

TESTIMONY
HB 1012 – DEPARTMENT OF HUMAN SERVICES
SENATE APPROPRIATIONS
SENATOR HOLMBERG, CHAIRMAN
MARCH 02, 2005

Chairman Holmberg, members of the Senate Appropriations Committee, I am Linda Wright, Director of the Aging Services Division, Department of Human Services. I am here today to provide you an overview of the Aging Services Division budget. The Aging Services Division provides home and community based service options to maintain individuals in their homes and communities and assists in protecting the health, safety, welfare and rights of residents of long term care settings and vulnerable adults in the community. This includes administration of Older Americans Act federal funds services, State Mill Levy Match funds for Senior Citizens, the Telecommunications Equipment Distribution program, State Funds to Providers, the Long-Term Care Ombudsman program, the Alzheimer's Demonstration grant, the Real Choice Systems Change grant, and support for the Governor's Committee on Aging.

The additional programs administered by the Division has been presented in separate testimony as part of the Long Term Care budget.

CUSTOMER BASE

- According to the 2000 Census, 18.5% (118,985) of North Dakota's total population was 60 years of age or older. Of that number, 14,726 or 2.3% of North Dakota's residents were 85 years of age or older.
- In 2000, 27 of the 53 counties in North Dakota reported more than 25% of their population to be age 60 or older. Please refer to the attached Graying of North Dakota brochure for additional information.

- In Federal Fiscal Year (FFY) 2004, 25,397 older persons received Older Americans Act funded services which includes home-delivered meals, congregate meals, outreach, health maintenance and transportation services, national family caregiver program services, legal services, in-home safety, and senior companion services.
- The Long-Term Care Ombudsman program received 1119 complaints in FFY 2004 and closed 778 cases during that time period.
- In 2004, Mill Levy Matching funds assisted with the purchase of 548,958 home delivered meals, 863,680 congregate meals, 138,925 transportation services, 171,244 health services, 133,701 outreach services and 30,594 other services. Based on 2004 taxable valuations, Attachment A outlines the mill levy/mill levy match disbursement per county. The mill levy match would be 46.15 cents on the dollar.
- Based on calendar year 2003, the mill levy match was 52.8 cents on the dollar.
- Attachment B reflects the addition of \$500,000 to the mill levy match budget for the biennium approved by the Senate in Senate Bill 2267. The mill levy match would be 60.03 cents on the dollar.
- The Vulnerable Adult Services Program had 570 new cases in FFY 2004, as well as answering 421 Information and Referral calls and providing 263 brief services.
- The Senior Info-Line received a total of 1632 calls and e-mails in FFY 2004. The calls were received from clients, professionals, family members, and friends in 163 North Dakota cities and 39 states, territories and countries. In addition the Web site averaged 328 hits per month.
- The average age of a recipient of Older Americans Act funded services is 79.8 years old.

- Attached is an excerpt from the federal Older Americans Act law citing eligibility for services and service contribution requirements. (See Attachment C.)

TRENDS

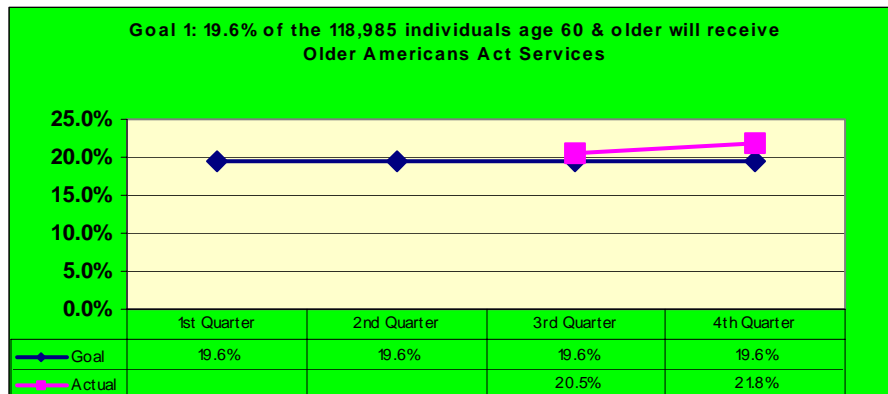
- The projected growth of state residents age 60 and older and the leading edge of the baby boom population currently entering the pre-retirement years necessitates that the state prepare for significant growth in its elderly population. By the year 2020, it is projected that the number of North Dakota residents 65 years and older will have grown by more than 55,000 or 58% and they will represent nearly one-fourth (23%) of the state's population.
- The trend, both nationally and in North Dakota, is increased consumer demand for home and community based care, and decreased reliance on institutional care.
- The growth of assisted living facilities in North Dakota has added 50 facilities and more than 1535 consumers to the responsibilities of the Long Term Care Ombudsman program.
- As part of President Bush's New Freedom Initiative, the Department applied for and received a Real Choice Systems Change Rebalancing Initiative grant. The intent of the grant is to assist states to design services to rely less on institutional care. The funds cannot be used for direct services or to fund nursing home transition costs. The focus of North Dakota's grant will be single point of entry. The grant requires a non-federal match of \$15,000 which will be in-kind match from stakeholder and focus group meetings and the project's steering committee meetings. No general funds are budgeted for the grant. Since the purpose of this grant is "system change", and not direct services, there will not be any financial sustainability requirements beyond the end of the project.

- **Alzheimer's disease is one of the most costly diseases in our society. An estimated 1 in 10 persons over age 65 and nearly one half of persons over age 85 will become victims of Alzheimer's disease. In North Dakota, it is estimated that 16,000 people have the disease. The Department received an Alzheimer's Demonstration grant from the Administration on Aging. The grant will provide training for the medical community to increase early diagnosis and treatment of Alzheimer's disease and expand community supports for victims of the disease and their caregivers. The grant requires a 25% non-federal match the first year; 35% the second year and 45% the third year. The Dakota Medical Foundation has committed to providing a portion of the match for each of the 3 years of the project. The remainder of the match is required of the contractors who will be providing services funded by the grant. No general funds are budgeted for the grant. On-going discussions with the contract entities will address the sustainability of project goals beyond the end of the project period.**

PERFORMANCE MEASURES

- **19.6% of the 118,985 individuals age 60 and older will receive Older Americans Act services.**
- **100% of residents in long term care and assisted living facilities will have access to Long Term Care Ombudsman services.**
- **Based on the number of complaints received, 24.7% of the 8481 residents in long term care and assisted living facilities will receive ombudsman complaint resolution and/or consultation.**
- **Based on the number of referrals received, 41.6% of the 1299 individuals referred for suspected abuse, neglect or exploitation will receive adult protective services crisis intervention and referral.**

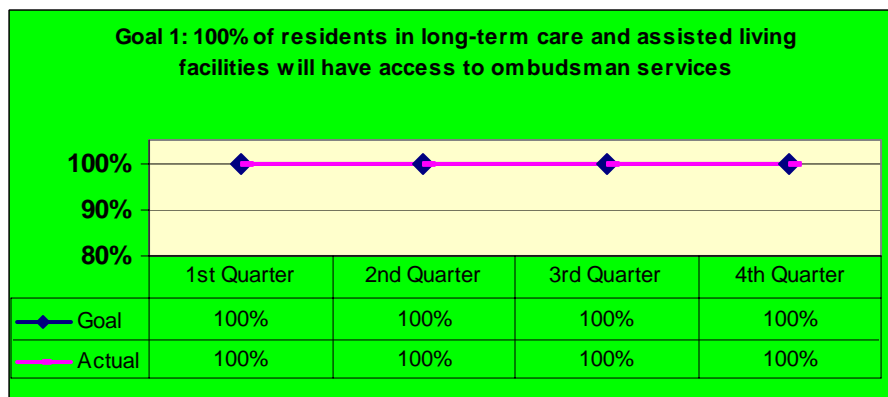
1. Home & Community Based Services



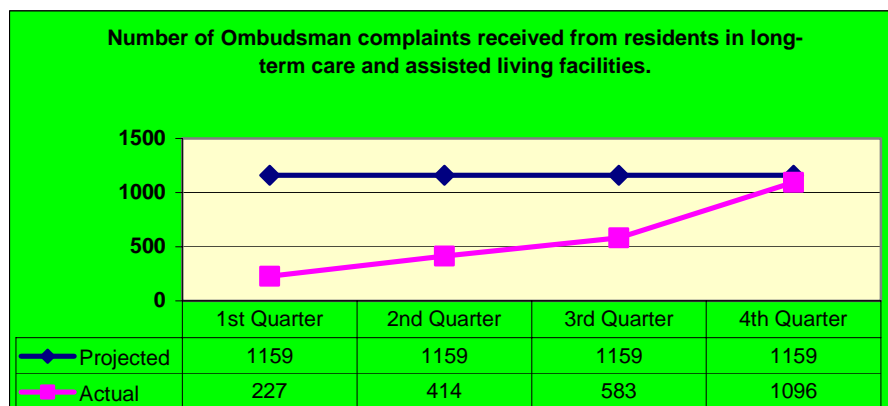
Data Based on Federal Fiscal Year (FFY 2004)

1st & 2nd Quarter not available because a new data system was implemented

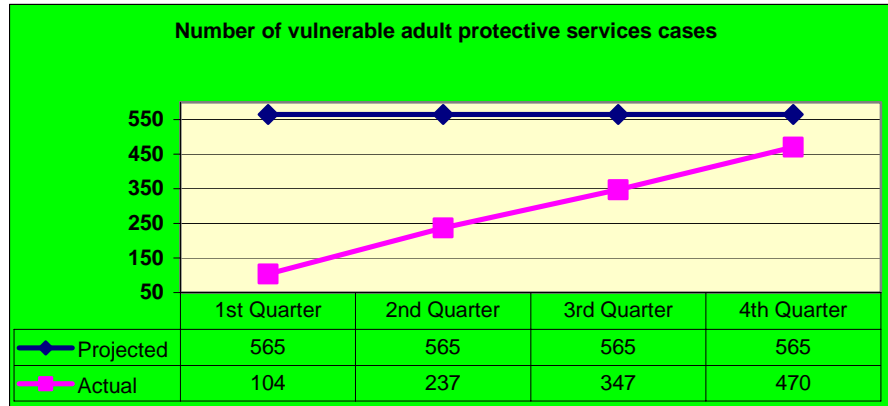
2. Vulnerable Adults Services Program



*FFY 2004



*Quarters are based on FFY 2004 and the data is cumulative



*Numbers are decreased due to a change in reporting requirements

** Quarters are based on FFY 2004 and the data is cumulative

Overview of budget changes:

	2003 - 2005 Budget	Increase/ (Decrease)	2005 - 2007 Request	House Changes	Request to Senate
Salaries	1,518,134	(74,547)	1,443,587	(24,597)	1,418,990
Operating	10,361,699	(466,668)	9,895,031	(13,678)	9,881,353
Capital Assets	600	1,283	1,883	0	1,883
Grants	1,881,749	536,984	2,418,733	0	2,418,733
Total	13,762,182	(2,948)	13,759,234	(38,275)	13,720,959
General	3,051,195	43,672	3,094,867	(36,786)	3,058,081
Federal	10,599,928	(83,961)	10,515,967	(1,489)	10,514,478
Other	111,059	37,341	148,400	0	148,400
FTEs	15.50	(1.50)	14.00	0.00	14.00

GOVERNOR'S BUDGET REQUEST:

Salary and FTE:

- Reduced staff by 1.5 FTEs, which included not replacing the Deputy Director of the Division following his retirement and reducing the support staff. This reduces the salary authority along with federal and other authority by \$163,465, however the general funds were removed by the previous legislature as part of the \$1.5 million adjustment to administration.

- The increase due to the Governor's pay plan is \$88,918. Funding for the salary increase is: General - \$72,374 and Federal - \$16,544.
- This results in a total decrease to the salary budget of \$74,547.

Operating Expenses - Net decrease of \$466,668 based mainly on the following:

- \$88,000 - reduction in rent with the Division's move to the Capitol. Rent is now included in Central Office Multidivisional budget.
- \$418,000 - reduction in estimated grant funds for the Nutrition Services Incentive Program.
- \$189,000 – reduction in various Title III grant funds.
- \$20,000 – net increase due to shifts between purchases of service to grants.
- \$200,000 - increase for the Real Choices Systems grant.

Capital Assets:

- \$1,283 - increase to pay for the share of the bond payment for staff at Southeast Human Service Center. Increase is based on square footage occupied by staff.

Grants: Net increase of \$536,984 based mainly on the following:

- \$470,000 – increase due to the Alzheimer's Demonstration grant.
- \$80,000 – increased funding for Telecommunications Equipment Distribution program.
- \$20,000 – net decrease due to shifts from grants to purchases of service.

HOUSE CHANGES

- Reduction of salaries (\$20,000) as a part of the overall salary underfunding departmentwide. An additional reduction of (\$4,597) to fund salary increase at 3% and 4% rather than at 4% and 3% as recommended in the Governor's salary package.

- **The House reduced the Department's Program and Policy Management Subdivision's overall operating budget by \$50,000 in general funds. Of this, \$13,678 was allocated to the Aging Services Division.**

If you have any questions, I would be happy to answer them at this time.