

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Minutes of the

### **BUDGET COMMITTEE ON HUMAN SERVICES**

Tuesday and Wednesday, June 23-24, 1998  
Auditorium, North Central Human Service Center, and  
Minot Vocational Workshop  
Minot, North Dakota

Senator Tim Mathern, Chairman, called the meeting to order at 1:00 p.m. in the Auditorium, North Central Human Service Center, Minot.

**Members present:** Senators Tim Mathern, Bill L. Bowman, Jerome Kelsh, Judy Lee, Rod St. Aubyn, Russell T. Thane; Representatives Leonard J. Jacobs, Roxanne Jensen, Connie Johnsen, Clara Sue Price, Wanda Rose, Ken Svedjan, Gerald O. Sveen, Janet Wentz

**Members absent:** Senator Tom Fischer, Representative James A. Kerzman

**Others present:** Rolland W. Redlin, State Senator, Minot

Matthew M. Klein, State Representative, Minot

See attached appendix for additional persons present.

**It was moved by Representative Wentz, seconded by Senator Thane, and carried on a voice vote that the minutes of the March 17-18, 1998, meeting be approved as distributed.**

#### **DEPARTMENT OF HUMAN SERVICES STUDY**

Chairman Mathern called on Mr. David Snyder, Director, North Central Human Service Center, Minot, and other center staff for presentations regarding human service center goals, programs, and clients served.

Mr. Snyder welcomed the committee to the center and distributed a packet of center staff presentations and information regarding the human service center operations, a copy of which is on file in the Legislative Council office.

Mr. Keith Welsh, Business Manager, provided an update regarding the status of the center's 1997-99 biennium budget and said the center is projected to be under budget by approximately \$230,000 or 1.8 percent. He said the center appreciates the block grant appropriation provided this biennium and the flexibility that allows the center resources to be used to serve client needs. He said the center has delayed the filling of one clinical psychologist position until September 1998 and all other positions that have been vacant are filled or are in the process of being filled. He said general fund expenditures for the

1997-99 biennium are projected to be less than appropriated, resulting in a savings of \$160,000, and federal Title XIX revenue collections are expected to exceed estimates by \$140,000.

Ms. Jean Burke, Assistant Director, provided information regarding the State Hospital alternative program (SHAP), a collaboration between UniMed Hospital, district and county courts in Region 2, the sheriff and police departments in Region 2, and the North Central Human Service Center. The new program is offering cost-effective services that are client and community-oriented as an alternative to State Hospital admission. She said because the commitment hearings are held locally, travel to Jamestown and the State Hospital is unnecessary, saving the sheriff's department time, money, and manpower relating to client transporting and court testimony. She said SHAP costs approximately \$1,836 per admission compared to \$6,022 per admission at the State Hospital. She said the program's goal is to keep 90 percent of admissions that usually go to the State Hospital in the community, a goal which is being met.

Ms. Mari Don Sorum, Aging Services Program Administrator, presented information regarding the elder services program. She discussed the change in demographics projecting increases in North Dakota's elderly population. As an example, in 1991, 1.8 percent of North Dakota's population was age 85 and over and by the year 2020 that age group is projected to be 22.4 percent of the population.

In response to a question from Representative Wentz, Ms. Burke said total costs for the SHAP program are approximately \$300 per day per client if all services are provided. She said some community services may not be provided each day, however. She said this daily cost compares to inpatient hospital care costs of approximately \$515 per day.

Mr. George Hubler, Public Administration Service, McLean, Virginia, presented the final report of the Public Administration Service study of the Department of Human Services. A copy of the report and a related summary is on file in the Legislative Council office.

Mr. Hubler discussed the purpose of the study and identified strengths and opportunities for improvement

within the Department of Human Services. He said the major recommendations include:

- The department should develop a strategic business plan and continue to build toward an information technology master plan that supports the department's strategic business plan and departmental goals and objectives.
- The department should implement a strategic planning, evaluation, and review capability.
- The department should identify core and essential services and use this information in providing services.
- As a high priority, the department should adopt the organizational structure recommended by the Public Administration Service to reduce the executive director's span of control and improve coordination, communications, and control of staff and field services.
- The department should provide for a budgeting, planning, evaluation, and research unit, an ombudsman/troubleshooter position, enhance the public information function, and provide for an information resource management unit to improve the quality of public and internal information.
- The department should address key person succession planning, as the department has a high number of retirement-eligible people in key positions, and the human resources management team should make recommendations to assist the executive director in addressing this potential problem.
- The department should improve budget presentation information by using a "budget in brief" technology-assisted presentation.

In response to a question from Senator St. Aubyn regarding the difficulty in identifying core and essential services, Mr. Hubler said core and essential services may vary by region. He said the perception is if services are not determined to be "essential," they may be subject to elimination in the budget process.

In response to a question from Representative Jensen regarding mandatory social service districts, Mr. Hubler said the Public Administration Service recommendation is that this issue should be studied during the 1999-2001 biennium and if counties continue to expand their voluntary sharing of services, mandatory districts would not be necessary. He said financial incentives should be provided counties that want to initiate new sharing of services plans.

The Legislative Council staff presented a resolution draft to implement the recommendations of the Public Administration Service and a bill draft to amend the North Dakota Century Code regarding the Governor's appointment of the executive director of the Department of Human Services. The bill draft provides that the Governor may consider certain criteria in the appointment of the executive director.

Committee members discussed the recommendations of the consultant and the resolution draft and bill draft. Senator Thane said the bill draft regarding the appointment of the executive director does not serve a purpose and the Governor should have the opportunity to appoint the appropriate person as executive director of the Department of Human Services. Senator St. Aubyn said he has some concerns regarding the recommendations contained in the resolution draft, but as additional input is received the resolution can be amended during the 1999 Legislative Assembly. Senator Bowman suggested the committee move slowly in recommending the proposed changes and that county input be obtained.

Ms. Carol Olson, Executive Director, Department of Human Services, Bismarck, provided testimony regarding the recommendations of the Public Administration Service. A copy of her presentation is on file in the Legislative Council office. She said the department issued requests for proposals for a strategic plan in March 1998 and has decided to do the strategic planning internally. She said the recommendations regarding the organizational structure of the department will be considered further and addressed. She said she is particularly intrigued by the recommendation to improve the department's internal capacity for planning and evaluation by consolidating and refining existing functions to create a planning, budgeting, and evaluation division. She said the need to clarify the essential services to be provided through the department will be a primary focus of the strategic plan. She said the recommendations for budget process and presentation are being incorporated as the department develops its budget request for the 1999-2001 biennium. She said the department's web site is scheduled for completion by early July 1998 and will contain up-to-date program and policy information. She said the department agrees with the recommendations to expand web site information, but resources will determine the degree to which it can be accomplished. She said the Governor should not be constrained in selecting departmental heads and the foremost qualification in appointing the executive director should be the ability to work effectively with a variety of people who are stakeholders in the delivery of human services.

In response to a question from Senator Mathern, Ms. Olson said it may be possible to put the Public Administration Service report on the department's web site.

In response to a question from Senator Thane regarding the Public Administration Service recommendation to merge children's special health services into the children and family services division, Ms. Olson said this needs to be reviewed as the children's special health services perhaps should be located in the Department of Health.

Ms. Betty Keegan, Director, Rolette County Social Services, Rolla, and representing the North Dakota

Association of County Social Service Board Directors, provided testimony regarding county economic assistance and social service programs and the sharing of county social services, a copy of which is on file in the Legislative Council office. Ms. Keegan said economics, improved service delivery, and changing demographics have been primary drivers for the shared efforts among county social service agencies. She said the information distributed includes the results of an April 1998 survey of current shared arrangements among county social service agencies. She said regarding the recommendations for mandatory social service districts, financial incentives will not necessarily encourage counties to form multicounty districts. She said counties are concerned with the membership of a multicounty board and additional study is necessary before mandatory social service districts are required. She said large distances between social service offices and clients create problems in service delivery, including delay in emergency response time, difficulty in the delivery of home and community-based services, and the inability of the poor to access necessary services.

Ms. Michon Sax, Director, County Social Services for McKenzie and Williams Counties, Watford City, provided testimony regarding the Public Administration Service study of the Department of Human Services. A copy of her testimony is on file in the Legislative Council office. She said county directors believe the voluntary sharing of services at the county level will continue. She said county directors are very cognizant of the service needs and financial limitations of individual counties, which will result in the sharing of additional services. She said there is a strong feeling in the southwest part of North Dakota that those counties could be leaders for change in the delivery of social services. She said the counties, however, are against another taxing district and want to see county lines left as they are. She said the Southwest Counties Social Services Board Association passed a resolution disagreeing with the related conclusions and recommendations of the Public Administration Service, asking that county level decisionmaking be retained and expressing opposition to any new regional or multicounty taxing district.

Mr. Tom Tupa, Executive Director, North Dakota Chapter of the National Association of Social Workers, Bismarck, provided testimony regarding the committee's study, a copy of which is on file in the Legislative Council office. Mr. Tupa said regarding succession planning for employees, his organization strongly encourages and supports any efforts by the Department of Human Services to plan for the potential replacement of prospective retirees in the department. He said the organization supports qualification standards for all employees in the human services field and encourages the department to have an appropriate classification system in place and fill positions requiring social work education and experience

with persons with these specific educational backgrounds.

**It was moved by Senator St. Aubyn, seconded by Representative Rose, and carried on a roll call vote that the Budget Committee on Human Services accept the report of the Public Administration Service and authorize final payment.** Senators Mathern, Bowman, Kelsh, Lee, St. Aubyn, and Thane and Representatives Jacobs, Jensen, Johnsen, Price, Rose, Svedjan, and Sveen voted "aye." No negative votes were cast.

The committee continued its discussion of the resolution draft to implement the recommendations of the Public Administration Service final report. Senator Bowman said he is opposed to the references contained in the resolution draft regarding mandatory multicounty social service districts.

Senator St. Aubyn said he is concerned with recommendations 2, 3, and 4 in the resolution draft which encourage the Department of Human Services to establish new divisions and employee positions and would rather the resolution draft encourage organizational changes that consider the need to establish these functions and positions.

**It was moved by Senator St. Aubyn, seconded by Representative Sveen, and carried on a voice vote that the resolution draft regarding changes to the Department of Human Services organizational structure be amended to include recommendations 2, 3, and 4, relating to establishment of a budget, planning, and evaluation division, an ombudsman/troubleshooter position, an enhanced public information function, and an information resource management unit, as a consideration in the department's strategic planning process in recommendations 11, 12, and 13.**

**It was moved by Senator St. Aubyn, seconded by Senator Thane, and carried on a voice vote that the resolution draft be further amended on page 4 by deleting lines 5 through 17 relating to multicounty social service districts, Internet web site information, and the appointment of a committee to improve the sharing of human service information.**

**It was moved by Senator St. Aubyn, seconded by Representative Jensen, and carried on a voice vote that the resolution draft be further amended to provide that recommendations 15, 16, and 22 regarding the consolidation of medical services and public assistance divisions, the merging of children's special health services, and the department's support and assistance in the implementation of the performance management system be items to be considered by the department rather than a requirement.**

**It was moved by Representative Price, seconded by Representative Jensen, and carried on a voice vote that the resolution draft be further amended by removing the language on page 3,**

line 11, beginning after the word "surveys", "by making the surveys a requirement for grant funding and a part of county and private provider reporting."

It was moved by Senator Kelsh, seconded by Senator St. Aubyn, and carried on a roll call vote that the resolution draft as amended relating to recommended changes to the Department of Human Services be approved and recommended to the Legislative Council. Senators Mathern, Kelsh, Lee, St. Aubyn, and Thane and Representatives Jensen, Price, Rose, and Sveen voted "aye." Senator Bowman and Representatives Jacobs, Johnsen, and Svedjan voted "nay."

The committee recessed at 5:43 p.m. and reconvened at 8:30 a.m. on Wednesday, June 24, 1998, at the Minot Vocational Workshop.

### **MINOT VOCATIONAL WORKSHOP TOUR**

Mr. Owen Larson, Director, Minot Vocational Workshop, provided a tour of the workshop and its paper processing area. At the conclusion of the tour, Mr. Larson provided testimony regarding the services and programs provided persons at the workshop. A copy of his testimony is on file in the Legislative Council office. Mr. Larson discussed the workshop's services provided at the Minot Air Force Base and the recycling center. He said because of the success at the Minot Air Force Base, the workshop was asked to provide janitorial and post-office services at the Grand Forks Air Force Base.

In response to a question from Representative Jensen, Mr. Larson said approximately 50 percent of the workshop's budget is reimbursement from the Department of Human Services with the other half of its revenue from the center's retail business contracts.

### **STUDY OF SOCIAL SERVICE AGENCIES' RESPONSIBILITIES**

The Legislative Council staff presented a second version of a bill draft requiring the Department of Human Services to pay the cost, in excess of the federal share, of assistance provided adopted children with special needs.

Ms. Linda Schell, Director, Children and Family Services Division, Department of Human Services, Bismarck, provided testimony regarding the estimated impact of the bill draft regarding subsidized adoption costs and regarding the work of the Children and Family Services/County Social Service Directors Committee. A copy of her testimony is on file in the Legislative Council office. Ms. Schell said for the 1999-2001 biennium the expected cost of the bill draft is an additional cost to the state general fund of \$588,306.

She said the Children and Family Services/County Social Service Directors Committee is continuing to review related issues, including proposed staff/client ratios and changes that may be necessary in the area

of foster care licensure and eligibility. She said a significant effort will be necessary for the state to implement the requirements of the federal Adoption and Safe Families Act of 1997.

In response to questions from Senator Mathern, Ms. Schell said either the Department of Human Services will introduce or ask an individual legislator or legislators to introduce a bill to implement the state changes required related to the Adoption and Safe Families Act. She said the counties are continuing to conduct time studies and will add costs to the study data to identify costs for the provision of social services at the county level.

Ms. Schell's testimony included summaries of the Adoption and Safe Families Act of 1997, a copy of which is on file in the Legislative Council office.

Mr. Larry Bernhardt, County Director, Stark County Social Services, Dickinson, and Cochair of the Children and Family Services Committee, provided testimony regarding the study of children and family services, a copy of which is on file in the Legislative Council office. Mr. Bernhardt's testimony includes a listing of the membership of the Children and Family Services Committee and results of a statewide time study for county social services for the month of April 1998. He said the time study information is still being tabulated and when completed counties will be able to identify related costs of each service or program by case for each county.

Mr. Clarence Daniel, Cochair, Adult Services Committee, Jamestown, provided testimony to the committee, a copy of which is on file in the Legislative Council office. Mr. Daniel said the county committee has been reviewing the need for adult protective services and alternative residential living arrangements which are under study by the Long-Term Care Task Force and being reported to the Legislative Council's Budget Committee on Long-Term Care. Mr. Daniel's presentation included a copy of the Department of Human Services Aging Services 1997 annual review of services provided to North Dakota residents. He expressed dismay that the report does not include the services provided by county social service boards. He said the committee is reviewing adult services very carefully and does not at this time have any requests for possible bill drafts and will work with the Budget Committee on Long-Term Care regarding related issues it is studying.

### **COMMITTEE DISCUSSION**

The committee discussed the need for a future meeting. Chairman Mathern said the committee could conclude its work or meet on September 8 or 9, 1998, for its last meeting. Representative Johnsen said she would like to see the amended resolution draft and receive additional information regarding the impact of the changes recommended in the resolution draft. Representative Jensen said the legislation being recommended by the committee is important,

additional testimony should be received, and additional committee discussion is necessary. Representative Price suggested the committee receive additional information and testimony from the Department of Human Services and county social service boards, including information on the department's development and progress in its strategic planning effort.

Ms. Kathy Hogan, Director, Cass County Social Services, Fargo, said the legislation under consideration is a major piece of legislation requiring major changes to the Department of Human Services. She said the child welfare changes that Congress has required will be a major policy decision during the 1999 Legislative Assembly. Ms. Olson said the department would welcome another meeting to provide additional input regarding the important legislation under consideration. Senator Bowman said he had expected the report from the Public Administration Service to provide more guidelines and direction to the committee than it provided.

Chairman Mathern said it appeared the consensus of the committee was to have another meeting in early September, and he would work with staff to arrange the meeting. Representative Johnsen asked when the meeting would be held and at what location. Chairman Mathern said the dates would be September 8 or 9, in Fargo. Senator Lee said although it is more convenient for her personally to meet in Fargo, with so many committee members from the western and northern parts of the state and because of the necessary input from Department of Human Services employees, a Bismarck meeting would be more appropriate.

Senator Thane asked that Legislative Council staff provide committee members with any updates from the National Conference of State Legislatures regarding the Adoption and Safe Families Act.

Representative Jensen asked the Legislative Council staff to prepare a resolution draft encouraging county social service boards to continue to cooperate to improve service delivery and to reduce administrative and service costs. Chairman Mathern said staff would prepare the resolution draft for the September meeting.

Representative Svedjan asked that the Department of Human Services be invited to the next meeting to discuss its long-range business plan, including a framework of what the plan may include, suggested priorities, and anticipated development timelines.

The committee adjourned at 11:21 a.m. subject to the call of the chair.

---

Jim W. Smith  
Assistant Legislative Budget Analyst and Auditor

---

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

ATTACH:1