

Testimony
Senate Bill 2012 – Department of Human Services
Senate Appropriations Committee
Senator Holmberg, Chairman
January 11, 2007

Chairman Holmberg, members of the Senate Appropriations Committee, I am Yvonne Smith, Disability Services Division Director for the Department of Human Services. I am here today to provide you with an overview of the programs and services that make up the budget request for the Disability Services Division.

Programs

The Disability Services Division (DSD) contains three units: Developmental Disabilities, Vocational Rehabilitation, and Disability Determination Services. The staff of the division carry the responsibility for administrative and policy direction in regard to a range of home and community-based services for individuals with disabilities.

The Developmental Disabilities Unit is made up of 6 FTEs, who are responsible for the needs assessment, staff training, development of policy, quality assurance, compliance with federal oversight agency rules, and service monitoring functions relating to the provision of home and community-based services for individuals who have a developmental disability, as well as for children who are at risk of developmental delays. To carry out these responsibilities, the staff interact on a regular basis with the developmental disabilities case management staff at the human service centers, the community providers, the Developmental Center, federal agency representatives, school systems, universities, consumer advocates, and a variety of public and private entities who play a part in

the delivery and monitoring of services. The services are funded through Title XIX Medicaid, three Medicaid Home and Community-based Waivers, Part C of IDEA, and general funds.

The Vocational Rehabilitation Unit (VR) is made up of 11.1 FTEs, who are responsible for the administration of Titles I, VI, and VII of the Rehabilitation Act, as amended. As such the staff is responsible for needs assessment, staff training, state plan development and outcome monitoring, development of policy, quality assurance, client advocacy through the Client Assistance Program, oversight of expenditure of federal VR funds, and compliance with federal rules. To carry out these responsibilities, the VR unit staff interacts regularly with the Vocational Rehabilitation staff at the human service centers, community businesses, schools and universities, Job Services, the State Rehabilitation Services Council, the State Independent Living Council, centers for independent living, federal oversight agencies, and other private and public entities involved in rehabilitation services. The services are funded through federal funds received through the Department of Education, Rehabilitation Services Administration, along with the required general fund match.

The Disability Determination Services Unit includes 24 FTEs who are responsible for individual eligibility determination for Social Security Disability Insurance and Supplemental Security Income statewide. The staff receives applications, gathers supporting data, and determines whether or not the individuals meet the federal criteria for enrollment in Social Security Disability Insurance or Supplemental Security Income. The DDS services are funded solely through federal funds received from the Social Security Administration.

Customer Base

Developmental Disabilities -- SFY 2006

- 4,814 individuals received developmental disabilities case management services through the human service centers.
- 1,854 families received family support program services, including family subsidy, infant development, and family support.
- 2,102 individuals received residential and/or day services.
- 10,296 Right Track screenings were completed for infants and toddlers birth to three years of age at risk for a developmental delay.

Note: The funding for the case management services is contained in the human service center budgets. The community-based services for individuals and families are budgeted within the Long Term Care section of the budget. Right Track Services are budgeted in the operating line of the DSD budget.

Vocational Rehabilitation – FFY 2006

- 6,894 individuals received employment services through VR.
- 6,222 individuals received independent living services.
- 3,002 businesses were in contact with VR in regard to employment issues.
- 1,045 individuals were served through the Older Blind Program.

Disability Determination Services Unit – FFY 2006

- 4,310 eligibility determinations were made for SSI/SSDI.

Major Trends and Issues

Consumer Choice:

- During this biennium, the Developmental Disabilities Unit developed two “self-directed supports” waivers that allow families to manage their own services, based on a plan developed with case management. DSD contracts with a fiscal agent to handle the necessary employer-related tasks, including responsibilities such as payroll taxes, so that each family does not have to independently assume those responsibilities.

Complex Challenges Presented by Consumers:

- Young adults who are transitioning from the foster care system into the adult system require structured living arrangements. For many of these individuals, the cognitive deficits are not major issues, but behavioral and psychiatric problems create the need for structured intervention and crisis response beyond what has been traditionally provided.
- With the continued emphasis on serving people with the most serious disabilities, consumers receiving services through Vocational Rehabilitation are increasingly in need of more intensive evaluation and training/intervention. Consumers are exhibiting multiple functional limitations and diagnoses, which increase the complexity of service needs resulting in greater cost.

- The population of the Developmental Center continues to trend downward, with the community providers providing services for all but the most behaviorally or medically challenging individuals. The opposition to community placement voiced by some guardians in the past has been substantially reduced.

Growth in Need for Service:

- The need for corporate guardianship at the community level continues to rise. During the current biennium, Catholic Charities, the agency that holds the contract for corporate guardianship services, has experienced a waiting list, and also has put a considerable amount of their private resources into the guardianship program to cover the costs of petitioning. This budget request would alleviate these concerns for the upcoming biennium.
- Caseload growth continues in the number of young children with developmental disabilities needing support, which has put pressure on the family support budget.
- The Vocational Rehabilitation Unit has commissioned a study in regard to the prevalence of disabilities within various demographic sectors, and the impact of rehabilitation on the overall economy. This study will assist in planning for future service delivery.

Increase in Federal Accountability Requirements:

- Both the Rehabilitation Services Administration and the Office of Special Education are placing great emphasis on achievement of state plan outcomes and adherence to federal outcome guidelines, with a very stringent interpretation of success. Failure to meet these expectations can result in sanctions, including plans of correction and possible loss of funds.
- The Social Security Administration sets specific goals and timelines for staff production, and monitors progress monthly.
- The Center for Medicare and Medicaid Services (CMS) has become more prescriptive in waiver guidelines, approvals and monitoring. This has resulted in the need to implement more stringent reporting requirements at the service delivery level.

Overview of Budget Changes

Disability Services Division

Description	2005 - 2007 Budget	2007 - 2009 Budget	Increase / Decrease
Salaries	4,031,984	4,333,502	301,518
Operating	5,253,422	5,899,426	646,004
Grants	18,668,825	18,883,621	214,796
Total	<u>27,954,231</u>	<u>29,116,549</u>	<u>1,162,318</u>
General	5,283,577	6,006,390	722,813
Federal	22,551,554	23,003,159	451,605
Other	119,100	107,000	(12,100)
FTEs	41.10	41.10	-

Salaries: Increase of \$301,518

- The majority of the increase in salaries is attributed to the 4% increase each year included in the Executive Budget, along with the increased cost of health insurance. The Governor's salary package accounts for a total increase of \$319,969, of which \$210,347 is general fund.
- The other substantial factor is the anticipated cost of "payout" for four expected retirements, in the amount of \$31,000.

- The increase is offset by a \$42,868 decrease in temporary salaries, associated fringe benefits, and overtime in the DDS Unit, based on expected utilization.

Operating: Increase of \$646,004

- Travel: Increased by \$25,817
 - \$36,500 required for vocational rehabilitation counselors to complete academic requirements imposed by federal rule. Since there are no approved curricula in state, counselors must travel to out-of-state universities for required on-campus coursework and to expedite the length of time to complete the required coursework.
 - This increase is partly offset by decreases in other staff travel.
- Professional Supplies and Materials: Increased by \$47,643
 - \$13,250 books and materials for classes for VR counselor coursework.
 - \$10,000 educational material for Part C Early Intervention.
 - \$23,000 public education information for vocational rehabilitation, in order to meet state plan outcomes.
- Office Space Rental Costs: Increased by \$72,374
 - Budgeting for the full biennium in the new space, with increased square footage requirements by DDS, as well as a general increase in the rental cost per square foot.
- Professional Development: Increase of \$52,678
 - \$38,000 in tuition and fees paid for VR Counselor academic requirements. The responsibility for these costs has been

gradually transferred to the states, as grants through RSA to the educational institutions have been decreased.

- \$13,000 increase in DDS for the required federal conferences.
- Operating Fees and Services: Increase of \$434,442
 - Corporate Guardianship increase of \$484,000 to account for the increased demand and increased cost of providing this service.
 - These increases were offset by decreases in several areas, including a reduction in contracting time in DDS.
- Fees and Professional Services: Increase of \$141,480
 - \$13,000 in Part C funds were shifted into fees and services to reflect the training and consultation needs of the staff and providers.
 - \$131,480 increase in fees for consulting physicians for DDS.
- The increases in operating costs in some categories were offset in part by reductions in other areas:
 - Printing: Reduced by (\$36,000) in Part C, due in large part to the availability of materials on-line, and by (\$6,000) in DDS due to the electronic record.
 - Medical Dental Optical category (\$18,100) was eliminated in the Older Blind Services, since the funds are no longer needed for this purpose, but are used in the grants line item.
 - Equipment, postage, and office supplies have all seen a decrease.

Grants: Increase of \$214,796

- \$414,000 increase in VR Basic Support Grant, based on federal increase as required by law.
- \$50,000 increase in Supported Employment, all in federal funds.
- (\$16,600) decrease in Part C grants.
- (\$248,000) decrease in IPAT due to federal grant decrease.

Funding Changes

- Corporate Guardianship is funded entirely with general funds. Costs are increased by \$527,000, to account for caseload growth, petitioning costs, and inflation.
- The contract with Minot State University to provide staff training for DD Providers is increased by \$14,700, funded entirely with general funds. This contract with the university has not been adjusted since the late 1980's.

In summary, the DSD budget request is reflective of maintaining quality services to address an increasingly complex array of consumers needs including more severe disabilities and multiple diagnoses. This intensifies the importance of coordinating the services among various disciplines and providers in order to assure that the needs are properly addressed. Overall, service delivery remains essentially unchanged, with the increases in costs predicated upon a growing caseload, heightened federal requirements, and general inflation in the cost of goods and services.

Chairman Holmberg, thank you for the opportunity to appear before your committee today. If you have any questions, I will be happy to respond.