

Testimony Prepared for the
House Human Services Committee

March 15, 2021

By: Kim Jacobson, Agassiz Valley Human Service Zone Director

RE: Senate Bill 2086 – Operations and Financing of Human Service Zones

Chairman Weisz and members of the House Human Services Committee, my name is Kim Jacobson. I am the Agassiz Valley Human Service Zone Director, serving the service area of Traill and Steele Counties, a member of the North Dakota Social Service Director Association, and a member of the North Dakota Association of Counties Board of Directors. Please consider my testimony in support of SB 2086.

The last two years have brought many changes for the local human service delivery system. At the end of the 66th Legislative Assembly, county social service agencies and DHS together began a fast-paced path towards the formation of human service zones. The teamwork and collaboration leading up to the 66th assembly provided groundwork for system redesign, visioning, and goal setting. However, planning and doing are two very different things.

Today, I am pleased to report that we have together transitioned to 19 human service zones. We have accomplished many great things, including: developing, negotiating, and entering into human service zone agreements and operational plans; combining county-based workforces into human service zone teams; leading the transition to human service zone board structure; developing innovative service and management collaborations between zones; transitioning locally administered services allowing zones to still meet the unique needs of local communities; developing and launching unified human service zone personnel policy which provides supports merit system/federal/state law compliance while providing opportunity for

locally unique policy when appropriate; transitioning the legal custody of all foster children to the human service zone director; and restructuring to a consistent fiscal coding and management and budgeting system.

It is well recognized that the transition to effective and efficient state/human service zone teams will take at least eight years. While we have accomplished a lot of initial and visual steps, it is important to note that we are just **one year** into the human service zone and state team system of which most of the time we have also been dealing with COVID19 impacts. Our team-based approach is a strong example of government innovation. However, the operational side of service delivery is very complex. Building a responsive state/zone team system is uncharted territory. Working as one with shared decision-making and accountability while demonstrating local responsiveness is hard work that requires time, attention, and nurture. It is also key that we stay true to legislative intent to ensure we develop the vision that was agreed upon. This is critical to continued success and strong responsive services for citizens.

Last session's SB 2124 was a comprehensive and sizable bill. It was anticipated that there would be need for technical changes, intent clarifications, and parameters for next steps. SB 2086 encompasses the needs identified by DHS to help us move forward in a successful and knowledgeable manner.

There are several sections detailing housekeeping-type change. For example, Section 6 contains additional meaningful clean up language important to human service zones. Due to SB 2124 language, human service zones were designated to provide consent for all adoptions, including private adoptions. As human service zones, this authority is appropriate if the child that is subject to the adoption is in the custody of the human service zone and zone-level decision making is required. However, it is not appropriate for human service zones to

weigh in on private adoption matters. SB 2086 corrects this error and restores appropriate authority related to private adoptions.

SB 2124 identified specific specialty statewide teams to transition to state employment. There remains one team to transition – the foster care licensing team. I support the transition of this one specific and remaining team. Foster care licensors issue state-issued licenses. The transition to a specialty team best supports a system that reduces administrative burden and timeliness of issuing state-issued foster care licenses. It also provides for a network of full-time specialty workers to provide this important service statewide. From a policy perspective, it is important to note that this state specialty team, along with other prior specialty teams who have already transitioned to state employment, continue to be funded in the Human Service Zone budget located with HB 1012 – the DHS Budget. These state positions are funded by SIFT funds designated for social service financing and property tax relief.

SB 2086 requests to repeal Chapter 50-11.2 related to foster parent grievances. I support this change. Currently, there is a separate process for foster parents to grieve concerns. This process is different than all other grievances received at the zone-level from clients. For example, currently foster parents have a different grievance process than relative caregivers and even parents.

It is important for grievance processes be in place and for there to be consistency in the handling of grievances. For those reasons, human service zones agreed to abide by a uniform client grievance process as part of our approved human service zone plans. It is our goal to treat all client grievances similarly providing consistency not only to client but from zone to zone. Removing Chapter 50-11.2 supports the transition to a consistent grievance process and sets the stage for grievance outcomes and determinations within the parameters of law.

While in the Senate, there were meaningful changes made to SB 2086. This was accomplished through a legislative, DHS, NDACo and human service zone workgroup. I was part of that workgroup and necessary to help support our work and collaboration. I encourage the House to also support the improvements made to SB 2086. Some examples of those improvements include:

Acceptance of Gifts and Donations:

In many communities, human service zone offices assist with coordinating items donated from the local community and passing along to those in need. When SB 2124 was crafted, a section providing authority to accept donations was inadvertently missed. SB 2086 now addresses this oversight and restores authority previously allowed of county social service agencies to accept donations and gifts.

Opt-In Study.

SB 2124 directed the department to study during the interim, a process for allowing a human service zone to voluntarily opt into state employment. This process remains incomplete. However, I am grateful for the delayed action on this item as we have wisdom today previously unknown.

SB 2086 now provides for study to include DHS, NDACo, and Human Service Zone Directors during interim with a report to Legislative Management. It is important to understand and study both the strengths and barriers to human service zones and the State of North Dakota prior to any potential opt-in changes to employment. The language in SB 2086 supports this study.

Total Compensation Equity:

Key to this analysis that must be addressed and clarified is compensation equity. As a statewide system with all salaries and benefits coming from a common pot of funding sourcing from state dollars, it is key that we have an equitable total compensation system. We have learned that there is great disparity in salaries and benefits in human service zones, between human service zones, between human service team members and state employees housed in the zone, and with the Department. This was largely caused by the history of social service financing being tied to property tax. As you know, social service need, and mill valuation are not reflective of one another. However, now with our funding for salaries and benefits coming from a common funding stream, the need for equity becomes increasingly important policy and appropriations positions.

For example, a family health insurance policy for Agassiz Valley Human Service Zone team members costs employees over \$1000 per month out-of-pocket. Meanwhile, our neighboring zones and state agency, who we compete with for hiring and retention, have much more robust benefit packages.

As we move forward, we realize that both salary and benefits need to be looked at in a comprehensive manner to provide a level of equity but also to prevent service deserts and to sustain a strong service workforce. SB 2086 calls for a total compensation study and a report to Legislative Management.

Direct and Indirect Costs:

One of the most challenges aspects faced in the past year has been related to Direct and Indirect Costs. The current provision for indirect costs expires on June 30, 2021. SB 2086 provides important clarity in terminology and usage of direct/indirect funds. However, direct and indirect costs matters are complex, require consistency, and have a relationship to ongoing

property tax for human service zones as well as federal fund draw down. Solutions need to be explored collaboratively and thoroughly to avoid unintended consequences. SB 2086 also provides for a study of indirect costs which would include DHS, NDACo, and Human Service Zones along with a report to Legislative Management.

Thank you for this opportunity to provide testimony regarding SB 2086. I urge your support of SB 2086 which includes the changes recommended from the workgroup and approved by the Senate. Questions from the committee are welcomed.