

# NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

## **BUDGET COMMITTEE ON HUMAN SERVICES**

Wednesday and Thursday, October 29-30, 1997  
Senate Chamber and Roughrider Room, State Capitol  
Bismarck, North Dakota

Senator Tim Mathern, Chairman, called the meeting to order at 9:00 a.m. on Wednesday, October 29, 1997, in the Senate chamber for a joint meeting with members of the Welfare Reform Committee and the Budget Committee on Long-Term Care.

**Members present:** Senators Tim Mathern, Bill L. Bowman, Tom Fischer, Judy Lee, Russell T. Thane; Representatives Leonard J. Jacobs, James A. Kerzman, Clara Sue Price, Wanda Rose, Ken Svedjan, Gerald O. Sveen, Janet Wentz

**Members absent:** Senators Jerome Kelsh, Rod St. Aubyn; Representatives Roxanne Jensen, Connie Johnsen

**Others present:** See attached appendix

Members of the Welfare Reform Committee in attendance included Senators Jim Yockim, Judy L. DeMers, Tom Fischer, Judy Lee, Donna L. Nalewaja, and Russell T. Thane and Representatives Jack Dalrymple, Connie Johnsen, Ralph L. Kilzer, Carol A. Niemeier, Clara Sue Price, and Robin Weisz.

Members of the Budget Committee on Long-Term Care in attendance included Representatives Bill Oban, Grant C. Brown, Ron Carlisle, James O. Coats, Jeff W. Delzer, Gereld F. Gernholz, Shirley Meyer, and Lynn J. Thompson and Senators Bill L. Bowman, Aaron Krauter, Evan E. Lips, Harvey Sand, and Russell T. Thane.

### **STATE/TRIBAL HUMAN SERVICE ISSUES**

Please refer to the minutes of the Welfare Reform Committee for a summary of the welfare reform and long-term care issues discussed.

#### **Department of Human Services Related Issues**

Ms. Yvonne Smith, Deputy Director, Department of Human Services, provided testimony regarding the relationship of the state office and the human service centers with tribal governments and observations to improve that relationship, a copy of which is on file in the Legislative

Council office. Ms. Smith discussed the services provided in the Lake Region, West Central, and North Central Human Service Centers, the Division of Mental Health and Substance Abuse, and the Aging Services Division for tribal members. She said efforts to improve the relationship between the department and tribal governments must continue to be made. She said there is a disproportionate number of American Indians receiving services offered through the department and past efforts have demonstrated that success in providing services on the reservation hinges upon focusing on assisting tribal members to develop and operate their own programs. She said the department and the tribal governments need to work together to identify the various unmet needs and remove barriers to effective services.

Ms. Smith presented testimony prepared by Mr. Don Schmid, Director, Children and Family Services Division, Department of Human Services, regarding the relationship of the Children and Family Services Division and the tribes in North Dakota, a copy of which is on file in the Legislative Council office. The testimony states that approximately 33 percent of the 1,721 children in foster care during fiscal year 1997 were American Indians, compared to seven percent of the state's population under age 18. The state has long felt the most effective child welfare programs on the reservations are those that the tribes run themselves. The division several years ago began providing technical assistance to tribes in the development of their infrastructure for the delivery of child welfare services on reservations. The tribal children's services coordinating committees have developed five-year plans for the provisions of child welfare services to children at risk and tribes are eligible to receive their own child care development block grant moneys. Tribes are also in the process of developing, with the assistance of the Children and Family Services Division, other unique child welfare services, including a special needs adoption program for

American Indian children, specialized tribal therapeutic foster care, and independent living programs for American Indians.

Ms. Janet Gunderson, Director, Social Services, Three Affiliated Tribes, New Town, provided testimony regarding the provision of social services to tribal members, a copy of which is on file in the Legislative Council office. She said it is difficult for clients to access services from the human service centers because of cultural and accessibility barriers. She said the distances to travel between reservation communities and the five county social service boards and four regional human service centers that Three Affiliated Tribes members use often are too great, limiting access. She said the "direction" her staff receives from one county may not necessarily be the same as that received from another county. Often non-Indian social workers exhibit negative attitudes and behaviors toward Indian clients because of a lack of understanding of the culture. She said the state should examine the existing method of providing social services to the Three Affiliated Tribes and suggested a more practical approach may be to realign service boundaries and designate the reservation as a single human service region.

Ms. Rose Lebeau, Tribal NEW Program Director, Spirit Lake Tribe, discussed the tribe's relationship with Benson County Social Services. She said she is concerned with client difficulties accessing services because of transportation problems. She said the tribe does provide transportation for clients which can be up to a distance of 50 miles each way. She said the tribe is concerned the Benson County social service office may close because of pending administrative budget cuts. She said that may be an opportunity for the tribe to contract with the county to provide services.

In response to a question from Senator Mathern, Ms. Lebeau said the tribe plans to discuss the contract possibilities with the Benson County Commission at its next meeting. Senator Mathern said the Budget Committee on Human Services would be interested in the results and invited her to provide that information at a future meeting.

Ms. Cynthia LaCounte, Director, Trenton Indian Service Area Community Health, testified regarding the tribe's relationship with the Northwest Human Service Center. She said the center has allowed the tribe to have a voting member on the center's advisory committee.

Ms. Deborah Painte, Executive Director, Indian Affairs Commission, presented written testimony prepared by Ms. Bonita Iron Heart, Program Director, Spirit Lake Tribe Early Childhood

Tracking, regarding the study of the Department of Human Services, a copy of which is on file in the Legislative Council office. Ms. Iron Heart's comments included concerns regarding the relationship between the Lake Region Human Service Center and the Spirit Lake Tribe. In Ms. Iron Heart's opinion, the human service center does not provide adequate information to clients regarding the services available and does not recognize and respect the culture and language of the tribe. Ms. Iron Heart suggested a tribal liaison is necessary to keep the tribes informed of human service center issues relating to the tribe.

Senator Sand said Benson County is impacted by significant flooding of farmland and does not receive property taxes from Indian land. He said this makes it difficult for the county to provide the support and services that may be expected by the tribe.

Ms. Beverly Grey Water, Director, Spirit Lake Comprehensive Child Development Program, discussed the programs provided, including an early Head Start program and a five-year research and demonstration project providing assistance to 45 tribal families. She said the demonstration project was funded by a grant of approximately \$852,000 per year, allowing the tribe to employ 28 staff to assist families in many areas, including early childhood education, case management, parenting, and health issues.

Chairman Mathern asked the Legislative Council staff to invite the Department of Human Services to a future meeting to comment on changes to existing law to allow Indian tribe representation on human service center advisory committees.

The committee recessed at 4:10 p.m. and reconvened at 9:00 a.m. on Thursday, October 30, 1997, in the Roughrider Room.

**It was moved by Senator Fischer, seconded by Senator Bowman, and carried on a voice vote that the minutes of the September 22-23, 1997, meeting be approved as mailed.**

## **DEPARTMENT OF HUMAN SERVICES STUDY**

Chairman Mathern invited Mr. George Hubler, Assistant Director, Public Administration Service, for a presentation regarding the consultants' study of the organizational structure of the Department of Human Services. Mr. Hubler introduced other members of the Public Administration Service consultant team in attendance, which included Ms. Carol Hoffman, Mr. Joel Maragos, and Mr. Robert Hoffman. Mr. Hubler said other

members of the consultant team will include Dr. Steven Grossbard and Dr. Kathy Maloy.

Mr. Hubler reviewed a progress report regarding the consultants' study of the organization of the Department of Human Services, a copy of which is on file in the Legislative Council office. The progress report includes anticipated end products of the study, an updated organizational chart of the Department of Human Services, a chart showing the organization and study assignments of the members of the Public Administration Service team and the Public Administration Service work plan for the North Dakota human services study, including tasks, primary staff responsibility, anticipated timeframes, and study progress to date. Mr. Hubler discussed the Public Administration Service accomplishments to date, which include beginning the study on October 13, 1997, completing basic document collection, interviewing key personnel in the Department of Human Services, and beginning field interviews with human service center employees and county social service directors. Mr. Hubler said a management questionnaire has been developed and research and statistical data bases have been reviewed. He said the Department of Human Services information technology planning process and new organizational design have also been reviewed. He said an examination of programs in human service departments in adjoining states has begun.

Mr. Hubler said the Public Administration Service current activity includes continuing the human service center and institutional reviews, analyzing economic assistance areas, reviewing budget development and presentation, reviewing quality control and client satisfaction practices, reviewing public information programs, and examining the department's relationship with county social services.

Mr. Hubler's observations included:

- Cooperation by departmental personnel at all levels has been excellent;
- The new organizational structure opens up the organization and may require the assignment of additional management or coordinating effort;
- The department's executive team intends to provide decision information to the Legislative Assembly;
- A renewal information planning process is under way; and
- The consultants' reviews of techniques or approaches to legislative and fiscal oversight could prove useful.

Mr. Hubler asked for committee input regarding the consultants' study. Senator Mathern suggested, as a result of the meeting on October 29, 1997, with tribal representatives, that the consultants consider the tribal interaction with the Department of Human Services structure. Senator Bowman suggested duplication within the Department of Human Services be identified.

Mr. Chester E. Nelson, Jr., Legislative Budget Analyst and Auditor, Legislative Council, said there may be areas within other state agencies that could possibly be better managed as a part of the Department of Human Services. Senator Thane said the appropriateness of the State Hospital being located within the Department of Human Services should be reviewed.

Senator Mathern encouraged members of the consultant team to contact General Murray Sagsveen regarding possible human service delivery system changes in Grand Forks as a result of the spring 1997 flood.

In response, Mr. Hubler said as the consultant team visits human service centers and county offices, it will contact tribal agencies. He said county social services are being examined from the point of view of the relationship with the department. He said as the consultants proceed they will present "white papers," consultant position papers in specific areas under study.

Senator Mathern stressed that the consultants' study should include input from social service entities outside the State Capitol. Mr. Hubler said the consultant team will be heavily involved in field work in all regions of the state and the study will focus on the entire Department of Human Services structure and not just the state office. Senator Mathern said a consideration by the consultants should be the role of the Emergency Commission and the Budget Section in changes to legislative intent regarding Department of Human Services appropriations. Senator Thane said an additional consideration could include the methods of getting information from the United States Department of Health and Human Services and the delivery of services in rural parts of North Dakota.

Mr. Nelson said one of the original goals of the establishment of the Department of Human Services was to allow the department to react during the interim between legislative sessions and respond to client needs, or in effect have an ongoing prioritization of appropriations. He said a recommendation of the 1971 Touche Ross study relating to the span of administrative control was that a maximum of five people should report directly to the executive director.

Senator Bowman said he is interested in how the state can determine if it is necessary to continue programs.

Mr. Robert Hoffman, Assistant Director, Public Administration Service, presented a summary of organizational patterns for human service agencies in North Dakota and 10 neighboring states, a copy of which is on file in the Legislative Council office. He said the information in the document is based on a public welfare directory and indicates that North Dakota's Department of Human Services is typical in comparison to the 10 neighboring states. He said a key to determining whether programs should be continued is an adequate needs assessment process.

Senator Lee suggested that the consultants review the role of private providers in the delivery of human services. Mr. Hubler said human service program review and a review of private providers were not a part of the consultants' planned study. Mr. Nelson suggested the consultants consider reviewing the Department of Human Services relationship with private providers and the related contracting process in its study.

Ms. Carol Olson, Executive Director, Department of Human Services, provided comments regarding the study by the Public Administration Service. A copy of her presentation is on file in the Legislative Council office. She said the department plans to meet periodically with advocacy groups and Public Administration Service could be invited to attend these meetings to receive feedback from private providers. Ms. Olson's testimony included a memorandum regarding recent changes in Department of Human Services administrative structure. She said the department is in the process of developing new methods to address internal and external communications. She said a senior management/policy committee has been developed to meet semimonthly, consisting of managers of Program and Policy, Finance, Economic Assistance, Legal, Information Management, Human Resources, and the executive office. Ms. Olson said Mr. Mike Schwindt has been assigned responsibility to review the current budget process to make it more efficient and understandable, emphasize maximizing federal funds, and provide long-term fiscal planning and oversight. She said to accommodate this, the divisions of Finance, Research and Statistics, Provider Audit, Audit Resolution, and Office Services will report directly to the executive office.

Senator Thane said it would be of assistance to legislators if there was a streamlined method of obtaining answers to constituent questions. He said often a legislator may not be aware of the

appropriate person to talk to within the Department of Human Services. Representative Sveen said departmental responses should also be streamlined for clients and the public.

Ms. Smith discussed projected timeframes for addressing uncompleted recommendations in the Dawes report. A copy of her presentation is on file in the Legislative Council office. Ms. Smith also discussed the formation of a needs assessment, core services, and outcomes committee.

Ms. Smith also discussed recent caseload trends for Department of Human Services programs. She said a healthy North Dakota economy is the primary contributor to recent significant reductions in aid to families with dependent children (AFDC) and medical assistance caseloads. Senator Mathern questioned whether the reasons for caseload declines can be documented. He said outcome evaluations would identify the reasons for clients exiting assistance programs. He said the consultants' study is to address the adequacy of prevention services. Representative Sveen said it would be interesting to see the services provided to different categories of North Dakota residents, i.e., children and the elderly.

Mr. Tom Wallner, Executive Director, Developmental Disabilities Council, testified regarding the consultants' study of the Department of Human Services. He said the North Dakota Century Code requires the Developmental Disabilities Council to be located within the Department of Human Services. He suggested the Public Administration Service consider the appropriateness of the location of the Developmental Disabilities Council within the Department of Human Services.

Mr. Tom Tupa, representing the National Association of Social Workers of North Dakota, encouraged the committee in its study to not overlook other aspects of the human service delivery system, including private entities and advocacy groups.

Senator Mathern encouraged those organizations to express their practical and usable recommendations regarding the human service delivery system and the structure of the Department of Human Services to both the Budget Committee on Human Services and the Public Administration Service.

Ms. Judy Beck, Executive Director, Association for Retarded Citizens in North Dakota, suggested the consultants contact developmental disabilities providers for their input. She said the providers are often reluctant to provide testimony critical of the Department of Human Services because of possible repercussions from the department.

In response to a question from Senator Mathern, Ms. Beck said the committee's meetings and the consultants' study are good steps in identifying communication issues between the Department of Human Services and private providers.

The committee recessed at 11:30 a.m. for lunch and reconvened at 12:45 p.m.

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

Ms. Smith distributed testimony prepared by Mr. Schmid regarding an update of the task force reviewing county and state responsibilities for delivery services to children and their families, a copy of which is on file in the Legislative Council office.

Ms. Michon Sax, McKenzie/Williams County Social Service Boards, Watford City, presented testimony prepared by Mr. Larry Bernhardt, County Director, Stark County Social Services, Dickinson, and Cochair of the Children and Family Services Task Force, a copy of which is on file in the Legislative Council office. Mr. Bernhardt's testimony states the task force has not met since the September 1997 meeting of the Budget Committee on Human Services but has accumulated additional time study information and plans to identify core and contract services. He said the task force's goal is to identify the county and state funding responsibilities for core services and the amount of funding available for contract services.

In response to a question from Senator Mathern, Ms. Sax said the Children and Family Services Task Force will report to the Finance Committee of the North Dakota Association of Counties, chaired by Ms. Kathy Hogan.

Ms. Sax said Williams County has experienced a 50 percent decrease in AFDC caseload but has not experienced a caseload decrease in the food stamp, medical assistance, or low-income home energy assistance program.

Ms. Kathy Hogan, Chair, County Directors Finance Committee, said a working group including county commissioners, the North Dakota Association of Counties, Social Service Board directors, and two legislators from the Budget Committee on Human Services will meet to receive the recommendations of the Children and Family Services Task Force as well as

additional information regarding aging and disabled programs. She said that working group has not been formed at this time but should meet in December 1997. She discussed a letter sent to the Department of Human Services regarding concerns the counties have on the implementation of 1997 House Bill No. 1041, the "swap" legislation. A copy of the letter is on file in the Legislative Council office. Ms. Hogan said there were 12 counties that were negatively impacted as a result of the "swap," identified by a mill levy increase for social service programs for 1998.

### **COMMITTEE DISCUSSION**

Committee members discussed the need for a December 4, 1997, meeting to provide additional input to the Public Administration Service in its study of the organizational structure of the Department of Human Services. Mr. Hoffman said the consultants would be reluctant to provide written recommendations at an early December 1997 meeting but could share issues, concerns, and other preliminary information with the committee.

Senator Lee said the Department of Human Services needs assessment, core services, and outcome committee should include members from the eastern part of the state to receive their input.

Representative Sveen asked that Lutheran Social Services be invited to the committee's January 1998 meeting to discuss the current status of its refugee program and plans for future refugees.

The committee adjourned at 1:30 p.m. subject to the call of the chair.

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Jim W. Smith  
Assistant Legislative Budget Analyst  
and Auditor

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

ATTACH:1