

Testimony Prepared for the
Senate Human Services Committee

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By: Kim Jacobson, Agassiz Valley Human Service Zone Director

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

Chairperson Lee and members of the Senate 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. This 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. My testimony today will speak to DHS's recommended changes as well as provide some further ideas on additional improvements that can be made to strengthen our system.

DHS offers several sections for housekeeping-type change. While smaller in scale, they are still important. 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. 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.

SB 2124 identified specific specialty statewide teams to transition to state employment. I support the transition of this one specific and remaining team. This is the foster care licensing 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.

DHS requests to repealing of 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.

Beyond DHS's technical changes, there are additional meaningful changes necessary to help support our work and collaboration. These are areas that could considered for further amendment.

Section 15: 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.

The department seeks to develop information to outline an opt-in process, communicate to county officials, and finalize during the 68th legislative assembly. While I agree that that more time is needed, there are additional areas that must be addressed and clarified prior to moving forward. Two chief complaints from zones remain unaddressed. One is related to unclear roles of zone boards, county commissioners, DHS, and the Zone Director. The other is related to compensation equity.

Unclear roles and authority have been a significant issue stemming from SB 2124. Clear definition is needed as it relates to operations, fiscal decision-making, scope of duty and responsibility, and supervision. Improvements are necessary to ensure known gaps are addressed and that clear roles are defined. Making improvements to the law now can help save countless hours of implementation difficulty and potential conflict.

There is frustration that human service zones have lost ability to be competitive from a compensation standpoint with one another, the private sector, and even with the state. Equity appropriations were provided for last session to start to address such concern. However, this remains unaddressed. There is not a current process for evaluating or addressing equity issues for human service zone team members.

Equity is best measured when it looks at total compensation – salary and benefits. Attracting and retaining quality team members should be a goal for our entire system as it

impacts service quality and effectiveness. Good employees providing good service is also is the best return on taxpayer dollars.

Health insurance benefits are a significant cost of total compensation. Some human service zones, including Agassiz Valley Human Service Zone, have a far less robust benefit package. For example, an Agassiz Valley Human Service Zone employee pays nearly \$1100 out of pocket each month for a family health insurance policy. However, there is no process to consider this when setting or managing human service zone team member salaries. This system does not support equity and can lead to service deserts. It is key that both policy and appropriations reflect this need so we can sustain a strong service workforce.

In addition, I have concern about the lack of study related to the benefits, risks, desirability and feasibility of human service zones voluntarily opting into state employment. Human service zones formed on January 1, 2020. Just one year ago. Transitioning employment is a big decision. One that cannot be easily reversed and one that could pose unintended consequence.

SB 2124 was built on the concept of zones collaborating with zones, improving service outcomes, greater partnership with DHS, improved accountability, and local service. Similarly, SB 2124 was not built as the long road to state employment. While the option of state employment may be considered, we need to be diligent to ensure there is adequate information and necessary clarifications to support informed decision making on this important topic.

A true study would identify benefits, risks, processes, and barriers to consider prior to offering this option. There are known barriers. One example includes the role of the state's attorney on child welfare matters on behalf of the zone. If the zone team members were state staff, could the county state's attorney represent them? This is a huge system question and

issue if change would occur. This item must be clear addressed prior to any local level decision-making.

To address the above concerns, it would be beneficial for a small workgroup to form and work on language for additional amendment that would clarify roles and address compensation concerns. In addition, potential amendment could include language to provide for an actual study to explore the benefits, costs, feasibility, and desirability of human service zones voluntarily opting into state employment.

Section 16: Payments.

I am concerned that there may be an omission on Page 18, line 1 and 2. Authority appears to be very broad and would benefit from further amendment.

Section 17: Indirect Costs.

One of the most challenges aspects faced in the past year has been related to Indirect Costs. The current provision for indirect costs expires on June 30, 2021. SB 2086 seeks to continue to support human service zone related indirect costs. However, there have been lesson learned and problems identified with the current process which has led to concerns, inconsistencies, inequities, and gaps. I encourage amendment and related committee discussion related to indirect costs to fully consider changes that are necessary.

Thank you for this opportunity to provide testimony regarding SB 2086. Questions from the committee are welcomed.

