

Testimony
Senate Bill 2012 – Department of Human Services
House Appropriations/Human Resources Division
Representative Chet Pollert, Chairman
March 8, 2011

Chairman Pollert, members of the House Appropriations/Human Resources Division, thank you for the opportunity to provide commentary on Senate Bill 2012 – Department of Human Services' budget request for the 2011-2013 biennium.

My name is Dianne Sheppard. I am Executive Director for The Arc, Upper Valley in Grand Forks and an official spokesperson for The Arc of North Dakota. Our mission is to ensure that children and adults with an intellectual disability have the supports, benefits, and services they need, and are accepted, respected and fully included in their communities.

The North Dakota Department of Human Services' budget is a good budget as it relates to programs and services for people with an intellectual disability. We would like to see it adopted as presented along with other critical items that were identified as an OAR, but failed to be included in the budget or were not fully funded.

Please consider the following:

1. The North Dakota legislative effort to increase staff wages and benefits for DD providers is commendable and should be continued.

This biennium, DD community service providers are budgeted to receive an equity increase of 3% each year of the biennium. We are asking you to approve these increases.

In addition, we are asking you to approve a \$1.46 per hour market adjustment for all DD community service provider staff.

This increase will address the wage disparity between DD community service provider staff and what the state provides for staff working in state operated programs. It will also help reduce community staff turnover, currently at 33% annually, which is unacceptably high at 1,200 to 1,500 staff leaving each year. The goal is to reduce staff over to 20% or less.

Many workers find that they can earn higher hourly wages, and receive better benefits, in far less demanding jobs. As a result, people with disabilities experience continuous turnover of staff or they find themselves unable to get workers at all. Unable to obtain adequate assistance, people with disabilities find their health and safety at risk.

A well-trained, adequately compensated workforce is essential to providing the necessary supports and services to our constituents, who constitute a very vulnerable population. Higher wages reduce employment turnover and is correlated with an increase in the quality of services.

We realize this is a big request; however, it is needed to turn the tide on staff turnover and eliminate the gap between wages paid to private employees and wages paid to public employees in the state.

2. Critical Needs Funding

We are asking you to approve the continued funding for the critical needs of individuals who are medically fragile and/or behaviorally challenged at \$4.2 million and a 3% increase each year of the biennium.

This funding is needed so people can get the support they need to stay in their community and avoid being admitted to the Developmental Center.

3. Developmental Center Budget

We ask that you approve the Developmental Center 2011/2013 budget request funded for 95 residents, which is the current goal of the Transition to the Community Task Force.

The decrease in FTE's and some decrease in budget should only be approved if the quality of care for those individuals remaining at the institution can be guaranteed and not negatively impacted.

Any cost savings from downsizing the institution should be reallocated to community programs and services.

4. Restore OAR 407 Downsizing the Developmental Center

Institutions: We are asking you for a commitment to steadily reduce reliance on and ultimately close the North Dakota Developmental Center at Grafton.

Most professionals, family members and persons with an intellectual disability believe that large group settings are no longer acceptable living arrangements because of the difficulty of personalizing services. Virtually every credible research study supports the assertion that people are well served in small community settings, including those with behavior issues, or people with complex medical needs.

As such, institutional placement cannot be justified on the programmatic needs of the people who are forced to reside in an institution in order to receive services. The long-term future of services to persons with an intellectual disability in North Dakota is in community settings.

The **Transition to the Community Task Force**, chaired by Alex Schweitzer, Superintendent of the Developmental Center, has put together a transition goal for July 1, 2013 for a maximum of 67 people residing at

the Center. This is a reasonable goal and should be supported with a budget that will meet that goal. **Restoring OAR 407** will help meet that goal. Without those funds, transitions to the community will happen at a slower pace and make the goal of 67 residents at the institution by the target date difficult to reach.

These funds also address the need for dual funding during the transition process. The resident per diems for those residents remaining at the Center during the downsizing process will increase due to fixed costs being spread over fewer residents. Conversely, as people move to the community the related costs will also increase.

General Funds: \$2,712,968

Federal Funds: \$3,382,849

Total Funds: \$6,095,817

The closure of a state institution can generate savings for state government over time because it:

- 1) Eliminates the high fixed cost of operating a state-owned facility, originally built for many more residents than live there at the time of closure;
- 2) Shifts some fiscal responsibilities from state government tax revenues to federal Supplemental Security Income (SSI);
- 3) Increases the likelihood that individuals will engage in productive employment in a local community because they now live closer to employment markets;
- 4) Utilizes less costly social, educational, religious, and recreational resources in the community rather than the relatively expense, specialized services provided in the institution; and,

5) By renting/leasing a residence, the expensive institutional capital construction and remodeling costs necessary for most institutions to remain open and certified for receipt of federal reimbursement are avoided.

5. Restore OAR 408 – Guardianship Program

We ask that you approve additional funding for the Guardianship Program so they can pay for corporate guardianship services as well as a Guardianship Handbook.

General Funds: \$65,275

6. Children’s Health Insurance Program (CHIP)

The Arc supports the protection and expansion of CHIP as a dedicated program for insuring currently uninsured children to include dental and mental health benefits.

We ask that you approve an increase in CHIP at 250% of poverty rather than the proposed 160% of poverty.

Conclusion:

North Dakota has a healthy budget surplus, and this would be the ideal time to invest in our community service delivery system. People are confined to the Developmental Center in Grafton in part because of the lack of appropriate resources in the community. When the state has the resources to provide those services in the community and fails to commit the money, it is difficult to conclude that the state has a real commitment to community services and the least restrictive environment as required by state and federal law.

Attached is *Closing the North Dakota Developmental Center: Issues, Implications, Guidelines* where you will find 10 key issues addressed on the closure of the Developmental Center at Grafton.

I would be happy to answer any questions you may have.

Thank you.

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