

HB 1012  
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SENATE HUMAN RESOURCES  
APPROPRIATIONS COMMITTEE  
MARCH 26, 2025  
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Chairman Dever and members of the Committee, my name is Kandia Qual, Program Administrator for Dacotah Foundation. My role within the agency is to oversee program operations within both the Fargo and Bismarck regions.

We are here to lend our support to the proposed budget presented by the Department of Health and Human Services.

First, we want to thank you for the many years of support your committee has given to DHHS and the Regional Human Service Centers. I have been with our agency for more than 20 years and have worked closely with the Human Service Centers, as well as presented to several of you throughout that time. We understand the complicated position you are in while making these budget determinations as well as the constraints and limitations everyone is working within. The services we provide would not be possible without your ongoing support. The funding we receive through our Human Service Center contracts allows us to provide a broad continuum of care to the individuals we serve and reduces the frequency of these individuals accessing higher, more expensive levels of care. These programs are critical to the community as the individuals we serve typically struggle with accessing mainstream services. The financial and insurance constraints combined with the intensity of their symptoms and associated symptom driven behaviors create many barriers to receiving services within the private sector programs. This causes these individuals to rely heavily on the Human Service Centers and contracted programs such as ours to have access to and participate in any treatment options.

Throughout recent testimony, we have been hearing providers across the state voice the need for continued and strengthened funding. We are here to add our voice and support to that request. You have already been provided with large amounts of data showing the changes over the past biennium in workforce trends and inflation costs associated with providing programs and services within the State of ND. While this is essential data to understand and address the concerns, I am going to speak from a slightly different perspective regarding the need for on-going and strengthened funding support. I'm coming from the 'boots on the ground' view as someone that is in the day-to-day operations trying to staff, maintain and improve the programs in the regions in which we operate.

Throughout my time with the agency, I have had more direct experience within the Fargo region as that is where I am based. It is also the more competitive region for the job market so although transferable across the state, I am most familiar to speak to what we are experiencing there. Dacotah Foundation, in Fargo, used to be able to maintain a staffing roster of approximately 90-95 employees. Our staff were frequently asking for extra hours to work and there were seldom any shifts open for them to pick up. We were competitive in the job market both in wages and benefits. Due to the number of colleges in the area, recruiting

within the community was relatively easy. Fast forward through the pandemic and the many changes that has brought. With the inflation that has occurred across the nation and in all areas of life, we are no longer competitive with our wages or benefits. Our employees are struggling to pay the cost of increased rent, increased childcare, increased groceries and everything else impacted by inflation with the current wages we are able to offer. The average starting wage in Fargo, regardless of the area of business, is \$2-\$4 per hour higher than where we can currently start our employees at. Within the past month, we have had multiple applicants turn down offers made for positions due to being offered \$4-6 per hour higher from another company. In Fargo alone, over the past 18 months, we have lost 36 employees moving to lateral positions for higher paying jobs. We have been told directly by these exiting staff that they love our agency and wish they could stay but they just can't turn down the financial gain of going elsewhere due to the current costs of living.

While recruitment and retention have become a strong challenge, we have also encountered increased training costs that are impacting our budgets. The employees that we are able to attract at our current starting wage are now coming to us with less experience and less education than what we were previously able to recruit. This equates to a substantial increase in training time and training costs to be at the necessary level of competency to fulfill the scope of our contracts with the Human Service Centers. This increase in training costs is a significant added burden to our budgets. We are in this constant state of recruitment and training only to have people leave within the first several months because they now have the training for a higher wage elsewhere.

The staffing and workforce shortages have caused a trickle effect to many other issues. On any given weekly schedule we post to staff, we have approximately 20 open shifts that we don't have staff to fill. That equates to 160 direct care hours every week that we have to try to bargain and barter with staff to fill, pay overtime expenses for or we are picking them up ourselves as supervisors and administrators which not only puts us into 12-16 hour work days multiple days a week but it takes us away from being able to complete other administrative and supervisory duties that assist in things such as interviewing, hiring, supporting staff growth and development and providing the quality management and development to the programs. We are seeing higher levels of burnout in both the direct care level and the supervisory level staffing than we have seen in any of the previous years. We are seeing people change positions, step down to less responsibility, or leave the field all together due to this. We desperately need to be able to increase our starting wages to become market competitive and maintain an adequate staffing roster not only to continue operations but to grow and strengthen the services we offer.

While the staffing issues and workforce changes have presented a hefty operational challenge within itself, inflation in general is also causing great concerns operationally. The cost of goods, utilities, and repairs have increased dramatically. The cost of a gallon of milk was approximately \$2.45 in 2018 (pre-pandemic), the cost of a gallon of milk now is approximately \$4.78 or even more depending on where you buy it. We buy 25 gallons of milk per week between all of our Fargo programs, that's \$233 more per month, or \$2796 more per year just for 1 grocery item that we have to purchase every month. This does not

take into consideration the increase in meat prices, egg prices, and vegetable prices. You can see how quickly this adds up and impacts our budgets.

We also are incurring increased maintenance costs as part of the budget concerns. It has become extremely difficult to find individuals willing to take on smaller repair projects and those that will do them come with a higher price tag for doing so. Our crisis units regularly serve individuals that are experiencing intense symptoms of their mental health and are often agitated, escalated and in situations of distress while they are attempting to stabilize their symptomology. This often results in behaviors that cause damage to our property. We have had individuals tear apart mattresses due to paranoia of things being inside it, multiple holes punched or kicked through walls, and electrical components manipulated to a point they no longer work because individuals believe they are transmitting to conspirators. Just this morning as I was preparing to come speak with you, I received a phone call and managed an incident in Fargo in which an individual was at the crisis unit, threatening significant harm to the staff and the clients and they broke out 3 large windows before police assistance was able to intervene. Including the 3 windows today, we will have replaced 6 large windows, that cost approximately \$800 each that were broken out by different individuals while they were in an episode of mental health crisis. All of these scenarios are part of our day-to-day experiences while we attempt to help individuals stabilize the symptoms of their mental health but they also have a significant amount of cost to repair, particularly with inflation costs of goods. To assist in minimizing the impact on our budgets, we are as creative as we can get with repairs. We have had painting parties instead of hiring painters, we have sought out donations of supplies, and we have completed fundraisers to support replacement of items. Staff and Administration have all worked together to learn how to do as much maintenance as we can ourselves in the most creative and inexpensive ways possible. Even with those solutions, we have had approximately \$20,000 in repair expenses at the crisis unit to date. Our other programs, both in Fargo and Bismarck all experience the same concerns with maintenance, destruction of property, and increased food and supply costs due to the intense inflation we have experienced.

Despite all of the financial hurdles everyone, including the Department of Health and Human Services and the State as a whole, are currently facing, the work we all do in the communities we serve is critical and we want to continue to support those efforts. Those of us who work in this field have a passion for what we do. We believe there is hope, we believe in recovery, and we believe everyone deserves the opportunity to not only survive but to thrive within their life. Programs such as ours provide stabilization, a solid base for recovery and we give support and hope to those that need it most and in their most dire times. However, in order to continue to provide these essential services, we are asking for and needing your support towards the funding increases in the North Dakota DHHS budget. Without these funding increases to counteract the intense inflation levels we have all faced, programs such as ours will not be able to continue to provide the essential services we do to our most vulnerable populations which will begin to impact communities as a whole in many concerning ways.