never be exposed to a more vulnerable developmentally disabled population.

Mr. Schweitzer said advantages to collocating the two facilities include:

- 1. The potential for reducing operating costs, particularly in staffing costs. He said nursing staff would not likely be reduced, unless the two populations drop significantly, because both populations require certain staffing ratios to meet Medicare and accreditation standards. He said the primary savings would come in the ability to combine and

share administrative, support, ancillary, and maintenance staff.

2. The potential for expansion of the state prison system on the current State Hospital grounds.

Mr. Schweitzer said the potential exists to reduce administrative costs of the facilities without collocating by sharing services.

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

Representative Bernstein asked which types of services could be consolidated without collocating. Mr. Schweitzer said services to consider include computer support, human resources, and credit and collections.

Senator Nething asked for the State Hospital's use of the pay equity funding provided by the 1999 Legislative Assembly. Mr. Schweitzer said of the State Hospital's 537 employees, 12 did not receive a pay equity adjustment. He said 10 of these positions did not receive the adjustment because they are on a performance improvement plan. He said their salaries will be adjusted when they have adequately completed the program. He said two positions were at the high end of their pay range, which made them ineligible to receive the pay equity adjustment.

In response to a question from Representative Kroeber, Mr. Schweitzer said that in fiscal year 1999, the State Hospital admitted approximately 1,190 patients.

Representative Boucher asked for information on the sexual offender program and future costs of the program. Mr. Schweitzer said currently, six individuals are receiving treatment in the program and a seventh individual will be admitted soon. Mr. Schweitzer said that as the program continues, it may serve up to 40 individuals. He said the cost of this treatment is very expensive because of the need for high security and treatment services that last generally from six to 10 years.

Senator Stenehjem asked for a history of how the individuals currently in the program were placed. Mr. Schweitzer said the information will be provided to the committee.

Mr. Brian Lunski, Superintendent, Developmental Center, presented information on the number of staff by category, budget information by program, and operating costs per day for the Developmental Center.

Mr. Lunski presented the following schedule showing the number of FTEs at the Developmental Center by category:

Category	FTE
Administration	1.00
Business support	23.50
Support services	65.00
Medical services	65.40
Resident services	326.40
Total	481.30

Mr. Lunski said the Developmental Center's daily rate effective July 1, 1998, was \$344.09.

Mr. Lunski commented on other state's experiences of collocating services for people with developmental disabilities and serious mental illness. Mr. Lunski said he did not find any states that had or were in the process of combining two facilities such as the Developmental Center and the State Hospital; however, he did receive information from facility representatives in Georgia and Illinois regarding experiences with mixing these two populations.

Mr. Lunski said in Georgia a developmental disabilities facility, with a population of 600, moved 100 of its residents into a mental health hospital located three miles away. He said there are three other facilities that are consolidating their developmental disabilities and mental health services; however, he said most of the consolidation is in administration and ancillary services.

In Illinois, he said, a facility has had clients with both developmental disabilities and mental health needs. He said the facility is currently going through a process of separating the program's organizational structure so that the people with disabilities have one program team and the people with mental health needs have another program team. He said because the people with developmental disabilities receive long-term services and the people with mental health needs receive short-term services, it is necessary to have separate program teams.

Mr. Lunski said in both of these states, the facilities' representatives agreed that the combining of administrative and ancillary services is beneficial; however, accreditation and staff concerns result when program services are combined.

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

Senator Nething asked how the Developmental Center distributed its pay equity funding approved by the 1999 Legislative Assembly. Mr. Lunski said that of the institution's 481 FTE positions, 12 did not receive a pay equity adjustment, two because of being on a performance improvement plan and 10 because of being at the high end of the pay range.

In response to a question from Representative Kroeber, Mr. Lunski said the Developmental Center admits approximately 15 individuals per year.

Representative Delzer asked for the number of individuals in the Developmental Center's traumatic brain-injured (TBI) unit. Mr. Lunski said three individuals are in the TBI unit, two from out of state and one from within the facility.

Representative Delzer asked for cost comparisons between the TBI unit at the Developmental Center to out-of-state TBI facilities. Mr. Lunski said because the unit opened in July 1999, comparative cost information is not yet available; however, the Developmental Center will be providing comparative cost information in the future.

Representative Metcalf asked whether the sexual offender treatment program at the State Hospital and the sexual offender treatment program at the Developmental Center could be combined. Mr. Lunski said the programs could be combined; however, the populations would need to be separated because of different treatment systems unique to each of the populations.

Ms. Elaine Little, Director, Department of Corrections and Rehabilitation, presented information on the department's 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 presented the following schedule showing inmate populations of the department for recent years:

	June 1997	June 1998	June 1999	August 1999
Total inmate count	770	910	932	938
Less community placement program inmates	20	12	40	49
Less Revocation Center inmates			21	20
Net prison beds needed	750	898	871	869

Ms. Little presented a schedule showing projected inmate population for the 1999-2001 biennium indicating that the estimated inmate population will total 1,203 by June 2001. She said adjusting for the 125 inmates that may be served through alternative programs, the department anticipates needing 1,078 prison beds in June 2001. She said the prison's capacity is only 971. As a result, she said the department anticipates housing 107 inmates outside the system through contracts with county jails or other prisons.

Ms. Little said the department's long-term goal is to stabilize the prison's population at the June 2001 level.

Regarding potential additional uses of facilities of the State Hospital by the department, Ms. Little said the employee building which is located adjacent to the prison could be renovated to house 80 women inmates at the James River Correctional Center. In addition, she said, the State Hospital's dairy barn could be used for storage for Roughrider Industries.

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

In response to a question from Senator Sand, Ms. Little said the cost per inmate at the State Penitentiary is \$50 per day.

Mr. Dennis Dame, Red River Regional Council, Grafton, expressed interest in opening a privately operated prison in Pembina County. He said this would provide the department an alternative for housing its inmates.

Representative Delzer asked for the number of inmates that would need to be housed at the prison in order for it to be cost-effective. Mr. Dame said that in discussions with private prison firms that would operate the facility, an estimated 300 to 400 inmates are needed for a prison to be cost-effective.

Mr. Dame said some counties in North Dakota and Minnesota have expressed interest in housing their inmates in a new facility in Pembina County.

CONSOLIDATING VISION SERVICES

Ms. Carmen Suminski, Superintendent, School for the Blind, presented information on the services provided by the School for the Blind and on the possibility of consolidating all vision services under the School for the Blind.

Ms. Suminski said the School for the Blind served a total of 362 clients in fiscal year 1999, of which 257 were students and 105 were adults. Ms. Suminski said during 1998-99, the school provided 830 consultations, 177 evaluations, and 1,459 instructions.

Ms. Suminski said individuals in North Dakota who are blind or visually impaired would benefit from:

1. Enhanced services with improved accessibility and availability.
2. Equitable delivery of services through regional sites.
3. Enhanced professional preparation for teachers, orientation and mobility specialists, and vision rehabilitation specialists.
4. More fully developed procedures for data collection and interpretation for all ages.
5. Strengthened public awareness, partnerships, cooperation, and collaboration.
6. Equitable specialized services and resources for all ages.
7. Innovative model for rural states.

In order to achieve these goals, Ms. Suminski said the state needs to:

1. Establish a plan that includes strategies for funding and personnel needs.
2. Concentrate on consumer input.
3. Visualize the "big picture" with focus on beliefs and values.
4. Amend the North Dakota Century Code to enable persons of all ages to receive services through North Dakota Vision Services/School for the Blind.

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

Mr. Jim Leary, Director, Rehabilitation Services, Department of Human Services, presented information on the services provided by the Division of Vocational Rehabilitation. Mr. Leary said the Division of Vocational Rehabilitation receives its federal funds from the older blind grant program and the employment program.

Mr. Leary said the Randolph Shepherd program permits Vocational Rehabilitation to operate vending

stands in federal facilities and collect revenue from vending machines located in rest areas.

Mr. Leary said the North Dakota State Data Center estimates that 372 individuals in North Dakota between the ages of 16 and 54 have a severe visual impairment and 5,578 have a moderate impairment.

Mr. Leary said individuals between the ages of 21 and 54 who are visually impaired may receive independent living services through the centers for independent living in the state.

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

Mr. Stan Mosser, Trinity Regional Eyecare, Minot, commented on the consolidation of vision services. Mr. Mosser said he is in favor of consolidating vision services under the School for the Blind. He said it is important for only one agency to be involved in coordinating services and providing support services to individuals with vision loss.

Mr. Allan Peterson, Fargo, representing the North Dakota Association of the Blind, commented on vision services. Mr. Peterson said the goal of the vision services study should be to maintain and improve the service delivery system that is provided to persons who are experiencing blindness and severe vision loss in the state.

Mr. Peterson said 26 states have a separate and specific state rehabilitation agency that provides services to visually impaired individuals. He expressed support for the establishment of a separate rehabilitation agency to serve visually impaired persons that would operate under an independent board. He suggested that members of the board who could be appointed by the Governor may include both laypersons that have experience and knowledge about blindness and professionals who have knowledge of vision services. He said the federal Rehabilitation Act of 1973 allows states to create blind rehabilitation service agencies that are separate from the generic state rehabilitation agency.

Mr. Peterson suggested the committee consider establishing a separate rehabilitation agency for the blind structured around the services and administrative staff employed at the School for the Blind. He said a separate agency has the potential of increasing time efficiency and cost-effectiveness of services provided to people of all ages.

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

Ms. Lynne Krumm, Minot, commented on vision services. She expressed support for creating a single service agency to provide services to people who are blind or visually impaired. She suggested the state develop a better system of disseminating information for people needing the services.

Ms. Mabel Dever, Bismarck, expressed support for the older blind program. She asked that before any committee recommendations are finalized, the committee determine the impact that the recommendations may have on the older blind program.

Ms. Doranna Robertson, Bismarck, expressed support for peer counseling services that can be provided to individuals who are becoming visually impaired to assist them in dealing with their disability. She expressed concern, however, regarding confidentiality rules which preclude agencies from providing the names of individuals who may benefit from peer counseling services.

Ms. Dora Goetsch, Kenmare, expressed support for people living independently in their homes for as long as possible. She expressed support for consolidating all services under the School for the Blind.

The committee recessed for lunch at 12:30 p.m. and reconvened at 1:15 p.m.

RESIDENTIAL TREATMENT CENTERS AND RESIDENTIAL CHILD CARE FACILITIES

The Legislative Council staff presented a memorandum entitled *Foster Care Facilities - Children Served and Need for Additional Services* which includes the results of a survey of residential treatment centers and residential child care facilities regarding the type of services provided, occupancy rates, the number of out-of-state residents served, placement requests, and the need for additional foster care facilities. The Legislative Council staff said that of the 385 licensed foster care facility beds in fiscal year 1999, the facilities served an average of 355 children or a 92.2 percent occupancy rate. Of these 355 children, approximately 17 were from out of state.

Regarding the need for more foster care facilities in the state, seven of the 14 facilities responding to the survey indicated that there is a need for more facilities, five facilities responded that there is not a need for more facilities, and two either did not respond or were unsure. Of the facilities that indicated a need for more facilities, the following comments on the types of services were identified by the facilities:

1. Residential treatment.
2. Residential treatment for children with low IQs.
3. Residential treatment for lower functioning children who need addiction counseling.
4. Residential treatment for chemically addicted children.
5. Residential treatment for sexually reactive children and for children under 14 years of age.
6. Residential treatment for children who have serious emotional disorders and who are mentally retarded.
7. Residential child care for the extremely violent "acting out" child.
8. Group home beds.
9. Group home beds in the Fargo area.
10. Group home beds for children with autism who require residential support.

11. Group homes for school-age children with developmental disabilities.
12. Therapeutic foster care homes.
13. Family foster care.

Mr. Paul Ronningen, Director, Children and Family Services Division, Department of Human Services, presented information on children placed in foster care facilities, on unmet service needs, and on the need for additional foster care facilities. Mr. Ronningen said of the 32 children placed out of state, 17 are under the custody of county social services, 11 are under the custody of the Division of Juvenile Services, three are under the custody of a tribe, and one is under the custody of the Department of Human Services.

Mr. Ronningen presented information on the July 1999 out-of-state placements. Mr. Ronningen said the Children and Family Services Division will be conducting a review of each child in out-of-state placement to determine the types of services that are needed in North Dakota to keep these children from being placed out of state.

Mr. Ronningen said that according to the foster care facilities, groups of children that have difficulty receiving services in North Dakota include youth with low IQs and mental health needs, youth with low IQs who have a history of sexually offending others, youth with serious sex offenses, and youth with inhalant abuse.

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

Mr. Al Lick, Director, Division of Juvenile Services, Department of Corrections and Rehabilitation, commented on the types of services needed to be provided in the state to reduce the number of out-of-state placements. Mr. Lick said children placed in out-of-state facilities are very complicated cases that require specific and unique treatment services. He said because of the varied specialty needs of these children, it would be very difficult to accommodate serving these children with a new state facility.

Mr. Lick suggested that North Dakota provide services such as educational services and drug and alcohol treatment services that will affect the greatest number of children needing intervention services.

Chairman Boucher asked that the Legislative Council staff provide information on the daily rates charged by North Dakota facilities compared to the rates being paid for children in out-of-state facilities and on the average length of stay of children placed out of state.

OTHER RESPONSIBILITIES

Mr. David Zentner, Medical Services Director, Department of Human Services, presented information on the status of the nursing facilities alternative grant fund and alternative loan fund. Mr. Zentner said the Department of Human Services submitted the state plan amendment to the Health Care Financing Administration on June 22, 1999, that, if approved, will

allow North Dakota to implement the nursing facilities alternative grant fund and alternative loan fund programs. Mr. Zentner said the department has not yet received any response from the Health Care Financing Administration.

Mr. Zentner believes the program will be approved by the Health Care Financing Administration and that the programs will be established by the end of 1999 with grants and loans available to facilities in early 2000.

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

Mr. Zentner presented a status report on the establishment of a TBI facility in western North Dakota. Mr. Zentner said Housing, Industry, and Training (HIT), Inc., of Mandan has expressed interest in operating a TBI facility in western North Dakota. He said HIT, Inc., recently conducted a survey of all basic care facilities to determine if any beds were available for transfer. He said they received 29 responses with only one facility indicating a reduction of just one bed.

Mr. Zentner said HIT, Inc., is considering constructing a new building in either Mandan or Center with the hope that the facility will be operational by July 2000. He said HIT, Inc., is able to proceed with the project without obtaining the transfer of basic care beds because the State Health Council has approved a pilot project under state law that allows for the development of alternative health care projects. He said the project was approved in 1998 and has a five-year life span.

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

Representative Froelich expressed concern that HIT, Inc., may construct a new facility in Mandan rather than consider utilizing existing vacant buildings in western North Dakota.

Mr. Kirk Greff, HIT, Inc., Mandan, commented on the establishment of a TBI facility in western North Dakota. He said HIT, Inc., is considering the establishment of a 10-bed facility in western North Dakota.

Senator Tallackson commented that additional basic care beds should not be established because the Legislative Assembly has enacted a moratorium on the expansion of basic care beds.

Representative Boucher asked for the cost per bed anticipated for the new facility. Mr. Greff said HIT, Inc., anticipates charging a rate of between \$80 and \$90 per day plus a room and board fee.

Representative Delzer asked for the statutory authority of the State Health Council to add basic care beds while a moratorium on the expansion on basic care beds has been approved by the Legislative Assembly. Chairman Boucher asked the Legislative Council staff to provide this information for the committee at its next meeting.

Mr. Zentner presented a status report on the Alzheimer's and related dementia projects. Mr. Zentner said the Baptist Home of Kenmare is the

only facility currently operating an Alzheimer's and related dementia project. He said the project has been operating since May 1998. He said the department has conducted one site visit and has scheduled a second site visit for October 4, 1999, at which time the department will review records, observe the delivery of services, and observe how staff relates to residents to determine if the project is successful. He anticipates the project report should be available prior to June 30, 2000.

Mr. Zentner updated the committee regarding any new potential projects. He said the department has completed the application guide and has distributed it to all nursing and basic care facilities in the state. He said the department also invited all interested providers to a meeting where the application process was explained and any questions or concerns were addressed. He said it appears that several facilities are interested in these pilot projects, but many are dependent upon funding that may be available through the nursing facilities alternative grant fund and alternative loan fund programs. He said applications are due by October 31, 1999, but the department may consider extending the application period to coincide with the availability of funds under the nursing facilities alternative grant fund and alternative loan fund programs.

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

In response to the committee's request made at its July 1999 meeting, Mr. Zentner said that of the estimated 6,400 individuals occupying nursing facility beds, approximately 3,400 have an indication of Alzheimer's or other related dementia.

Senator Stenehjem suggested that the committee in its study of vision services address the appropriateness of the School for the Blind being a part of the Department of Public Instruction.

Senator Stenehjem suggested that the Department of Human Services Vocational Rehabilitation Division and the School for the Blind explore options and identify statutory changes necessary for consolidating services to the blind and visually impaired, including an option that would transfer the School for the Blind into the Department of Human Services as a semiautonomous agency.

It was moved by Senator Stenehjem, seconded by Representative Metcalf, and carried that the

committee chairman meet with representatives of the Department of Human Services (Vocational Rehabilitation Division) and Department of Public Instruction (School for the Blind), to develop options for administering and delivering services to persons who are blind or visually impaired in North Dakota. Representatives Boucher, Bernstein, Delzer, Froelich, Kroeber, Metcalf, and Pollert and Senators Nething, Sand, Stenehjem, and Tallackson voted "aye." No negative votes were cast.

Representative Pollert suggested that the State Hospital and the Developmental Center present options and potential savings that may result from sharing services between the two campuses.

Representative Delzer suggested that the agencies continue to consider options for collocating the two facilities.

It was moved by Representative Pollert, seconded by Senator Nething, and carried that the committee encourage the State Hospital and Developmental Center to continue developing options and potential cost-savings that may result from sharing services and the impact that sharing services may have on the provision of services at each facility. Representatives Boucher, Bernstein, Delzer, Froelich, Kroeber, Metcalf, and Pollert and Senators Nething, Sand, Stenehjem, and Tallackson voted "aye." No negative votes were cast.

Chairman Boucher announced that the next committee meeting is tentatively scheduled for November 2-3, 1999, in Jamestown.

It was moved by Representative Bernstein, seconded by Senator Stenehjem, and carried on a voice vote that the committee adjourn subject to the call of the chairman. The meeting adjourned at 3:45 p.m.

Allen H. Knudson
Senior Fiscal Analyst

Chester E. Nelson, Jr.
Legislative Budget Analyst and Auditor

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