

NORTH DAKOTA LEGISLATIVE COUNCIL

Minutes of the

BUDGET COMMITTEE ON GOVERNMENT SERVICES

Tuesday, April 16, 2002
Roughrider Room, State Capitol
West Central Human Service Center
Bismarck, North Dakota

Representative Jeff Delzer, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Jeff Delzer, Ron Carlisle, Rachael Disrud, Mark A. Dosch, Frank Klein, Matthew M. Klein, Myron Koppang, Clara Sue Price, Dave Weiler, Robin Weisz; Senators Ralph L. Kilzer, Gary A. Lee, Judy Lee, Elroy N. Lindaas, Harvey Tallackson

Members absent: Representative James Kerzman; Senator Duaine C. Espegard

Others present: See attached appendix

It was moved by Senator Tallackson, seconded by Representative M. Klein, and carried on a voice vote that the minutes of the January 15, 2002, meeting be approved as distributed.

BUDGET MONITORING

Mr. Rod A. Backman, Director, Office of Management and Budget, presented a report on the status of the general fund. A copy of the information presented is on file in the Legislative Council office. Mr. Backman said the June 30, 2003, ending general fund balance is projected to be \$10.4 million, \$1.6 million less than the \$12 million ending general fund balance estimated at the close of the 2001 legislative session.

Mr. Backman said through March 31, 2002, general fund revenues are .7 percent or \$3.7 million more than the revised December 2001 revenue forecast and 4.1 percent or \$22.3 million more than the same period during the 1999-2001 biennium.

Mr. Backman said departmental collections for March 2002 were approximately \$2.3 million more than the December 2001 revised revenue forecast due in part to a one-time transfer of approximately \$2 million from the telecommunications carriers tax fund. He said annual telecommunications gross receipts tax collections above \$8.4 million are to be transferred to the general fund. A copy of the information presented is on file in the Legislative Council office.

In response to a question from Representative Delzer, Mr. Backman said it is difficult to project from year to year what the telecommunications gross receipts tax collections will be. He said if the annual collections are below \$8.4 million, the general fund is

statutorily obligated to pay the shortfall to the telecommunications carriers tax fund for payment to the counties.

In response to a question from Representative Delzer, Mr. Backman said the December 2001 revised revenue forecast for 2001-03 individual income tax collections is approximately \$3.8 million less than the March 2001 forecast.

In response to a question from Representative Delzer, Mr. Backman said as of February 2002 the consumer price index was up 1.1 percent from the same time one year ago and does not reflect the recent increases in gas prices.

In response to a question from Representative Price, Mr. Backman said the forecasted tobacco settlement collections have been gradually reduced since the 1998 settlement.

In response to a question from Senator Tallackson, Mr. Backman said the financial institutions tax collections have been consistent from year to year; however, the month-to-month collections are difficult to predict due to varying required filing dates.

In response to a question from Representative Carlisle, Mr. Backman said the Governor's recommended budget guidelines for the 2003-05 biennium require agencies to submit a 95 percent budget. He said this is due to the state's economy not growing as fast as previously experienced. He said previous bienniums have ended with a \$60 million to \$85 million general fund balance and these balances exceeded forecast by \$50 million to \$60 million. Mr. Backman said that extra \$50 million to \$60 million is not expected at the start of the 2003-05 biennium.

In response to a question from Representative Delzer, Mr. Backman distributed a copy of the March 2000 general fund revenues which show that revenue collections at that time were \$14.3 million above the 1999 legislative forecast and the projected June 30, 2001, ending general fund balance was \$43.7 million.

In response to a question from Senator Lindaas, Mr. Backman said mineral leasing fees collections generally track with oil and gas production tax collections. He said actual collections through March 2002 have been approximately \$416,000 less than the December 2001 revised forecast and approximately

\$754,000 less than through the same time period in 2001.

In response to a question from Representative Price, Mr. Backman said he is uncertain if a reduction in the number of state employees will be a result of the 95 percent budget requirement. He said some state agencies may decide to reduce FTE positions in order to meet the 95 percent budget requirement, which can probably be accommodated by vacant positions or staff turnover.

Ms. Roxanne Woeste, Fiscal Analyst, Legislative Council, presented a memorandum entitled *Oil Production, Oil Market Price, and Oil Tax Revenue Information for the 2001-03 Biennium*, which provides information on the statutory provisions relating to oil and gas gross production tax, oil extraction tax, the permanent oil tax trust fund, and information on oil production and oil market prices. Ms. Woeste said through February 28, 2002, general fund revenues from oil and gas production taxes are \$3.1 million below estimates. She said general fund revenues from the oil extraction taxes are \$2.4 million below estimates for the same period.

Ms. Woeste said in March 2002 the average price per barrel of oil was \$19.40, \$1.78 less than the forecasted price of \$21.18 per barrel. She said oil production in February 2002 totaled 2,403,003 barrels, 189,713 barrels less than estimated production of 2,592,716 barrels. She said through March 2002, 24 oil wells have been drilled in calendar year 2002, 22 of which are producing wells. She said the average number of oil rigs in North Dakota in March 2002 was eight.

In response to a question from Representative Delzer, Ms. Woeste said based on the December 2001 revenue forecast, oil and gas production tax and oil extraction tax collections are anticipated to exceed \$62 million in April or May 2003. She said collections in excess of \$62 million are transferred to the permanent oil tax trust fund.

Mr. Allen H. Knudson, Assistant Legislative Budget Analyst and Auditor, Legislative Council, presented a report on agency compliance with legislative intent for the 2001-03 biennium. Mr. Knudson said the report contains information gathered by the Legislative Council fiscal staff during visitations with agency administrators and fiscal personnel in early 2002. Mr. Knudson said the report contains information on agency compliance with legislative intent, agency changes, budget concerns, staffing changes, and other areas of legislative interest regarding the agency operations and appropriations. In addition, the report includes several analyses of special funds, including the projected June 30, 2003, special funds balances, as compared to the projection made at the close of the 2001 legislative session.

Representatives Carlisle and Weiler and Senator J. Lee asked the Legislative Council staff to provide an update regarding the sale of land and the maintenance shop building by the State Water

Commission, including how the existing shop property will be listed for sale and the replacement property the State Water Commission is considering for a new shop building.

Senator J. Lee said there have been some unnecessary delays in the assumption of Section 404 of the Clean Water Act. She said it is important for North Dakota to proceed with the Section 404 program.

In response to a question from Representative Delzer, the legislative budget analyst and auditor said North Dakota Century Code (NDCC) Section 54-16-04.1 allows for the Emergency Commission and the Budget Section to approve federal funds which were not anticipated by the previous Legislative Assembly.

Chairman Delzer asked the Legislative Council staff to report at a future meeting regarding projected 2001-03 biennium state agency deficiency appropriation requests.

Mr. Knudson presented a memorandum entitled *Department of Human Services - Status of Select Grant Program Expenditures*. The report compares actual to projected expenditures for temporary assistance for needy families (TANF), medical assistance, service payments for the elderly and disabled (SPED), and expanded SPED. He said TANF expenditures through February 2002 were \$9.4 million, \$1.3 million more than estimated expenditures of \$8.1 million. He said in November 2001 the Department of Human Services increased its projected Medicaid expenditures for the biennium by \$30 million, \$14.4 million from the general fund. He said since December 2001 actual general fund expenditures have been \$934,000 less than the November projections. He said as a result, the department currently anticipates the general fund share of Medicaid costs for the biennium to be \$13.5 million more than was appropriated by the 2001 Legislative Assembly.

Mr. Knudson said through February 2002 the Department of Human Services has spent \$4.2 million on the SPED program, \$400,000 more than estimated expenditures of \$3.8 million. He said through February 2002 actual expenditures for the expanded SPED program were \$392,000, \$48,000 more than estimated expenditures of \$344,000.

Mr. Joe R. Morrisette, Senior Fiscal Analyst, Legislative Council, presented a memorandum entitled *Status Report on State School Aid and Other Major State Grants to School Districts*. Mr. Morrisette said the total 2001-03 biennium appropriation for state school aid and other major state grants to schools is \$630,010,368, approximately \$48 million more than the 1999-2001 biennium appropriation. He said the per student state school aid payment amounts for the first and second years of the 2001-03 biennium are \$2,587 and \$2,647, respectively. Mr. Morrisette said primarily due to the number of students being less than estimated, approximately \$715,289 is currently estimated to be unspent at the end of the 2001-03 biennium in the

state school aid program. He said 2001 House Bill No. 1344 provided that if any funds appropriated for state school aid remain unspent at the end of the 2001-03 biennium, the Superintendent of Public Instruction shall distribute the remaining funds as follows:

1. The first \$2 million to assist school districts that have experienced declining enrollments during the periods 1997-98 to 2000-01.
2. The second \$2 million as hold harmless payments to school districts for state aid and teacher compensation payments.
3. Any remaining amount as additional per student payments.

Mr. Morrisette said the 2001 Legislative Assembly appropriated \$35 million for teacher compensation payments of \$1,000 the first year of the 2001-03 biennium and an additional \$2,000 the second year to approximately 8,884 FTE instructional personnel. He said due to changes in the actual number of qualifying personnel from year to year, approximately \$392,000 in teacher compensation payments is anticipated to be unspent at the end of the 2001-03 biennium. Mr. Morrisette said 2001 House Bill No. 1344 provides that any end-of-the-biennium undistributed balance in the teacher compensation payment appropriation will be distributed as additional per student payments.

The Legislative Council staff presented a memorandum entitled *Comparison of Estimated and Actual FTE Positions, Expenditures, Revenues, and Populations at Charitable and Penal Institutions for the Period of July 1, 2001, Through December 31, 2001*. The Legislative Council staff said total expenditures at the charitable and penal institutions for this period were \$39,746,174, \$2,099,408 or 5 percent less than estimated. Total revenues for this same period were \$12,373,946, \$2,387,499 or 16.2 percent less than estimated. The total population for this period averaged 1,657.27, 62.73 individuals or 3.6 percent less than estimated. The average monthly FTE employee positions for these institutions totaled 1,516.62, 96.56 FTE positions or 6 percent less than authorized.

Senator J. Lee asked for an update at the next Budget Committee on Government Services meeting on the establishment of a traumatic brain-injured (TBI) unit in western North Dakota and the closure of the TBI unit at the State Developmental Center.

Chairman Delzer requested an update at the next Budget Committee on Government Services meeting on medical, dental, and optical expenditures at the State Hospital in comparison to budgeted estimates and increasing Medicaid expenditures.

RISK-ASSOCIATED BEHAVIOR PROGRAMS

Tobacco Settlement Trust Fund Collections

The Legislative Council staff presented a report on tobacco settlement trust fund collections for the 2001-03 biennium. The Legislative Council staff said as of April 15, 2002, \$60.2 million has been received by the state and deposited in the tobacco settlement trust fund. During the first nine months of the 2001-03 biennium, \$7.3 million of tobacco settlement collections have been received by the state. Tobacco settlement trust fund collections are allocated among the community health trust fund (10 percent), the common schools trust fund (45 percent), and the water development trust fund (45 percent) pursuant to NDCC Section 54-27-25.

Community Health Grant Program

At the request of Chairman Delzer, Dr. Terry L. Dwelle, State Health Officer, State Department of Health, presented a report on the status of the implementation of the community health grant program, pursuant to Section 2 of 2001 Senate Bill No. 2380. A copy of the information presented is on file in the Legislative Council office. Dr. Dwelle said the purpose of the community health grant program is to prevent and reduce tobacco usage in North Dakota by strengthening North Dakota community-based public health programs and assisting public health units and communities across the state. He said the role of the Community Health Grant Program Advisory Committee is to advise the State Department of Health on program implementation. Dr. Dwelle said the advisory committee held meetings on January 28, 2002, and March 6, 2002. He said the committee has developed the grant application process and grant guidance. He said based on the advice from the Attorney General's office, the State Department of Health has determined that any community health grant program funds that are unused or unapplied for can be reallocated based on population.

Dr. Dwelle said an April 30, 2002, grant application deadline and a June 30, 2002, grant approval deadline has been established for community health grants. He said an additional application deadline of August 30, 2002, and corresponding grant approval deadline of October 30, 2002, have been established for funds not allocated in the original grant process.

At the request of Chairman Delzer, Ms. Kathleen Mangskau, Tobacco Prevention and Control Program Administrator, State Department of Health, presented additional information on activities and expenditures related to the community health trust fund and progress on implementation of the community health grant program. She said as of April 15, 2002, \$486,522 has been spent from the community health trust fund. She said there have been some barriers to implementation of the community health grant program. She said most of the local public health

units do not have existing tobacco prevention and control programs and are seeking additional guidance and technical assistance in developing a local program. She said the State Department of Health has five FTE tobacco program positions. She said these positions are funded from the Centers for Disease Control and Prevention (CDC) grant.

Ms. Mangskau said beginning on June 1, 2002, the annual CDC tobacco grant of \$1.1 million will change from a \$1 state to \$10 federal "hard" or "soft" match requirement to a dollar-for-dollar "hard" match requirement. She said 2001 Senate Bill No. 2380 allocated the tobacco settlement funds primarily to the local public health units; thus, there are no funds available at the state level for this match. She said the matching funds will have to be provided from the local public health units and must follow the same requirements as the CDC grant funds.

Ms. Mangskau said over the next few months the Community Health Grant Program Advisory Committee will be monitoring the implementation of the community health grant program and developing recommendations for legislation to improve the program. She said the advisory committee would like the opportunity to present these recommendations to the Budget Committee on Government Services at a future meeting.

In response to a question from Senator Kilzer, Ms. Mangskau said as tobacco prevention control administrator she administrates the CDC tobacco grant funds as well as the tobacco prevention and control program.

In response to a question from Representative Delzer, Ms. Mangskau said the CDC grant has separate rules and requirements than the tobacco prevention settlement funds.

In response to a question from Representative Price, Ms. Mangskau said the \$1.88 million allocated in 2001 Senate Bill No. 2380 from the community health trust fund for county tobacco prevention programs includes an allocation of \$5,000 for each county with less than 10,000 residents. She said based on a response from the Attorney General's office regarding provisions of 2001 Senate Bill No. 2380, the State Department of Health cannot distribute the \$5,000 to small population counties until a corresponding grant application has been received. She said she would provide information received from the Attorney General's office to the committee members.

In response to a question from Representative Price, Ms. Mangskau said the State Department of Health received notice from the CDC of the change in matching requirements on December 23, 2001. She said the CDC has indicated it would change to a one-to-one match requirement for the current fiscal year despite the fact that the change occurred after state budgets were finalized.

In response to a question from Representative Price, Ms. Mangskau said the State Department of Health has \$132,000 of CDC funds which will be combined with local public health unit funds for a statewide tobacco countermarketing campaign.

In response to a question from Representative Delzer, Ms. Mangskau said if the community health trust fund money is not allocated or spent, it will remain in the trust fund.

In response to a question from Representative Carlisle, Ms. Arvy Smith, Deputy State Health Officer, State Department of Health, said funding from the community health trust fund and the CDC has significantly increased the State Department of Health's overall budget for tobacco prevention. She said, however, the CDC funding can only be used to implement the community health grant program as provided in 2001 Senate Bill No. 2380 to the extent that the CDC requirements are met. She said there needs to be an infrastructure at both the local and state level to administer the community health grant program. She said there are some local public health units that do not have sufficient staffing to administer the program.

In response to a question from Representative Delzer, Ms. Mangskau said the CDC changed the matching requirements from an in-kind match to a dollar-for-dollar match, which means the funds used by the local public health units for the match must meet the requirements of the CDC grant. She said as an example, CDC funds and the related matching dollars cannot be used for local tobacco cessation programs. Ms. Mangskau said because of the dollar-for-dollar match requirement some of the local public health units have indicated they may turn back the CDC funds, which would also reduce funding available for the salaries of the state tobacco prevention employees.

In response to a question from Representative Price, Ms. Mangskau said it is her understanding the CDC match is 1 to 10 for those states without dedicated tobacco prevention and control funding.

In response to a question from Representative Carlisle, the legislative budget analyst and auditor said the Budget Committee on Government Services can propose statutory changes to the community health grant program and consider any recommendations from the Community Health Grant Program Advisory Committee.

RECRUITMENT AND RETENTION BONUS PILOT PROGRAM

Chairman Delzer called on Mr. Ken Purdy, Acting Director, Central Personnel Division, who presented a report regarding the implementation, progress, and bonuses provided under the bonus pilot program established in Section 1 of 2001 House Bill No. 1120. A copy of the information presented is on file in the Legislative Council office. Mr. Purdy said as of

April 15, 2002, seven agencies have adopted policies for recruitment and/or retention bonuses, including the Department of Human Services, Department of Transportation, Information Technology Department, Bank of North Dakota, Department of Corrections and Rehabilitation, Highway Patrol, and Job Service North Dakota. He said 50 recruitment and retention bonuses have been given to state employees since the legislation became effective. He said NDCC Section 54-06-31, relating to recruitment and retention bonuses, expires on June 30, 2003. He said several agencies have found recruitment and retention bonuses to be an effective tool for recruiting individuals in difficult to fill occupations. He said the Central Personnel Division recommends that the expiration date of June 30, 2003, be extended or removed to allow this option to remain available for agency employment strategies. He said in addition, the Central Personnel Division suggests removing the limitation of providing bonuses to only "classified state employees." Testimony from agencies participating in the bonus and recruitment program were distributed to committee members and is on file in the Legislative Council office.

Chairman Delzer requested the Legislative Council staff prepared a bill draft to extend the recruitment and retention bonus pilot program until June 30, 2005.

STATUS OF CAPITAL CONSTRUCTION BONDING

At the request of Chairman Delzer, Ms. Karlene Fine, Executive Director and Secretary, Industrial Commission, presented a status report on capital construction bond payments, as compared to the statutory sales tax limitation, and outstanding debt balances, including an analysis of the various types and corresponding balances of capital construction bonds issued. A copy of information presented is on file in the Legislative Council office. Ms. Fine said there are four types of bonds authorized in statute--general obligation bonds, moral obligation bonds, appropriation bonds, and revenue bonds. She said North Dakota currently has no outstanding general obligation bonds. She said the Municipal Bond Bank has issued moral obligation bonds and is required to maintain a reserve fund equal to the maximum annual debt service on all outstanding bonds. She said the State Water Commission has issued appropriation bonds, with the primary source of repayment being appropriations from the Legislative Assembly. She said revenue bonds have been issued by the North Dakota Building Authority, North Dakota University System, Housing Finance Agency, Industrial Commission for the student loan program and lignite research program, and the State Water Commission. She said revenue bonds are payable solely from revenues from a specific source or from pooled revenues from various sources and are not general obligations of the state.

Ms. Fine said the general fund portion of bond payments are limited by statute to 10 percent of the equivalent of 1 percent sales, use, and motor vehicle excise tax. She said based upon the March 2001 legislative revenue forecast, the amount available for debt service is \$753,763 for the 2001-03 biennium, \$303,099 for the 2003-05 biennium, and \$184,972 for the 2005-07 biennium. She said sales tax collections beyond the 2001-03 biennium are based on 4 percent increases each subsequent biennium.

In response to a question from Representative Delzer, Ms. Fine said based upon the December 2001 revised revenue forecast, the 2005-07 amount available for debt service would be approximately \$50,000 less than based on the 2001 legislative revenue forecast, or \$134,972.

In response to a question from Representative Delzer, Ms. Fine said the moral obligation bonds are issued by the Municipal Bond Bank for political subdivisions and there never has been a default on one on these bond issues. She said there is a reserve set up to cover the moral obligation bonds; however, if a political subdivision were to default on these bonds, it would reflect on the state of North Dakota.

TOUR

The committee traveled to the West Central Human Service Center. Mr. Tim Sauter, Regional Director, West Central Human Service Center, welcomed the committee to the center. Mr. Sauter reviewed the mission of the center and provided an overview of services and the budget of the West Central Human Service Center. Mr. Sauter said the center served 5,394 individuals during calendar year 2001. Mr. Sauter said the 2001-03 biennium appropriation for the West Central Human Service Center is \$18,748,285, \$8,280,431 of which is from the general fund.

In response to a question from Representative Delzer, Mr. Sauter said the West Central Human Service Center provides services to 150 individuals from outside Region VII. He said Region VII includes a 10-county area.

In response to a question from Representative Price, Mr. Sauter said the 2001-03 general fund appropriation to the West Central Human Service Center is approximately \$970,000 more than the 1999-2001 biennium general fund appropriation. He said the increase is due primarily to the employee salary package and the replacement of partnership program funding.

Ms. Sandy Gustin, Program Director for Specialized Child and Family Services, West Central Human Service Center, provided information on programs for adolescent addiction and intensive in-home services, which include parent aid services. She said during calendar year 2001 the center completed addiction evaluation on 75 males and 59 females, and the average age was 15.75 years. She said the drugs of

choice for the youth were alcohol, marijuana, and methamphetamine.

Ms. Dawn Krieger, Program Administrator of the Partnerships Program, West Central Human Service Center, presented information regarding services to children with serious emotional disorders. She said the "single plan of care" is a pilot project to improve coordination with other agencies to lessen the duplication of children's services. She said since the partnerships program began in 1995 inpatient hospitalization among children has decreased by 90.6 percent. She said the Manchester House residential treatment center provided treatment to 19 children during calendar year 2001, with an average age of 10.1 years.

In response to a question from Representative Delzer, Ms. Krieger said the agency that takes the lead in the single plan of care project is determined by the specific needs of the child or family or where the individual entered the system.

In response to a question from Representative Delzer, Ms. Krieger said the Manchester House is licensed for eight children and the length of stay is based upon the child's illness diagnosis.

Ms. Rita Weisz, Regional Supervisor of County Social Service Programs, West Central Human Service Center, provided information on child welfare services. Ms. Weisz said despite the 6 percent drop in the number of children under the age of 18 from 1990 to 2000, the number of child abuse/neglect reports and the number of children entering the foster care system has remained constant within Region VII.

In response to a question from Senator J. Lee, Ms. Weisz said there is a high percentage of foster parents who end up adopting children and as a result they want to take time off from being a foster parent, which results in a constant need for recruiting additional foster parents.

Ms. Mary Lee Steele, Director of the Acute Care Unit, West Central Human Service Center, provided information on mental health services to children and adults. Ms. Steele said the acute care unit has eight therapists on staff and provided 5,864 hours of therapy in calendar year 2001. She said children and adults are treated for abuse, neglect, sexual abuse, domestic violence, and various degrees of emotional illness. She said the acute care unit staff also provides services four evenings a week.

Dr. Christine J. Kuchler, Director of Psychological Services, West Central Human Service Center, provided information on evaluation and consultation services provided by the West Central Human Service Center. She said there was a 38 percent increase in parental capacity evaluations in 2001 as compared to 2000 and a projected 86 percent increase in 2002 as compared to 2001. She said the primary reason for the increase in evaluation referrals is due to the requirements of the Adoption and Safe Families Act. She said the center is projecting a 92 percent

increase in sexual offender evaluation referrals from courts and probation officers, as compared to the average for the previous two years. She said the center is expecting an increase in child evaluation referrals during 2002 due to increased demands for services to children with serious emotional disorders. She said the center is coping with increased demands by offering standby appointments.

Mr. Harry Miller, Developmental Disabilities Program Administrator, West Central and Badlands Human Service Centers, provided information on developmental disabilities case management services. Mr. Miller said in 1980, 181 individuals from Region VII were institutionalized in San Haven and the Grafton State School. He said in 2002, 22 individuals from Region VII are institutionalized at the State Developmental Center. He said as of April 1, 2002, 703 individuals in Region VII are being provided developmental disability case management, as compared to 668 on April 1, 2001. He said there is an increasing number of developmentally disabled adults receiving individualized support within their own apartments. He said to meet this need the West Central Human Service Center has partnered with Burleigh County Housing to provide three duplexes serving 15 individuals, two 4-plexes serving nine individuals, and one duplex, in the process of construction, to serve five individuals with severe physical handicaps.

In response to a question from Senator J. Lee, Mr. Miller said the duplex being built is a new facility.

In response to a question from Representative Disrud, Mr. Miller said the increasing number of developmentally disabled individuals within their own apartments as opposed to a group home setting is a state-wide trend.

Ms. Linda Kosel, Program Administrator of the Regional Intervention Services Unit, West Central Human Service Center, provided information on screening and outreach services provided by the center. Ms. Kosel said in 2001 the center had 200 initial clinical appointments scheduled per month. She said there were 241 screenings in 2001 for admission to the State Hospital. She said referrals are received in collaboration with courts, hospitals, jails, and the State Penitentiary. She said approximately 1,000 afterhour crisis line calls have been received each year for the past three years. She said outreach services are provided at the Hazen office.

In response to a question from Representative Delzer, Ms. Kosel said the domestic violence support group in Turtle Lake provides services to individuals in conjunction with the Women's Resource Action Center in Washburn.

In response to a question from Representative Delzer, Ms. Kosel said there is an approximate 25 to 30 percent client "no show" rate for scheduled appointments and screenings.

Mr. Bruce Carlson, Director of Adult Addiction Services, West Central Human Service Center,

presented information on services to adults with addiction problems. Mr. Carlson said there is an average of 85.5 addiction evaluation requests per month received by the center. He said there is a growing number of clients diagnosed with both mental health and addiction problems. He said the Heritage Long-Term Residential Facility received its first patient in September 2001. He said this facility serves individuals with chronic addictions from throughout North Dakota. He said the facility is funded with federal block grant money and developed as a result of downsizing the State Hospital.

Judge Bruce Haskell, South Central Judicial District Court, presented information on the adult drug court. Judge Haskell said the adult drug court began in January 2001. He said as of April 18, 2002, there will be 22 individuals within the program. He said the program provides supervision, chemical testing, and treatment services. He said the individuals are required to meet weekly with the judges. He said the individuals in the adult drug court program previously have been in treatment services and/or incarcerated. He said 70 to 75 percent of individuals who complete the drug court have no recurring problems. He said the program allows individuals to continue to work, attend school, or provide community service. Judge Haskell said he and Judge Gail Hagerty would like to expand the program to 30 to 35 individuals. He said there is also a juvenile drug court in Fargo.

In response to a question from Representative Disrud, Judge Haskell said the adult drug court is a lower cost treatment alternative to incarceration.

In response to a question from Representative Delzer, Judge Haskell said he would like to see the adult drug court expanded to other areas of the state.

In response to a question from Representative Carlisle, Judge Haskell said 2001 House Bill No. 1218 authorized a drug court program for repeat driving under the influence offenders and "sunsets" on July 1, 2003. He said a bill will be introduced to remove the "sunset" provision.

Senator J. Lee said the youth drug court program in Region V has been a success.

Ms. Lynn Grosz, Program Director for Community Base Services, West Central Human Service Center, provided information on services to adults with serious mental illness. She said there is an increasing demand for services for young adults who have a diagnosis of serious mental illness and substance abuse. She said there is an increasing number of clients of all ages having multiple diagnoses and medical problems. She said collaboration with other addiction and mental health providers has enabled the center to maximize its budget.

In response to a question from Representative Price, Ms. Grosz said the center does register low-income clients in prescription drug programs offered by pharmaceutical companies. She said the center

requires interim funding to assist patients until they are registered in the prescription drug programs.

Ms. Wanda Gier, Regional Administrator of the Bismarck Vocational Rehabilitation office, presented information on vocational rehabilitation consulting and services. She said the Bismarck Vocational Rehabilitation office assists individuals with disabilities to improve their employment opportunities and assists businesses in solving disability-related issues. She said the office served 1,438 clients in 2001. She said 80 percent of the clients are severely disabled, requiring multiple services for an extended period of time. She said the Bismarck Vocational Rehabilitation office initiated 248 employer contacts in 2001 and the goal is 250 for 2002. She said the Bismarck Vocational Rehabilitation office provides employers staffing assistance, financial incentives, and accessibility analysis and options.

In response to a question from Representative F. Klein, Ms. Gier said the Bismarck Vocational Rehabilitation office receives referrals for the program from several sources, including hospitals and schools.

In response to a question from Representative Price, Ms. Gier said employer contacts are generated through a variety of ways, including conference presentations and television, radio, and newspaper reports.

In response to a question from Representative Price, Ms. Gier said the Bismarck Vocational Rehabilitation office assists businesses in hiring new employees with disabilities and in accommodating an existing employee who has become disabled.

In response to a question from Senator Lindaas, Ms. Gier said vocational rehabilitation services are offered to individuals from the Indian reservations; however, the process to access the services may vary.

Ms. Cherry Schmidt, Regional Aging Services Program Administrator, West Central Human Service Center, presented information regarding services provided by the center to older adults. Ms. Schmidt said 4,179 unduplicated/eligible clients received Title III services in Region VII in 2001. She said these services include providing congregate and home-delivered meals and transportation services. She said there is a significant projected growth in the population over the age of 60 within Region VII in the next 10 to 15 years, with individuals 85 and older being the fastest growing age group. She said the West Central Human Service Center received 92 vulnerable adult protective services reports in 2001. She said 63 percent of the reports were of self-neglect.

In response to a question from Senator J. Lee, Ms. Schmidt said the center works with Legal Services of North Dakota, private attorneys, and, in some cases the Attorney General's office, in vulnerable adult cases.

In response to a question from Senator Kilzer, Ms. Schmidt said church nurses provide a valuable service to older Americans by identifying service needs before a crisis results.

The committee received testimony from clients of the West Central Human Service Center, including Mr. Robert Sergott who discussed his bipolar disorder and addiction to drugs and Mr. Curtis Reitz who discussed his alcohol addiction. Both testified how human service center programs have allowed them to successfully deal with their illness.

Ms. Georgia Schulz, President, West Central Human Service Center Advisory Committee, presented a report on the advisory committee. She said the committee includes 13 members from 10 counties within Region VII and meets every other month. She thanked the Budget Committee on Government Services members for coming to the West Central Human Service Center.

COMMITTEE DISCUSSION

Senator Kilzer said he is frustrated with the implementation of 2001 Senate Bill No. 2380. He suggested the committee receive testimony in Minot from local public health units, including the smaller health units. He said in addition, it would be interesting to hear from individuals who are attempting to quit smoking.

Representative Carlisle said it is important to streamline the tobacco prevention program funding process. He said the committee should consider providing tobacco settlement funds directly to the local public health units.

Representative Price said the committee may want to consider adding the CDC guidelines to the 2001 Senate Bill No. 2380 provisions. Chairman Delzer said a bill draft would need to be requested at the next meeting.

Representative Price said she would like the State Department of Health to prepare a timeline from the end of the 2001 Legislative Assembly to the beginning of the 2003 Legislative Assembly regarding the tobacco grant program implementation process.

Senator J. Lee said she would be interested in receiving data on smoking rates on reservations and clarification regarding the CDC required one-to-one hard match.

Representative Carlisle said it is his understanding that cigarettes all sold for as little as 44 cents a pack on the reservations. Representative Weisz said the cost of cigarettes is the No. 1 reason youth quit smoking.

Chairman Delzer said the committee will plan to discuss the community health grant program and review the state agency risk-associated behavior program survey during the next meeting in Minot.

Chairman Delzer said the Budget Committee on Government Services budget tour of the International Peace Garden, the North Central Human Service Center, and the State Fair is tentatively scheduled for July 10-11, 2002.

The committee adjourned subject to the call of the chair at 4:25 p.m.

Donald J. Wolf
Fiscal Analyst

Jim W. Smith
Legislative Budget Analyst and Auditor

ATTACH:1