



Ember Reichgott Junge, Vice President, Lutheran Social Service of Minnesota

Civic Caucus, 8301 Creekside Circle #920, Bloomington, MN 55437

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Present: Dave Beal, Janis Clay, Paul Gilje, Jim Hetland (phone), Sally Kemper, Dan Loritz, Wayne Popham (phone), Bob White.

Summary — Today's summary covers a Civic Caucus discussion with **Ember Reichgott Junge**, vice president and chief advancement officer at Lutheran Social Service of Minnesota (LSS), the state's largest human social services nonprofit serving more than 100,000 people annually. She is also president of the LSS Foundation. At Lutheran Social Service, Reichgott Junge has been a strong advocate for the redesign of social services offered by the state. She has also been a national leader in the redesign of public education, having authored the country's first law to create charter schools, passed in 1991 by the Minnesota Legislature.

Context for the Meeting - We invited Reichgott Junge largely to get her perspective on efforts to redesign government social services in Minnesota. LSS champions the proposition that state government must shift its model from one that provides risk-free social services to a more practical, consumer-directed model that brings in nonprofit social service organizations as partners. Driving this change, she argues, is both consumer choice, and an increasingly obvious reality: that the state cannot sustain its existing model for these services because it has become too expensive.

Welcome and Introduction - Paul welcomed and introduced **Ember Reichgott Junge**. She is a lawyer who served in the Minnesota State Senate from 1982 to 2000, representing New Hope and other northwest suburbs. As a legislator, she chaired the State Senate's Judiciary Committee, served as the DFL's Assistant Majority Leader and championed education issues and the prevention of family violence and child sexual abuse. She is a director of Citizens Independent Bank in St. Louis Park and the Washington, DC.-based Charter Schools Development Corp., a political analyst for Twin Cities Public Television's Almanac and KSTP's *At Issue with Tom Hauser*, a past chair of the Minneapolis Area Red Cross and a past president of the Minnesota Women's Political Caucus. In 2000, the Minnesota Charter School Law authored by Reichgott Junge was one of ten winners of the Innovations in Government Award sponsored by Harvard University's Kennedy School and the Ford Foundation.

Where Lutheran Social Service fits - St. Paul-based LSS of Minnesota, founded in 1865, is Minnesota's oldest nonprofit provider of human social services. New thinking for service delivery is

driven by focus on the LSS vision: that all people have opportunity to live and work in community with dignity, safety and hope. LSS serves three large groups: people with developmental disabilities; older adults; and children, youth and families. Half of its work focuses on people with developmental disabilities. Its staff of 2,300 serves individuals and families in each of Minnesota's 87 counties and more than 300 communities. The organization's 2011 annual budget of \$100 million is funded by public, private and philanthropic sources. "Because of the resources of the organization and our long history of service, we bring a special expertise to do this redesign work fairly unique among the nonprofit community. We know that we cannot serve our way out of this" by sticking with the state and federal governments' traditional ways of providing these services, she said. "We just can't. There's a \$6 billion budget deficit. We have to change the system if we're going to have more people served in an affordable way."

\$1.5 billion to serve just 21,000 people - Beyond the current budget deficit, Reichgott Junge cited other data to buttress her case. She said LSS learned that the state is currently spending \$1.5 billion a year from state and federal revenue sources to serve only 21,000 people with developmental disabilities. Much of it goes to "protect" people with disabilities. Yet, salaries for direct service providers are extremely modest. While the inflation rate has risen 18 percent since 2002, the amount of money the state has provided for developmental disability services has risen slightly less than 5 percent. She argued that the scope of this financial commitment and the prospect that the adverse trends will continue leaves the state no choice but to move toward a new model for providing these services.

The Target/Dayton Hudson analogy - In the past, people with developmental disabilities "were always placed in an institution," she said. Now many individuals live in four-person community-based group homes, but still with 24-hour care; and a third model surfaced recently in Minnesota and elsewhere: consumer-directed community supports. Working through this new template, the government can steer money directly to individuals and families through fiscal agents such as LSS, and the recipients of these funds can choose their own caregivers. In some cases, people with disabilities could live at home with their families. Reichgott Junge likened the emergence of this and other new models to the rise of Target Stores. Initially, Target was like a small boat alongside a large ship (department stores such as Dayton's) and both were part of Dayton Hudson Corp. Eventually, Target became dominant within the parent firm, which changed its name to Target and spun off the weaker department stores. Gradually, a new model replaced the traditional one. Similarly, the traditional model for serving people with disabilities appears about to slowly give ground to a new way of supporting them. But for now, the incentives for consumer-directed community supports (and other new models such as "host homes" described below) remain scant relative to the resources going to group homes.

The light across the street - The rules and practices that accompany the still-dominant model of serving both people with disabilities and the elderly are too cumbersome, Reichgott Junge said. "Right now, under the current system, there is a very complicated set of regulatory controls to make sure that every part of their life is 'protected' and risk-free. It has been said that as a person with developmental disabilities, you cannot sleep without somebody watching you." At that point, Paul mentioned his neighbors. "I've got four women living across the street with 24/7 care. No matter when I get up, whatever hour, there's always a light on over there."

All persons with developmental disabilities are not the same (a.k.a. bicycling to the grocery) - Reichgott Junge stressed that individuals have "different levels of functionality," so the one-size-fits-all assumption that everyone should receive given equal levels of protective care - a key element in the prevailing model - doesn't work well. Why can't individuals and their families choose to share the risk like all the rest of us do in so many ways? "We're spending millions of dollars when it may not be needed because many are able individuals with different levels of functionality." She cited a story about one such person, who decided to ride his bike to the grocery. He was perfectly capable of doing that, "but you know what? He broke the rules. He wasn't supposed to go out without somebody supervising him. It was perfectly fine, but there was all kinds of heck to pay because this person rode his bike to the grocery store to get something he wanted." Her concern in such cases: that the state has taken complete responsibility for his well-being.

Easing the restrictions on senior companion services: the pilot with UCare - LSS has provided "senior companion" services for over three decades. Companions provide services that enable older adults, often in frail condition, to remain in their homes for years instead of moving to nursing homes. Last year, LSS senior companion volunteers drove their clients 1.2 million miles to take them to stores, doctors' offices and elsewhere. The federal government provides the companions with modest stipends and pays for expenses such as mileage and cell phones. The problem, according to Reichgott Junge, is that government regulations require "you can only be a senior companion if you are a certain age, a certain income level and can volunteer a certain number of hours a week. If you happen to be a little younger and have a desire to serve, that doesn't count." She said the government recently took a step in the right direction by reducing the minimum age for companions to 55 from 60, but this requirement should simply be eliminated. "Imagine how many older adults we could serve if we could engage senior companions of all ages. Volunteerism is on the rise in this country."

LSS and the UCare health plan are working on an experimental senior companion program not bound by such restrictions. It's a two-year pilot designed to measure outcomes from having companions paired with elderly seniors under less restrictive rules than the government imposes. Reichgott Junge said managers of the pilot project were deluged with requests for a companion, including one from the mother of a state commissioner. The companions and the seniors were matched late last summer. Similar funding proposals called "Senior Volunteers for the 21st Century" have gotten a favorable response from the state's congressional delegation. "We know this has legs," she says. "We know people get this. This creates greater independence and significant long-term savings for the future."

The LSS work with Public Strategies Group (PSG) - Reichgott Junge said LSS and St. Paul-based PSG have been trying to understand how complete dependency—the government assuming 100 percent of the risk for people with developmental disabilities—gained such widespread acceptance. PSG searched the literature going back for decades and found only one article on the topic from 1972 (using descriptive language now outdated). The author was Robert Perske, the executive director of the Greater Omaha Association for Retarded Children. Perske won an award, then used his prize money to finance a trip to Scandinavia to study the ways in which the Swedes and Danes were trying to build more shared risk into services for children with developmental disabilities. Perske's article, titled *The Dignity of Risk and the Mentally Retarded*, concluded that the U.S. should draw on these two nations' experiences by moving away from "over-protection" of such youths. Said Reichgott Junge: "They actually had clubs where they offered people with developmental disabilities opportunities to experience traveling in the city by themselves...going to a new part of Stockholm they

hadn't been to — taking a bus! Imagine—one article, in the entire literature, that they (PSG) found. Can you believe that? So this is a huge shift in how the state views its relationship with people with disabilities...from 100% protection to a continuum of shared risk and choice. I'm not sure one organization in one state can do this...we need to enroll many others in this."

Working with other nonprofits, LSS wants to create a new accord between the state and people with disabilities to break away from the assumption, very costly, that the government should assume the entire risk in providing these services. Legislative engagement could jump-start that effort.

History and status of redesign legislation - Reichgott Junge recalled that she authored legislation that established a "Minnesota Board of Innovation and Cooperation" in 1993. She said that initiative, which lasted until 2002, was "fairly successful" in bringing governmental units together in cooperative redesign efforts. "But in this day and age, that isn't enough," she said. Thus, she has been advocating a "Board of Social Innovation" that would bring government, nonprofit and business leaders together to work on redesign initiatives. This proposal, which would have been funded by foundations and businesses, passed both houses of the Legislature this year but was vetoed by the governor. She hopes that eventually, a similar proposal will be approved.

Why it's so tough to get traction on redesign proposals - Caucus members asked why it's been so difficult to move ahead on various redesign initiatives. Regulations must be modified, she replied, and that means shifting away from long-accepted but flawed assumptions and traditional ways of running government programs. Too often key policymakers "own" the current system, and resist changing it. For example, the regulations governing the senior companion services for the elderly arose decades ago out of the War on Poverty, she said, but they are no longer appropriate because the nation's healthcare system has changed dramatically since then.

What happens when family support isn't there? - Bob noted that sometimes family members "don't give a damn" about supporting relatives needing special services. In other cases, homeless people have no identifiable family. How would the emerging models, which stress family support, deal with such situations? Reichgott Junge said one way would be to establish "host homes," where persons other than family members would get stipends to host persons with developmental disabilities in their homes.

Thanks — On behalf of the Civic Caucus, Loritz thanked Reichgott Junge for meeting with us today.