

Testimony Prepared for the
Senate Appropriations Committee

January 24, 2023

By: Desiree Sorenson, Mountrail McKenzie Human Service Zone Director

RE: Senate Bill 2012 – Human Service Zone Budget

Chairman Bekkedahl and members of the Senate Appropriations Committee, my name is Desiree Sorenson. I am the Mountrail-McKenzie Human Service Zone Director, which includes the service area of Mountrail and McKenzie Counties. In addition, I am a member of the North Dakota Human Service Zone Director Association. Please consider my testimony in support of SB 2012.

As the Department testified to last week, 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. 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.

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 SIFT funds and is commonly referred to as the 457 fund. I ask for your support of the full request of \$202 million along with any additional proposed appropriation requests that may result through this legislative session. Examples include SB 2139 related to indigent burials and HB 1046 related to human service zone indirect costs. Human service zones support both of these proposed bills but recognize the need for additional appropriations in order to implement and deliver services.

Over the past several years, we have learned that fiscal nimbleness is very 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 spoke last week about the proposed transfers of state employee wages/benefits from the 457 fund. While these positions were former county/zone employees, through redesign efforts these positions, as part of specialty teams, have transitioned to state employment. To our knowledge, all positions identified for transition to state employment are complete. As human service zones, we support the goal of ensuring state employees are funded through the Department of Health and Human Services budget and for Human Service Zone team members to be funded through the 457 fund. This helps preserve original legislative intent as well as ensures 457 funds are clearly dedicated to local human service delivery.

Human Service Zone budgets are developed through a collaborative process. After preliminary guidance meetings and tool development, the Human Service Zone Director submits a individual zone 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 and trend lines. Based on history, the budget may remain the same or be increased and/or decreased. It also 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 in order 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. While we support the proposed increase of 6% and 4%, we do ask for consideration to make this effective for all Human Service Zone team members on July 1, 2023, and annually on July 1 thereafter. This would align the implementation of the increase to other merit system employees and would discontinue the delayed implementation of increases currently experienced at the zone-level. This practice would also be supported by the mid-year budgetary recalculation performed by the Department regarding Human Service Zone budgets.

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 employees.

Our inability to address salary and benefit equity has been a struggle that Human Service Zones have faced. We need your support. This is critical to solve workforce issues to ensure we have the personnel to provide services to local citizens across the state. We recognized that we are not alone in the search to retain and recruit quality workforce. 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 boots on the ground and client supporting work. This creates a level of complexity and risk that not all our competitors experience and should be recognized in compensation practices.

In 2022, the following turnover trends were noted across all Human Services Zones:

- 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 need to address equity was identified last legislative session. Therefore, an interim study was selected to address this topic. I ask for support of the interim compensation and equity study from both a policy and appropriation standpoint. 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. In addition, I close with my request for Human Service Zone team members to receive any proposed increases in the same timeline as State employees to prevent any delayed implementation for Human Service Zone team members and to specifically include this in bill language.

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