

Testimony Prepared for the  
**House Appropriations – Human Resource Sub-Committee**  
March 10, 2023  
By: Kim Jacobson, Agassiz Valley Human Service Zone Director

**RE: Senate Bill 2012 – Human Service Zone Budget**

Chairman Nelson and members of the House Appropriations - Human Resources Division, my name is Kim Jacobson. I am the Agassiz Valley Human Service Zone Director, which includes the service area of Traill and Steele Counties. In addition, I serve as President of the North Dakota Human Service Zone Director Association. Please consider my testimony in support of SB 2012.

Human service zones provide a wide array of social and economic assistance services to the citizens of North Dakota. These are frequently termed as safety net services and designed to assist our most vulnerable. As human service zones, we provide core services to local communities, targeting local needs with responsiveness and presence and valuing collaboration and a work as one approach. We believe this the best way to serve North Dakotans.

The human service zone model is a hybrid of the best aspects of a local government delivery system along with some of the best features of a state government delivery system. This transition to human service zones has been a major change and there have been growing pains. However, many positive services and outcomes have been achieved since the inception of human service zones. While we have faced challenges, we are on the right track as we continue to strive for effective, efficient, and quality human services. We are grateful for the support of the legislature during this process and for the permanent property tax relief provided through this effort and partnership.

Today, I ask for your continued support. SB 2012 contains the appropriation request for all nineteen human service zone budgets. Zone budgets are funded utilizing SIF funds and is commonly referred to as the 457 fund. I ask for your support of budget request along with any additional proposed appropriation requests that may result through this legislative session. Such examples include SB 2139 (indigent burials) which would allow for unified statewide rates to funeral homes for providing final disposition services for indigent individuals. In addition, HB 1046 (human service zone indirect costs) impacts SB 2012. HB 1046 would redefine the definition of indirect costs for human service zones. The new definition better aligns with generally accepted accounting practices and treats costs related to an asset within the same fund. Both SB 2139 and SB 1046 are important bills and are supported by human service zones along with the recognition for the need more additional appropriations to implement and deliver services detailed in those bills.

Over the past several years, we have learned that fiscal nimbleness is especially important to supporting the work of human service zones. Continued fiscal flexibility is requested to support our transition to human services zones, ongoing redesign efforts, and to provide for specialty programming such as CHINS (children in need of services), CPS (child protective services) centralized intake, transitioning economic assistance programs to four regional service hubs, and other human service zone-related innovation in government. In addition, safety permanency funds, an area within the human service zone budget, is a critical tool in providing nimble supports to children and their families within the child welfare system.

The Department shared with you information about the proposed transfers of state employee wages/benefits from the 457 fund to the Department budget. Along with zone positions, there are 156 state positions funded in the 457 (property tax relief) fund. The majority of these state positions were former county/zone employees but transferred as part of specialty units and are now state employees. However, there are currently seven executive-type state

positions, that were not in existence prior to the formation of human service zones, that are funded out of the 457 fund. This comingling of state and zone employees from the 457 fund has become confusing. I encourage the legislative body to understand and consider how the 457 funds are used from both an appropriations and policy perspective.

Human service zone budgets are developed through a collaborative process. After preliminary guidance meetings and tool development, the human service zone director for each individual zone develops a proposed budget. When completed, the proposed budget is submitted to the Department for review and any needed follow-up. This has proven to be an effective collaborative process. Mid-year, the Department reviews each human service zone's expenditure trend lines. Upon reviewing projections, the Department enters into discussion with the zone director. In result, the next zone payment may remain the same, increased or decreased. This process upholds the work as one approach and allows for collective decision making and problem solving.

The 457 fund has a total pool of full-time equivalents (FTES) assigned. This is another area where the Department and human service zones, work together as one, to manage the employee pool. When an opening occurs, the human service zone submits a request to fill to an FTE Committee. This committee consists of several human service zone directors and state office team members. This committee meets twice per week to consider requests received. This has also proven to be an effective and efficient way of managing the statewide pool and hiring requests. Frequently, decisions are made within the week of submission unless additional information is needed to support informed decision-making.

SB 2012 includes salary increases for human service zone team members consistent with state employees. This practice began with the passage of SB 2124 during the 66<sup>th</sup> Legislative Assembly. For most human service zone team members, there was zero annual performance increase in 2020. This was our first year as operating as zones. For most zone

team members, our salaries were frozen from 1999 until we received the same increases as state employees in 2021. This placed us one year further behind in being able to adjust to market changes, workforce changes, and cost of living changes during a very turbulent time.

As human service zones, we collectively request for all human service zone team members eligible for an annual performance-based increase to receive their adjustment on July 1, 2023 and on July 1 annually thereafter. This would transition our timeline for annual increases to the same schedule as other merit system employees and would align with salary scale changes authorized by the legislative body.

Based on federal law, all human service zone employees must be compensated within the merit system guidelines and ranges. When human service zones formed, we learned that there are many salary/benefit inequities within a single human service zone, between the nineteen human service zones, and with the Department. While SB 2124 provided equity dollars, these funds were used to transition several specialty units (home and community base case management, child care licensing, quality control, etc.) positions from county employment to state employment and to fund initial host county benefit transition costs when human service zones were first formed. There was no ability to address salary inequities for human service zone team members.

Our inability to address salary and benefit equity has been a struggle that human service zones have faced. We need your support and assistance. This is critical to solve workforce issues to ensure we have the personnel to provide services to local citizens across the state and to avoid service deserts. While compensation and benefit equity were first noted as an essential element of forming zones during the 66<sup>th</sup> Legislative Assembly, we have not had that need met with appropriation levels to strategically address compensation and benefit equity despite honorable intentions.

We recognized that are not alone in the search to retain and recruit quality workforce. However, human service zones compete with health care, long term care, private industry, education, along with the Department and each other for qualified individuals. It should be noted that the work performed by human service zones is community-based and client facing work. This creates a level of complexity and risk that not all our competitors experience and should be recognized in compensation practices.

I would like to refer you to the supplemental handout which includes turnover data from human service zones in two main areas of programming – child welfare and eligibility services. It highlights the workforce crisis that human service zones are facing.

- 37.31% turnover statewide in Child Welfare positions (child protection, foster care/in-home case management). Notables: Cass Human Service Zone at 64.58%; Mountain Lakes Human Service Zone at 64.71%; Mountrail McKenzie Human Service Zone at 40%; and Burleigh Human Service Zone at 34.9%.
- 24% turnover statewide in Economic Assistance Workers. Notables: Cass Human Service Zone at 39.13%; Grand Forks Human Service Zone at 31.25%; Mountain Lakes Human Service Zone at 33.33%; and North Star Human Service Zone at 35.71%.

The turnover in our workforce system has been nearly crippling. Child welfare services are key to protecting children, empowering, and engaging families. These team members frequently go into client homes, make home visits, and discuss very sensitive and personal matters with families. This is a very challenging and at times dangerous occupation. Our economic assistance team members assist the most economically fragile North Dakotans with essential safety net services. They make eligibility determinations for health care coverage, food, heat, child care, and other essential services which is a huge responsibility. Zone

positions are highly specialized and require high level on the job training and certification. For us, turnover costs are especially costly from both a service and employer perspective.

When zone team members are interviewed prior to departure, common reasons for leaving include compensation, workload stress/volume, workload complexity and/or work-related hazards. When recruiting new prospective team members, common reasons for not being able to onboard highly qualified candidates include poor compensation, high level of responsibility/duty related to pay, and for some of our highly rural and/or impoverish areas, lack of interest in relocating to a specific area. Yet, all areas of North Dakota are important and deserve quality service.

The need to address equity was identified in numerous legislative sessions. This past interim, a legislative study was selected to better understand this issue. In result, the analysis provided by Gallagher was completed focusing on compensation and benefit equity for human service zones. I ask for support the recommendations and to fund the equity study. Simply said, we need more tools and immediate relief. This is key to address disparities as we work to stabilize our labor market and to train, supervise, and support team members to provide quality services to citizens.

Thank you for consideration of my testimony. I stand for questions from the committee.

# **2022 North Dakota Human Service Zone Turnover**

**Child Welfare  
&  
Economic Assistance**

# 2022 North Dakota Human Service Zone Turnover Child Welfare

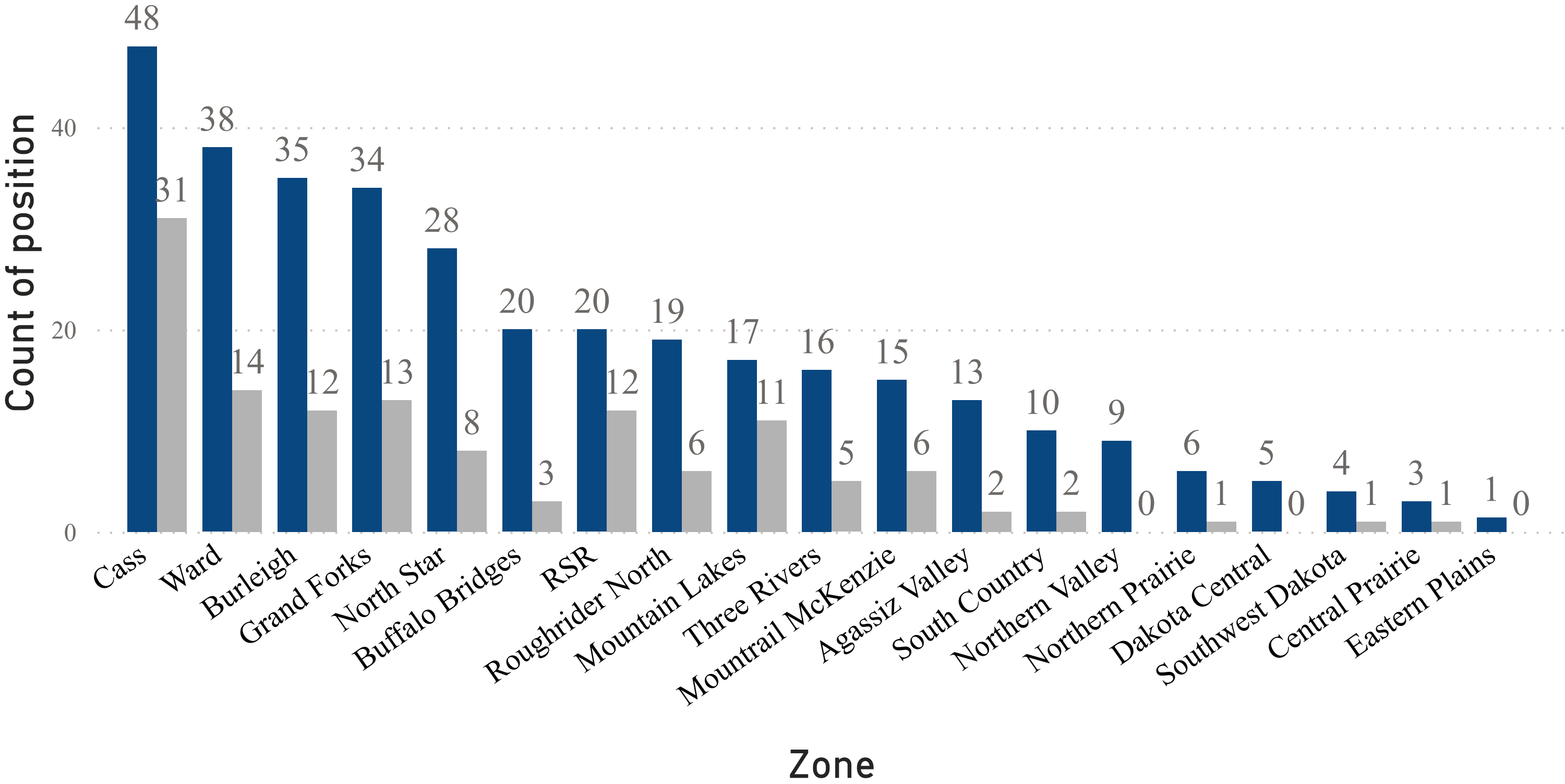
Total Child Welfare  
Positions Statewide  
**341.40**

Total Child Welfare  
Vacancies Statewide  
**128**

**Child Welfare  
Turnover Statewide  
37.49%**

## Comparison: Total FTEs to Total Vacancies by Zone

Legend: ● Sum of Total FTEs ● Sum of Total Vacancies



"Vacancies" includes any team member separation, including: resignation, involuntary termination, retirement, promotion & other



# 2022 North Dakota Human Service Zone Turnover Economic Assistance

Total Economic Assistance  
Positions Statewide

**368**

Total Economic Assistance  
Vacancies Statewide

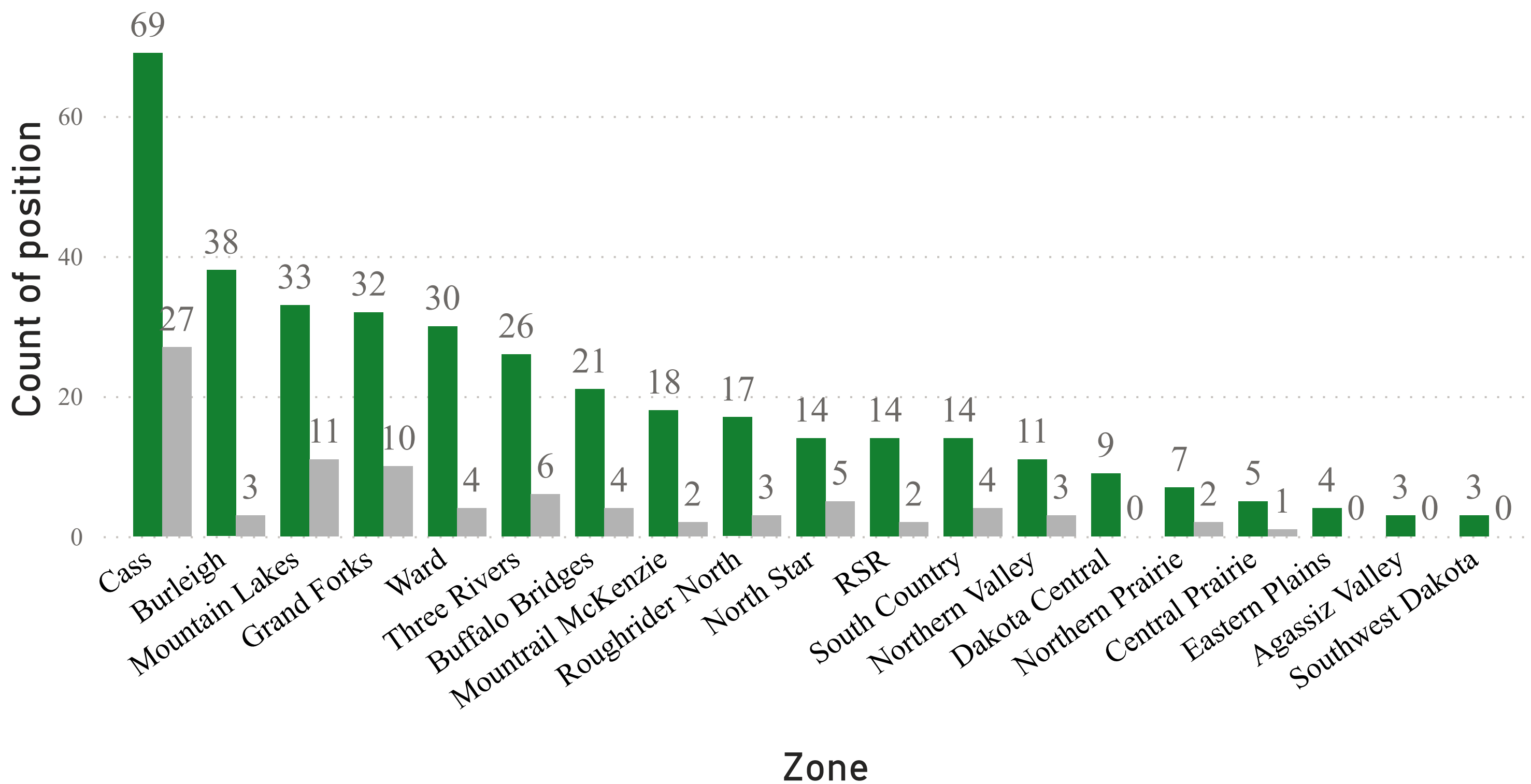
**87**

Eligibility Worker  
Turnover Statewide

**23.64%**

## Comparison: Total FTEs to Total Vacancies by Zone

Legend: ● Sum of Total FTEs ● Sum of Total Vacancies



"Vacancies" includes any team member separation, including: resignation, involuntary termination, retirement, promotion & other

## 2022 Child Welfare Turnover by Zone

Zone ▲	Sum of Total FTEs	Sum of Total Vacancies	Sum of Turnover %
Agassiz Valley	13.00	2	15.38%
Buffalo Bridges	20.00	3	15.00%
Burleigh	35.00	12	34.29%
Cass	48.00	31	64.58%
Central Prairie	3.00	1	33.33%
Dakota Central	5.00	0	0.00%
Eastern Plains	1.40	0	0.00%
Grand Forks	34.00	13	38.24%
Mountain Lakes	17.00	11	64.71%
Mountrail McKenzie	15.00	6	40.00%
North Star	28.00	8	28.57%
Northern Prairie	6.00	1	16.67%
Northern Valley	9.00	0	0.00%
Roughrider North	19.00	6	31.58%
RSR	20.00	12	60.00%
South Country	10.00	2	20.00%
Southwest Dakota	4.00	1	25.00%
Three Rivers	16.00	5	31.25%
Ward	38.00	14	36.84%

## 2022 Economic Assistance Turnover by Zone

Zone ▲	Sum of Total FTEs	Sum of Total Vacancies	Sum of Turnover %
Agassiz Valley	3	0	0.00%
Buffalo Bridges	21	4	19.05%
Burleigh	38	3	7.89%
Cass	69	27	39.13%
Central Prairie	5	1	20.00%
Dakota Central	9	0	0.00%
Eastern Plains	4	0	0.00%
Grand Forks	32	10	31.25%
Mountain Lakes	33	11	33.33%
Mountrail McKenzie	18	2	11.11%
North Star	14	5	35.71%
Northern Prairie	7	2	28.57%
Northern Valley	11	3	27.27%
Roughrider North	17	3	17.65%
RSR	14	2	14.29%
South Country	14	4	28.57%
Southwest Dakota	3	0	0.00%
Three Rivers	26	6	23.08%
Ward	30	4	13.33%