

**Testimony**  
**Engrossed House Bill 1012 – Department of Human Services**  
**Senate Appropriations**  
**Senator Holmberg, Chairman**  
**March 14, 2017**

Chairman Holmberg, and members of the Senate Appropriations, I am Susan Foerster, Superintendent of the Life Skills and Transition Center, for the Department of Human Services (Department). I am here today to provide you an overview of programs and services that make up the budget request for the Life Skills and Transition Center (LSTC).

**Programs:**

The LSTC provides services for individuals with developmental and intellectual disabilities. The LSTC provides Residential, Vocational and Outreach Services.

**Residential Services:** The LSTC provides 24-hour comprehensive services and supports including medical and clinical programming. This includes services for adults with sex offending behaviors, those requiring skilled nursing and behavioral health services, and services for youth in transition from the facility to community settings.

**Vocational Services:** The Work Activity Program provides services for people at vocational work sites on campus and in the community.

**Outreach Services:**

- Independent Supported Living Arrangements- LSTC staff support individuals in local community housing.
- Clinical Assistance Resources and Evaluation Service (CARES)- A team of specialists including clinical staff and direct support staff

provide consultation services, in-home and on-site supports in the community to prevent admissions and readmissions, and to assist in transitioning people from the LSTC.

- *CARES Clinic*- assures that people with disabilities have access to physical, occupational and speech therapy services, adaptive equipment services, dental services and medical services and consultation.
- Developmental Disabilities Behavioral Health Services- This is a team of applied behavioral analysts who deliver behavioral assessment and intervention services to people with intellectual and developmental disabilities throughout North Dakota.

**Program Trends/Program Changes:**

- LSTC is providing services for individuals with an increasing level of acuity requiring intensive supports and services.
- Expansion of vocational services to the local community.
- Purchase of ND Job Service Building to relocate more of Dakota East vocational services to the community.
- Increase in the transition of adults to community settings.
- Youth have been transitioning to the community, although requests for admissions have been ongoing.
- LSTC Clinical Services provide Developmental Disability Behavioral Health Services in all 8 regions of the state and caseloads have been increasing.

**Life Skills and Transition Center (LSTC) 2017-2019 Census:**

Population	7/1/16	1/1/17	7/1/19
			Transition Task Force Goals
Adults on Campus	56	57	45
Youth on Campus	19	19	8
Adults in the Community - LSTC Operated	13	11	15
<b>Total Population</b>	<b>88</b>	<b>87</b>	<b>68</b>

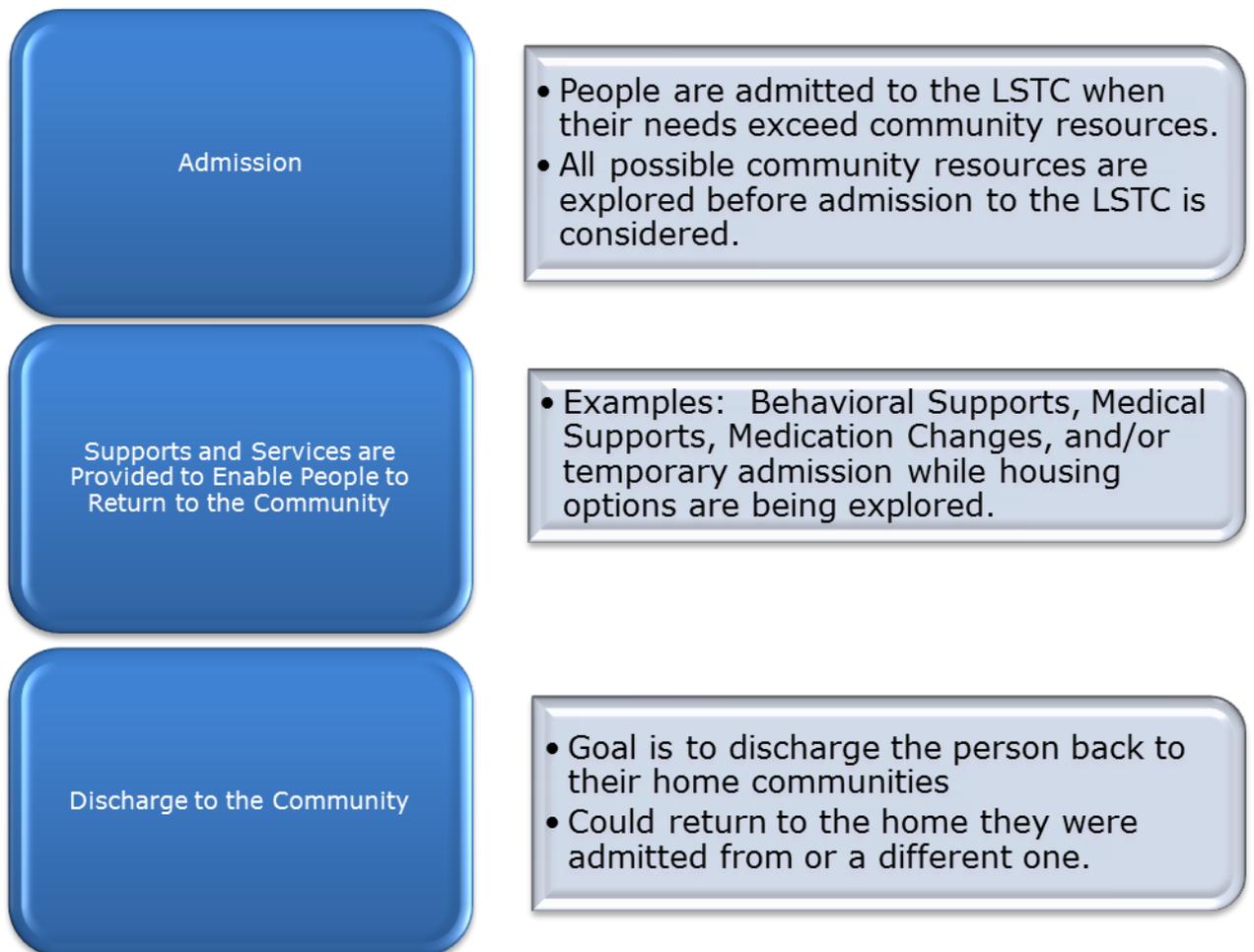
**LSTC Staffing in FTE**

Direct Care	199.02
Clinical/Professional	39.16
Outreach Services	36.09
Food Service	28.00
Plant Services	22.60
Nurses	21.12
Program Coordination	9.29
Administrative	8.50
Psychology	2.00
<b>Total FTE</b>	<b>365.78</b>

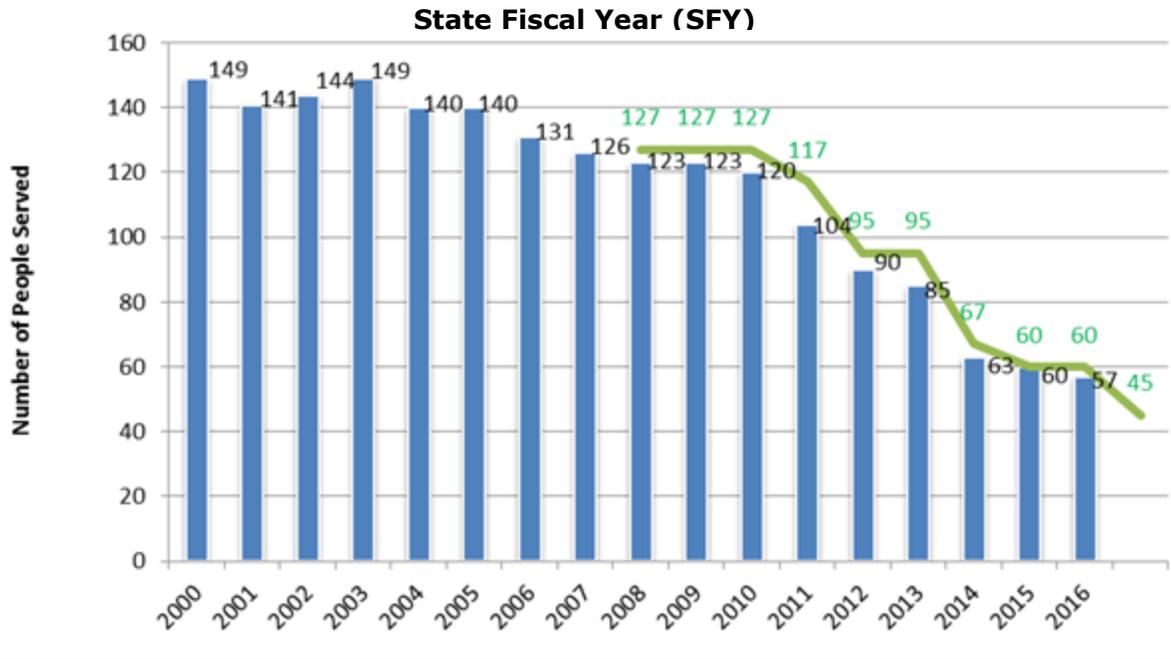
\*54.41% of positions are direct care

\*9.9 % of positions are dedicated to CARES and Outreach Services

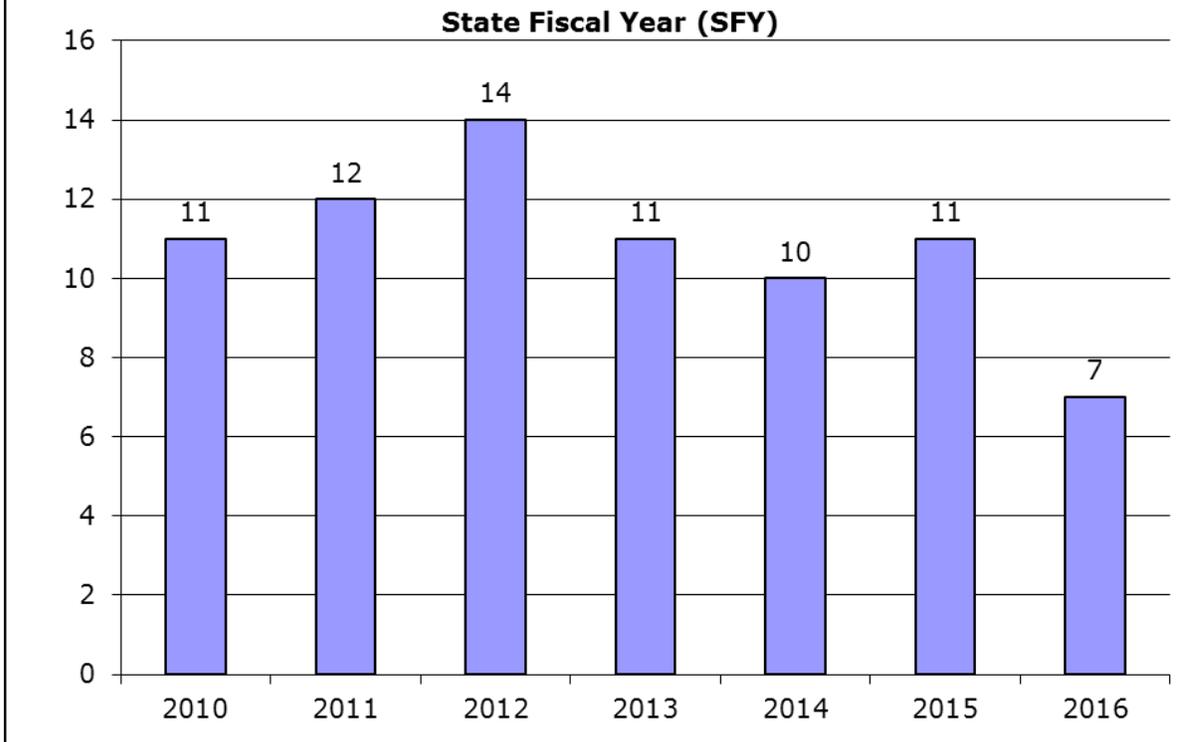
## LSTC Admission and Discharge Process

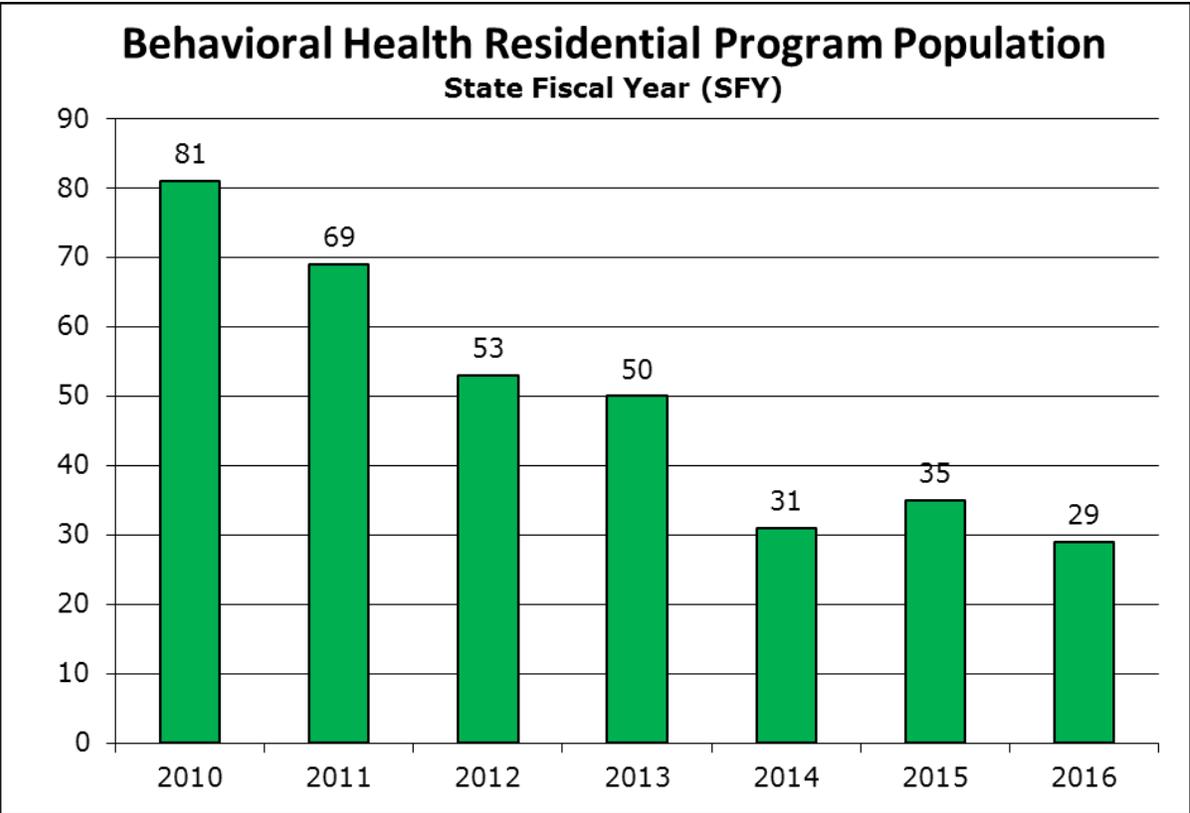
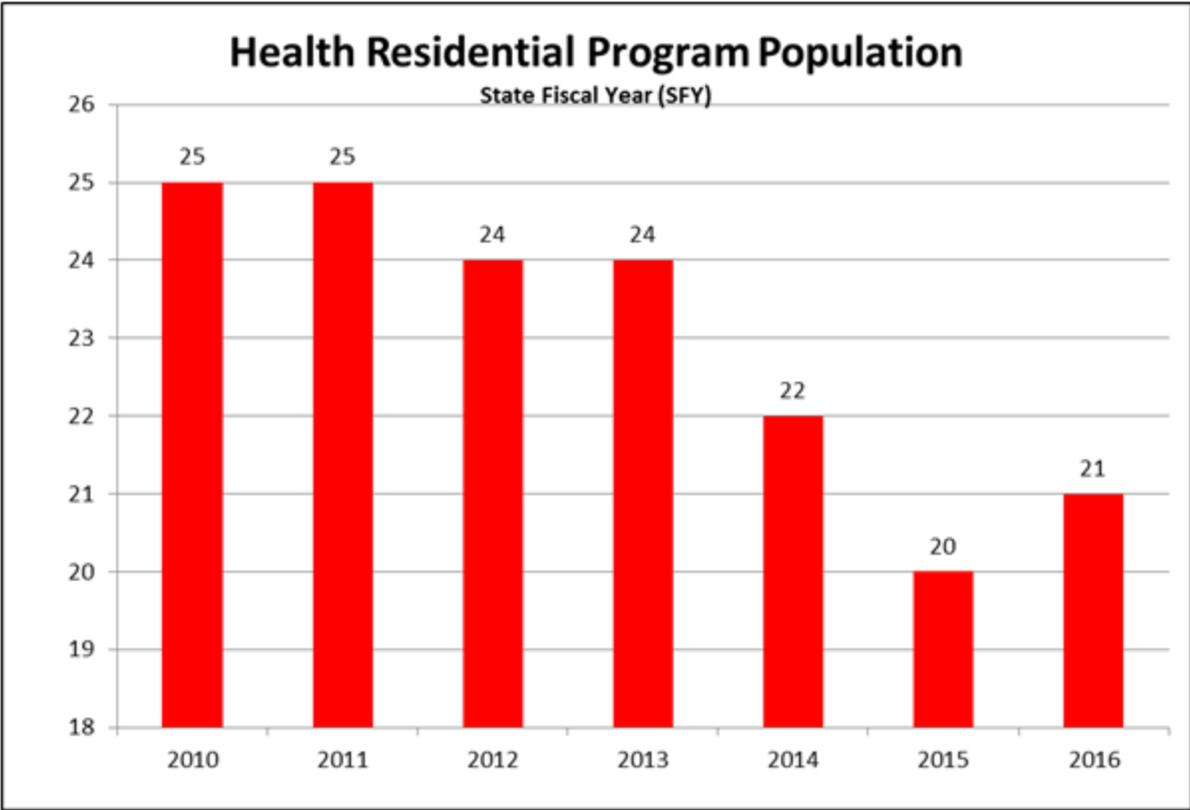


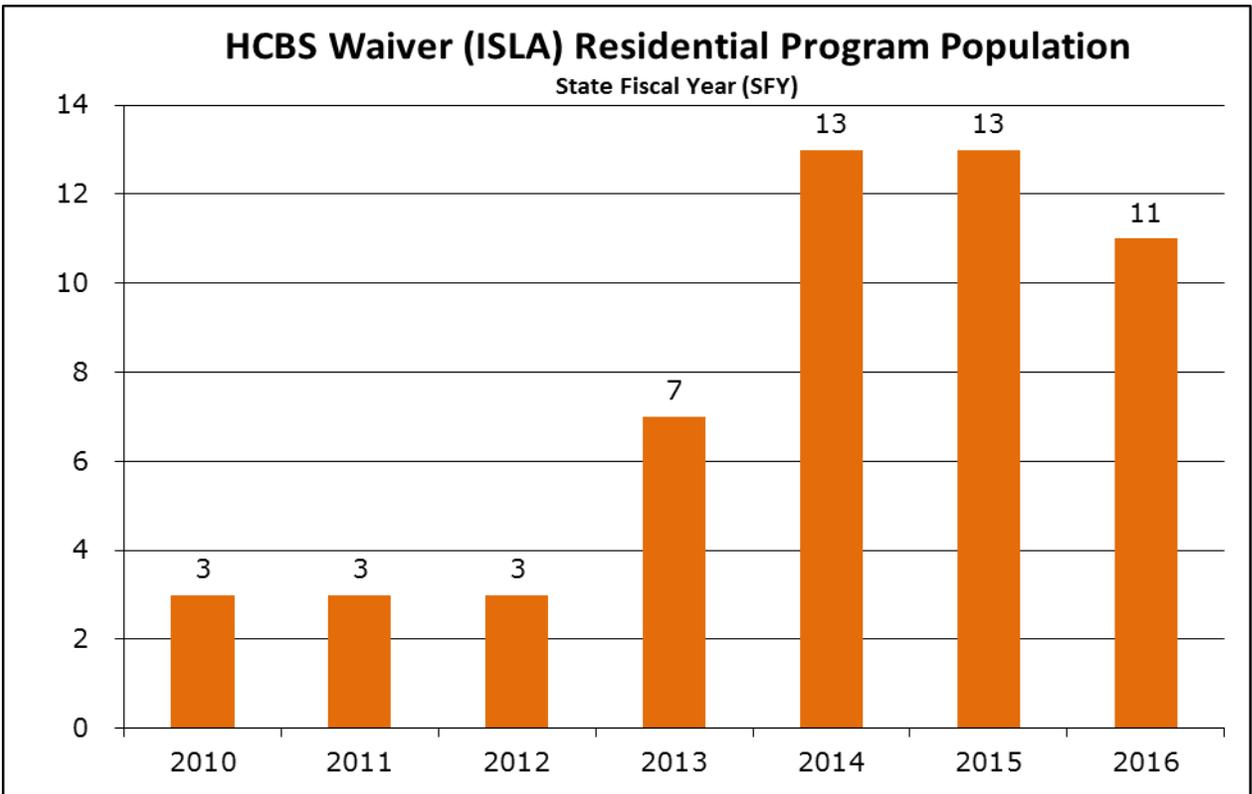
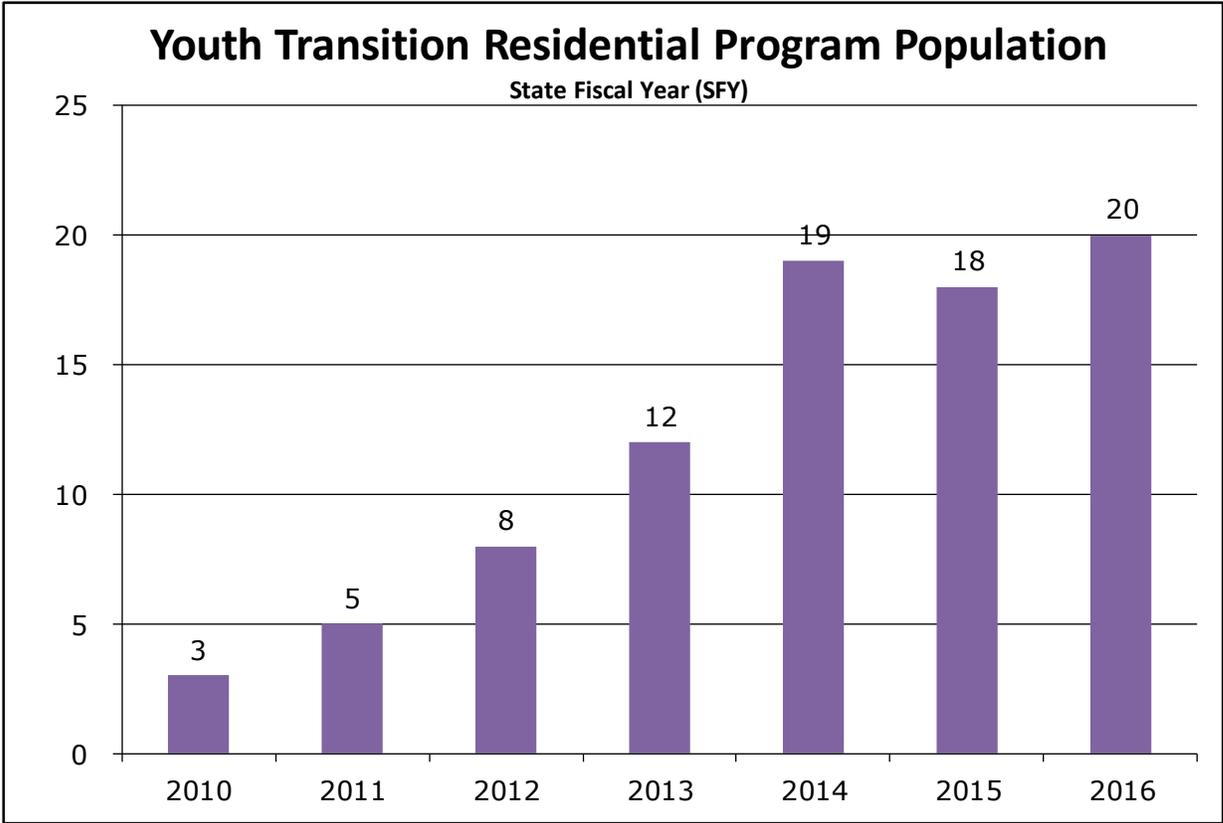
## LSTC "Traditional Services" Adult Population 2000-2016 Achievements by Transition Targets



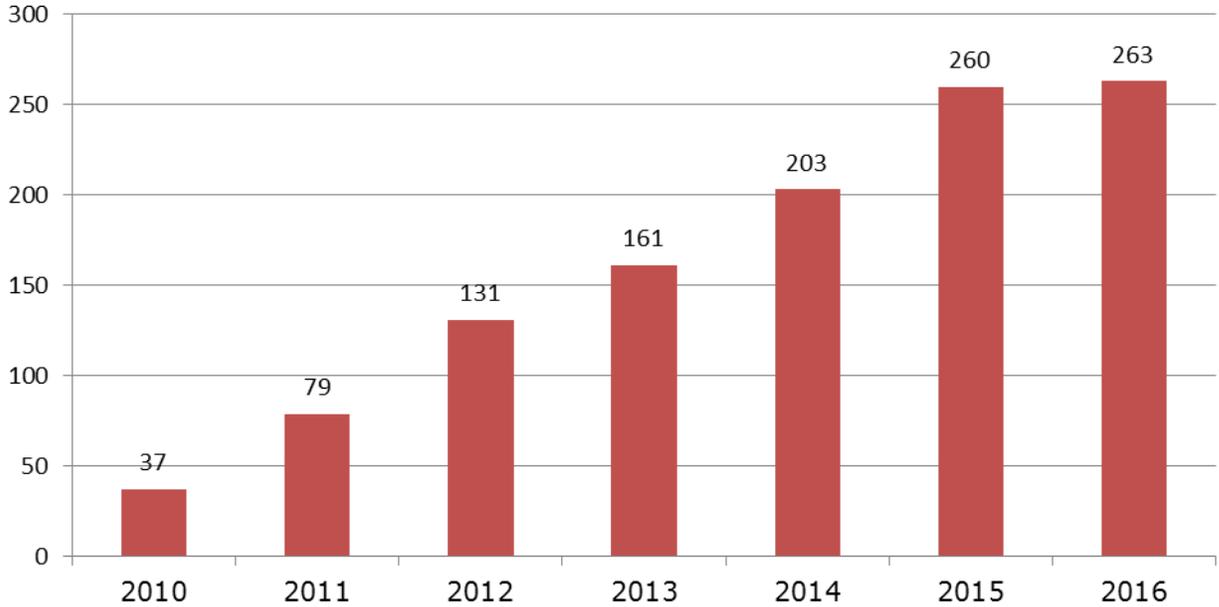
## Secure Residential Program Populations



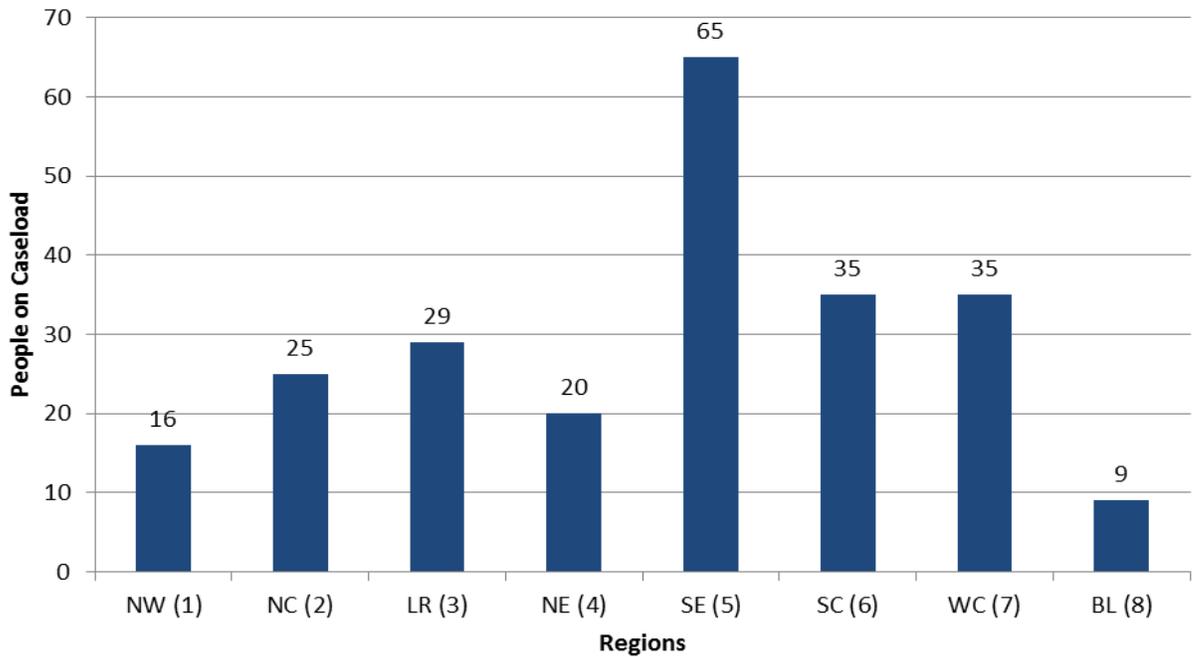




**LSTC Developmental Disability  
Behavioral Health Service Caseload  
Statewide (non-Campus) Services - Calendar Year**



**LSTC 2016 Developmental Disability  
Behavioral Health Service Caseload by Region  
Statewide LSTC Services by Calendar Year**



## DAKOTA EAST

Dakota East provides several Day Habilitation opportunities for individuals who reside at the Life Skills and Transition Center. Opportunities include prevocational and vocational training, leisure and recreational activities, and sensory and music activities. Our prevocational and vocational training include opportunities in the community. The goal of Dakota East is to create and provide productive and meaningful work that supports the interests, abilities and preferences of the individuals we serve.

Dakota East maintains 11 community worksites that provide employment and community integration opportunities for people that reside at the LSTC. We also operate the Dakota East Trophy and Engraving Store, located on Main Street in Grafton. The 2nd Time Around Thrift Store, owned by the Grafton Christian Ministerial Association, is managed by individuals who live at the LSTC.

<b>Dakota East Work</b>	
<b>Business</b>	<b>Type of Service Provided</b>
Dakota East Trophy & Engraving	Janitorial Service
Polly's Lounge	Janitorial Service
Marketplace on 8th	Janitorial Service
Carnegie Library	Janitorial Service/Yard Work
Agri Max	Janitorial Service
Migrant Health	Janitorial Service
Data Dynamics Inc.	Janitorial Service
NDDOT	Janitorial Service
Second Time Around	Store Manager Duties
Chamber of Commerce	Janitorial Service
Marvin Windows and Doors	Janitorial Service / Window Part Assembly
Walsh County C.C.	Food Service Delivery
Kadrmass Lee and Jackson	Survey Stakes
Hugo's (Less than 20 Hours)	Stocking Products
<b>Aluminum Can Recycling</b>	
Polly's Lounge	Can Recycling Pick Up Route
Marketplace on 8th	Can Recycling Pick Up Route
Marvin Windows and Doors	Can Recycling Pick Up Route
Unity Hospital	Can Recycling Pick Up Route
Hill's Inc.	Can Recycling Pick Up Route
Friendship Inc.	Can Recycling Pick Up Route
Extra End	Can Recycling Pick Up Route
Grafton Lutheran Church	Can Recycling Pick Up Route
Jr.'s Bar	Can Recycling Pick Up Route

<b>Dakota East Trophy &amp; Engraving</b>	
<b>Business/Organization</b>	
12th Street Bowl	Bowling Awards
3-6-9 Bowl REM, ND	Bowling Awards
Grafton Chamber of Commerce	Chamber Awards for Seasonal Events
City Of Grafton	Office Signage and Awards
1st United Bank	Office Signage and Awards
Friendship	Office Signage and Awards
Grafton Youth Hockey	Hockey Awards
Grafton High School	Awards for all Activities
Grafton Youth Basketball	Basketball Awards
Golden Gloves Boxing	Boxing Awards
Grafton Parks and Recreation	Office/Building Signage and Awards
Grafton Floral	Plates for Memorial Trees
Kieley Electric	Discriptive Plates for Electric Projects
KXPO Radio	Awards for Events Sponsored by KXPO
Letter Perfect Signs	Wholesale Signage for Resale
Migrant Health	Office/Building Signage and Awards
Morgan Publishing	Wholesale Signage for Resale
North Valley Vo. Tech	Office/Building Signage and Awards
Northern Lights Archery	Archery Awards
Strand Theater	Save Our Strand Chair Fund Raiser
Lutheran Sunset Home	Office/Building Signage and Awards
Unity Hospital	Office/Building Signage and Awards
Walsh County Social Services	Office/Building Signage and Awards

<b>LSTC Volunteer Sites, Events and Affiliations</b>	
<b>Business/Organization</b>	
<b>Aktion Club (Marketplace Mtgs.)</b>	<b>Fund Raisers for Scholarships, Park Equipment etc.</b>
<b>Chamber of Commerce</b>	<b>Flyers, events set up, volunteers</b>
<b>The EDGE</b>	<b>Cleaning</b>
<b>St. Johns Catholic/Food Pantry</b>	<b>Clean and Stock Shelves, Pick up and Drop off</b>
<b>Golden Gloves Boxing</b>	<b>Hanging Flyers</b>
<b>Grafton Lutheran Church</b>	<b>Hanging Flyers, kids day in the park</b>
<b>Heritage Village</b>	<b>Fundraisers, events, hang flyers, helpers, Board Membership</b>
<b>Carnegie Regional Library</b>	<b>Putting books away, straightening</b>
<b>Lutheran Sunset Home</b>	<b>Musical Program, Church, Bird Feeders, Adopt a Grandparent</b>
<b>Meals on Wheels (Grafton Armory)</b>	<b>Deliver Meals to Seniors in Grafton</b>
<b>Our Saviors Lutheran Church</b>	<b>Raffle Tickets, Bazaar</b>
<b>Grafton Parks and Rec</b>	<b>City Wide Cleanup and Park Projects</b>
<b>Walsh County Relay for Life</b>	<b>Relay for Life fill Luminaries</b>
<b>Walsh County Food Bank</b>	<b>Stocking and distributing Food items</b>
<b>Save Our Strand</b>	<b>Cleaning and Fund Raisers</b>
<b>Second Time Around</b>	<b>Volunteer store duties</b>
<b>Shopping with Santa (Heritage)</b>	<b>Assist children holiday shopping</b>
<b>Kids Express</b>	<b>Reading</b>
<b>Valley Cruisers Car Club</b>	<b>Hang flyers, trophy presentation</b>
<b>Head Start</b>	<b>Donated School Supplies</b>
<b>Century Elementary (Spring for Kids)</b>	<b>Spring Thing For Kids, PTO Membership</b>
<b>Upper Valley (Volunteer presentation)</b>	<b>Presented to school getting involved Comm.</b>
<b>Domestic Violence</b>	<b>Hang flyers, Christmas and Easter for Kids</b>
<b>Grafton Police Department</b>	<b>Spring Thing For Kids, Marketplace for Kids</b>
<b>Migrant School</b>	<b>Activity packets and flyers, puppet show</b>
<b>Grafton High School</b>	<b>Marketplace for kids, Key &amp; Action Club</b>
<b>Red River Valley Community Action</b>	<b>Package food for delivery</b>
<b>Great Plains Rescue Mission</b>	<b>Deliver Clothing, Blankets etc., Christmas gifts to Children</b>
<b>Veteran's Home</b>	<b>Visits, seasonal cards</b>
<b>Borg Home</b>	<b>Musical Programs</b>
<b>St. Gianna's</b>	<b>Bulb project, infant items, mailings</b>
<b>Park River Bible Camp</b>	<b>Mailings</b>
<b>Park River Good Samaritan Center</b>	<b>Musical Programs</b>
<b>Park River Vet Clinic</b>	<b>Blankets</b>
<b>Park River Pregnancy Help Center</b>	<b>Baby Bottle Fundraiser, Infant Items</b>
<b>Bethal</b>	<b>Aktion Club Meetings</b>
<b>Step By Step</b>	<b>Social Group</b>

## Overview of Budget Changes

Description	2015-2017 Budget	Increase / (Decrease)	2017-2019 Executive Budget	House Changes	2017-2019 Budget To Senate
Salary and Wages	50,307,213	71,127	50,378,340	(492,035)	49,886,305
Operating	9,847,071	816,766	10,663,837	(500,000)	10,163,837
Grants					
<b>Total</b>	<b>60,154,284</b>	<b>887,893</b>	<b>61,042,177</b>	<b>(992,035)</b>	<b>60,050,142</b>
General Fund	30,184,268	(259,678)	29,924,590	(844,873)	29,079,717
Federal Funds	26,957,274	701,526	27,658,800	(135,479)	27,523,321
Other Funds	3,012,742	446,045	3,458,787	(11,683)	3,447,104
<b>Total</b>	<b>60,154,284</b>	<b>887,893</b>	<b>61,042,177</b>	<b>(992,035)</b>	<b>60,050,142</b>
Full Time Equivalents (FTE)	374.00	(23.57)	350.43		350.43

### Budget Changes from Current Budget to the Executive Budget:

The overall budget increase of \$887,893 can mainly be attributed to the following:

- \$1,222,727 in general fund needed to fund the Governor's compensation package for state employees.
- \$471,976 in total funds, of which all is general fund needed to sustain the employee increases approved by the last Legislative Assembly.
- The Salary Underfunding changed from \$738,652 to \$254,348, which is a net change of (\$484,304).
- A decrease of \$1,415,178 in Salaries and Wages including a decrease of 23.57 FTE due to an anticipated reduction in the average census from 60 to 55 Adults and 19 to 15 youth.
- Food and Clothing increased by \$64,162 due to providing services to younger population that experience growth spurts, require

different clothing for school, and meal plans geared for younger individuals, as well as anticipating an annual increase of 3%.

- \$50,516 increase in Buildings, Grounds and Vehicle Supply is due to an increased cost of materials necessary to repair buildings and maintain grounds based on annualizing current expenditures with an anticipated annual increase of 3%.
- Office Supplies increased by \$19,285 due to higher costs and purchasing materials for resale at the Trophy Shop and Dakota East, which accounts for majority of expenditures.
- \$39,420 decrease in Office Equipment and Furniture due to the Department-wide process used to develop the Department's savings plan.
- Utilities increased by \$613,079 based on actual usage and considering inflationary increases.
- Insurance decreased by \$37,607 based on guidelines issued by OMB and due to the fact that prior budget for risk premiums was inadvertently budgeted twice.
- Repairs increased by \$142,940 based on a 3% inflator per year to maintain and repair existing items.
- Operating Fees and Services increased by \$332,591 with majority of increase due to the Developmental Disabilities provider assessment billings.
- Medical, Dental, and Optical increased by \$338,809 due to providing services for individuals with an increasing level of acuity who require additional medication accommodations.
- Extraordinary Repairs decreased by \$692,633 based upon a reduction of one-time funding for heating plant repairs \$75,000, window replacement project \$44,000 and extraordinary repairs

\$573,633 included in the 2015-2017 budget offset by the 10% need calculation provided by OMB for the 2017-2019 budget.

- The general fund request decreased by \$259,678. The majority of the decrease is due to the Governor's compensation package, one-time and extraordinary repair projects and a change in other revenues.

### **House Changes from Executive Budget**

- The Department-wide FTE allocation would result in the reduction of eight FTE for the Life Skills and Transition Center resulting in a \$1,224,000 decrease in Salary and Wages, of which \$587,285 is general fund. The reduction of eight FTE will result in a projected decrease of \$840,361 in Salary and Wages. The House used an average of \$153,000 per FTE which is considerably higher than the average FTE cost at LSTC. Therefore, an additional \$383,639 in savings would be needed within the LSTC budget. The Department is unaware of how this savings would be realized.
- The 2017-19 Executive Budget included a reduction of 23.57 FTE at the LSTC. The reduction of eight additional FTE would consist of staff who provide direct services for people residing at the LSTC. This reduction of staff may result in health and safety issues which could impact LSTC's certification with the Centers for Medicare and Medicaid Services (CMS). The admissions for both adults and children with dangerous and destructive behaviors continues to increase. Upon admission, individuals have been more dangerous to others, property, themselves and have injured staff. This further reduction in FTE may reduce our ability to admit a person from the community who is in crisis as quickly as needed.

The reduction in FTE may also include staff who provide services to people residing in communities throughout North Dakota and are critical in moving people to community settings and helping local providers keep individuals in community settings. A decrease in staff resources in this area could result in an increased LSTC census.

- \$204,509 decrease in Salary and Wages, of which \$105,916 is general fund due to the House Amendments that removed funding for the anticipated retirement of 20 FTE in this area.
- \$102,274 decrease in Salary and Wages, of which \$53,705 is general fund due to the removal of the Fair Labor Standards Act Overtime funding. This may limit the ability of our program staff to provide the necessary hands on support to individuals which is required per CMS standards.
- \$185,252 decrease in Salary and Wages, of which all is general fund due to the elimination of the 1% salary increase that had been proposed for the second year of the biennium.
- \$250,000 general fund decrease in Operating expenses will result in an overall operating expense decrease of \$500,000 when federal matching funds are considered. The Department is uncertain of where additional operating savings can be realized as approximately 85% of the operating budget in this area consists of expenses the Department has very little control over, such as; travel for individuals residing at the LSTC, food, resident toiletries, Physical Plant Service Contracts, utilities, Provider Bed Assessment tax, pharmacy, and expenses from external healthcare providers.
- \$200,000 general fund decrease in Extraordinary Repairs. It is anticipated that this reduction will result in decreased spending in the following areas: parking lot repairs, window replacements, and asbestos removal.
- \$50,000 general fund decrease in Equipment Over \$5,000. It is anticipated this reduction will prohibit the purchase of the hot/cold well, resulting in the closure of the cafeteria line during the noon meal period if the current hot/cold well is no longer operational.

This concludes my testimony on the 2017-2019 Executive Budget for the Life Skills and Transition Center. I would be happy to answer any questions.