



MINUTES

Department of Human Services Agency Review

As Amended 9/29/2011

First Meeting
2011 Interim
Wednesday, August 31, 2011

Room 413
State Capitol Building
Pierre, South Dakota

The first meeting of the interim Department of Human Services Agency Review Committee was called to order by Vice Chair Representative Jacqueline Sly at 9:00 a.m. (CDT), on Wednesday, August 31, 2011, in Room 413 of the State Capitol, in Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Jim Bradford, Phyllis Heineman, and Elizabeth Kraus; Representatives Peggy Gibson, Jenna Haggart, Larry Lucas, Melissa Magstadt, Tad Perry, Jacqueline Sly (Vice Chair), and Jim White. Senator Jean Hunhoff (Chair) was excused.

Staff members present included Clare Charlson, Senior Research Analyst; Sue Cichos, Principal Fiscal Analyst; Reuben Bezpaletz, Chief Analyst for Research and Legal Services; and Kris Schneider, Senior Legislative Secretary.

All the documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council (LRC). The committee documents are available at the LRC website at <http://legis.state.sd.us> under "Interim Information – Committee Documents." For the purpose of continuity, these minutes are not necessarily in chronological order. This meeting was web cast live. The archived web cast is available under "Interim Information – Minutes and Agendas."

Remarks from the Vice Chair

Representative Jacqueline Sly, Vice Chair, welcomed the officials from the Department of Human Services. She stated that Chair Hunhoff was unable to attend due to a work conflict.

Historical Perspective of the Sunset Process

Mr. Reuben Bezpaletz gave a historical perspective of the legislative sunset process and discussed a typical study plan for interim sunset committees.

Department of Human Services' Presentation

Ms. Laurie Gill, Secretary, stated that the primary mission of the Department of Human Services (DHS) is to promote the highest level of independence for all individuals, regardless of disability or disorder. The department has 557.4 full-time employees (FTE). Secretary Gill introduced the department personnel in attendance, including John Hanson, Director of Budget and Finance; Dan Lusk, Director of the Division of Developmental Disabilities; Ted

Williams, Director of the South Dakota Developmental Center; Grady Kickul, Director of the Division of Rehabilitation Services; Gaye Mattke, Director of the Division of Service to the Blind and Visually Impaired; and Eric Weiss, Assistant Director of the Division of Service to the Blind and Visually Impaired.

A copy of the DHS presentation was distributed to the committee (**Document 1**).

Secretary Gill provided a brief history of the department's structure, guiding principles, and goals. She noted that, as part of the new administration's executive reorganization, which occurred in April 2011, 648 FTE were moved from DHS to the Department of Social Services. The department's motto, "CHOICES" (Community, Hope, Opportunity, Independence, Careers, Empowerment, Success), describes its mission.

Office of the Secretary

The Office of the Secretary includes the Office of Budget and Finance and the Office of Legal Services. The DHS serves four types of people: those who have a developmental disability, those who have a disability, those who are blind or visually impaired, and those who are deaf or hard of hearing. For FY2012, the community-based programs' projected number of clients is 27,461 (Rehabilitation Services – 20,874; Developmental Disabilities – 4,926; and Service to the Blind and Visually Impaired – 1,661). The facility-based program is located at the South Dakota Developmental Center in Redfield and has an average daily census of 144 clients. The five-year average of staff turnover within the department is 15.42%, which is a little higher than the overall state government average of 11.88%. Secretary Gill reported that over the past ten years under the old structure, the DHS had 21 risk management claims of which only one is still open. Under the current structure there are no claims open.

In response to questions regarding the risk management claims, Secretary Gill stated they will provide a list of the claims to the committee. If available, they will also include information for the community support providers (contract services).

Office of Budget and Finance

Mr. John Hanson, Director, reviewed the major changes in DHS's budget and FTEs over the past ten years. The department's FY2012 budget is \$158,231,804 which includes \$54,949,652 General Funds (34.7%); \$99,974,366 Federal Funds (62.3%); and \$3,307,786 Other Funds (2.1%). The total budget by division is Developmental Disabilities - \$108,667,083 (68.7%); SD Developmental Center - \$23,935,465 (15.1%); Rehabilitation Services - \$21,277,437 (13.4%); Services to the Blind and Visually Impaired - \$3,091,523 (2%); and Secretariat - \$1,260,296 (.8%).

The Office of Budget and Finance has 9 FTE. They provide financial expertise to the department and divisions to fulfill their missions and services. Mr. Hanson also provided information regarding locations of offices and number of staff located throughout the state.

Division of Developmental Disabilities

Mr. Dan Lusk, Director, provided an overview of the way services are developed and programs are administered, of home and community-based waivers, and how the system has changed over the years. The division has 18.5 FTE. There are 19 community support providers (CSPs) located throughout the state.

In response to a question regarding the reimbursement amount paid to CSPs, Mr. Lusk stated that individual reimbursement rates vary per person. They are based on a methodology that factors in many variables. The reimbursement rate is updated annually.

In response to a question regarding the length of time it takes for transition into the community, Mr. Lusk responded that the timing is dependent on the provider being available. Secretary Gill stated that they do not currently track the timeline but would be willing to take a look at it.

The committee recessed for lunch at 12:06 p.m. and reconvened at 1:20 p.m.

South Dakota Developmental Center

Dr. Ted Williams, Director, provided an overview of the history, services, and programs available at the Center. They have 395.6 FTE. The five-year average for staff turnover is 17.3%. The Center currently serves 140 individuals. In 1963, the Center served close to 1200 individuals. The average length of stay for an individual is 7.8 years, but most commonly individuals remain there for one to four years. Individuals are served in one of three different programs depending upon the level of support and supervision they require.

Division of Rehabilitation Services

Mr. Grady Kickul, Director, provided an overview of the services and programs. The division has 12 FTE in Pierre; eight in the state office and four in the district office. The division works with the Board of Vocational Rehabilitation and with the State-wide Independent Living Council. They assist individuals with employment, community living, disability determination, assistive technology services, and telecommunications and deaf services.

Services to the Blind & Visually Impaired

Ms. Gaye Mattke, Director, provided an overview of the division's services and programs. She noted that they also work to educate employers. They have 29.2 FTE. The division works with the Board of Services to the Blind and Visually Impaired. Visual aids were distributed to the committee (**Document 2**).

In response to a question about the School for the Blind & Visually Impaired, Ms. Mattke stated the school is operated by the Board of Regents.

In response to a question regarding cost of services, Ms. Mattke stated that counseling is free; the fees for all other devices and services are income-based. The division relies on SDCL 28-10-11 to determine eligibility. Independent living services require that individuals served meet financial need for all services, aids, and devices with the exception of rehabilitation teaching services provided by SBVI staff.

Committee Discussion

In response to Representative Gibson's question regarding the reason for the recent transfer of various divisions, boards, and councils from the DHS to the Department of Social Services, Secretary Gill noted that part of the reason is due to the tie between behavioral health and the Medicaid program and the fact that the state is better able to leverage federal funds if all the behavioral health programs are within one department.

In response to Chair Hunhoff's request that committee members visit their local community support providers, Representative Perry commented that he had visited Oahe, Inc. The staff there are concerned with the possibility of further funding cuts and asked that the Legislature be sensitive to this since it is a non-profit entity. They are also concerned with a law that was passed regarding abuse of elders, and that the law may have some unintended consequences. They also expressed concern with the accreditation process stating that it is very burdensome, especially with the current fiscal situation.

Representative Perry also commented on the new certification requirement that will require a four-year degree for deaf interpreters. He would like to see if there is something that could be done at the state level as there is already a shortage of interpreters.

Representative Gibson commented that the jobs performed by employees of the CSPs are very taxing and they are dealing with special needs individuals. She stressed that the legislature needs to avoid cutting these providers further.

Senator Bradford would like to know the percentage of the employees of the CSPs who are Native American, and also the percentage of the people being served by CSPs who are Native American. Secretary Gill stated that they have that data and would make it available to the committee.

Senator Kraus commented that she visited the Black Hills Workshop. She learned that they share a van with a local nursing home. She noted that perhaps other CSPs could develop similar partnerships in their own communities.

Representative Sly commented that she had visited three different CSPs in the Black Hills. One of their common concerns is that it is hard to plan for the future when funding is in questions. Another concern is staff retention.

Representative White commented that he had visited with some larger companies that work with minorities. The companies had high praise for the department and for their work with minorities.

Next Meeting Date

The next meeting will start on Thursday, September 29, 2011, at the South Dakota Developmental Center in Redfield and conclude on Friday, September 30, 2011, in Pierre.

Adjournment

Representative Gibson moved, seconded by Representative Magstadt, that the meeting adjourn. Motion prevailed on a voice vote.

The meeting adjourned at 4:02 p.m.

