



Engrossed HB1012 Overview – Human Service Zone Operations

Senate Appropriations | Human Resources Division

Senator Dick Dever, Chairman

March 25, 2025, Kristen Hasbargen | Director, Human Service Zone Operations



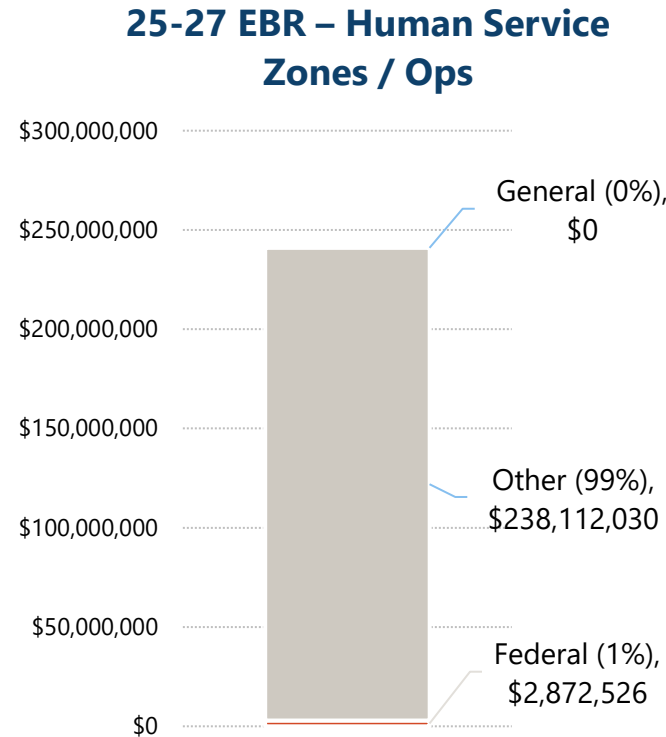
Health & Human Services

Budget Overview

Human Service Zone Operations: \$241 million total budget

3.8%
total HHS Budget

- Primary funding source is the ND Property Tax Relief Fund for Human Services (Fund capped at \$250 million)
- Budget pays for 100% of the direct and indirect costs associated with Human Service Zone operations
 - 82.5% of budget is passed through directly to HSZ Host counties
 - 17.5% of budget pays for HHS staff who deliver services previously delivered by HSZs/counties (child care licensing, HCBS case management, long-term care eligibility, foster care licensing) and HHS-provided IT related costs



- **912** county employees working in **19** Human Service Zones
- **173.2** HHS employees working in roles that help deliver designated human services
- **52** office locations
- Core HSZ team services are to deliver **child welfare** and **eligibility determination** for family financial assistance

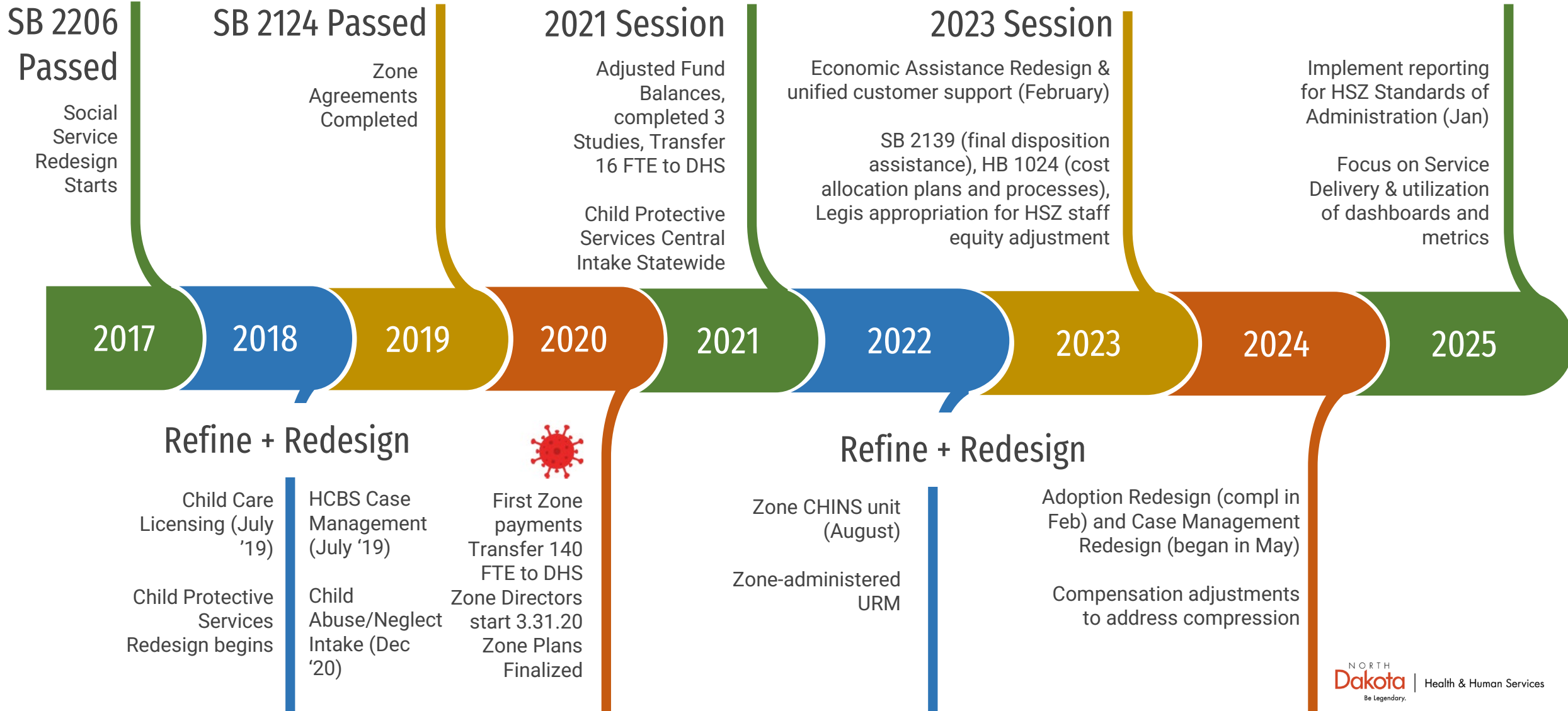
HHS' HSZ Operations team supports the work of the Human Service Zones and Human Service Zone Boards, including review of HSZ Plans, as well as infrastructure support related to various HR and finance functions.

Property Tax Relief Fund established to fund Human Service delivery via Social Service Redesign (SB

2206 – 65th Legislative Assembly)

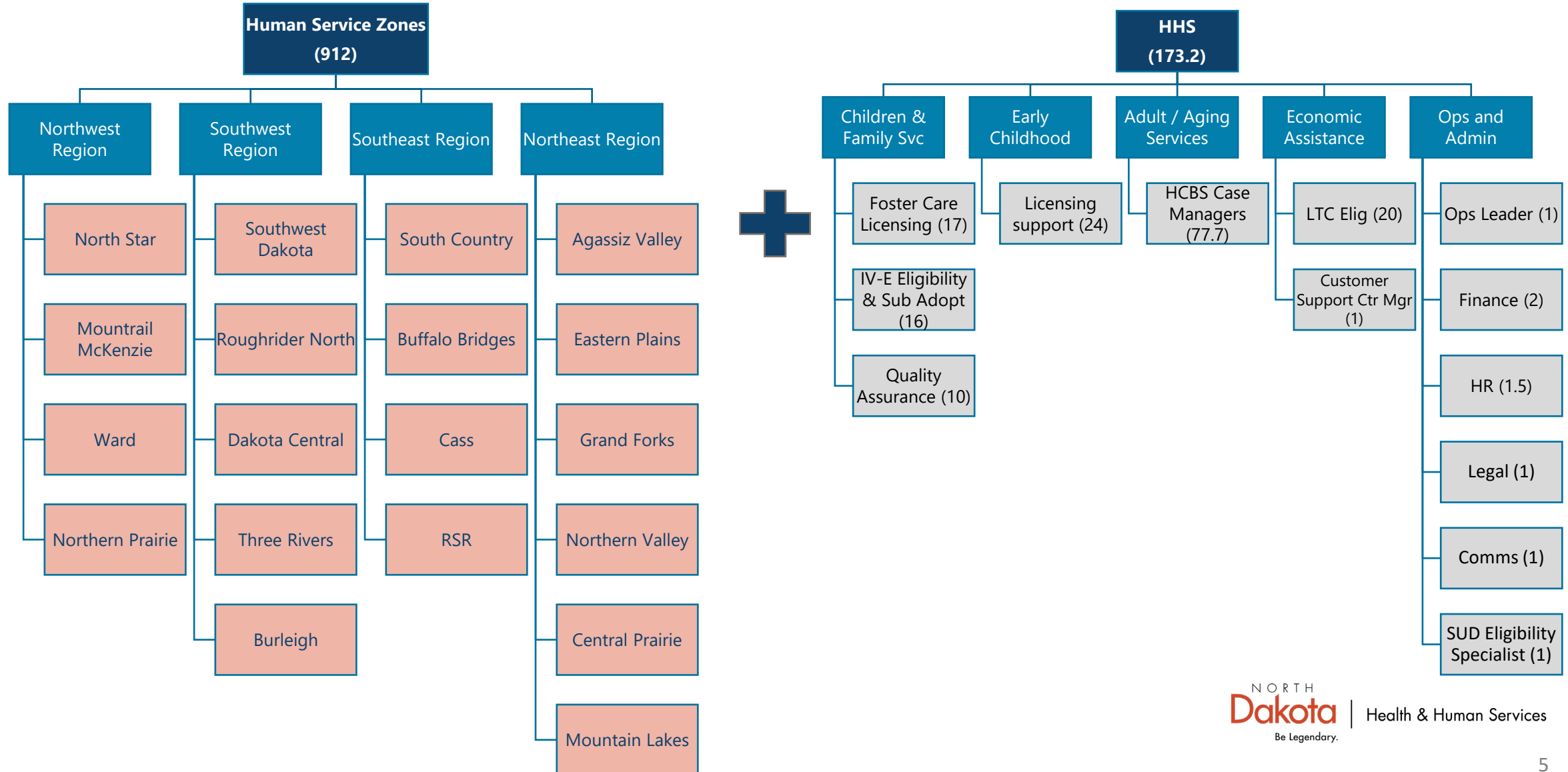
- OMB transfers funds into HHS' Human Services Fund (aka "457 Fund") based on budget request
 - Services are delivered by both Human Service Zone and HHS staff
 - Funding for Human Service Zone delivered services are captured in a single budget line (grants)
 - Funding for HHS-delivered services are itemized in more detailed budget lines as per HHS practice
- The Property Tax Relief Fund was capped at \$250 M in the 2023-25 session

ND Human Service Zone Implementation Continues

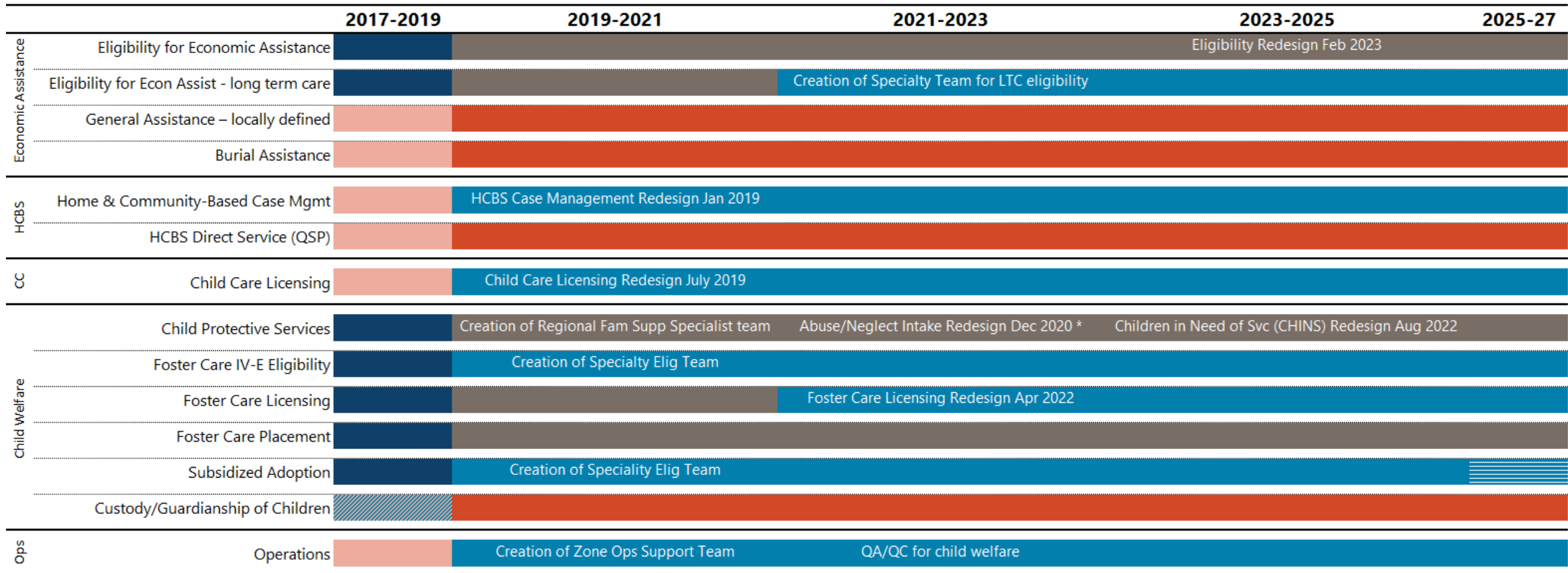


Positions funded via the Human Services Fund (457)

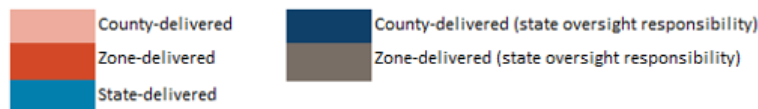
Human Service Delivery Staffing and Team Structure



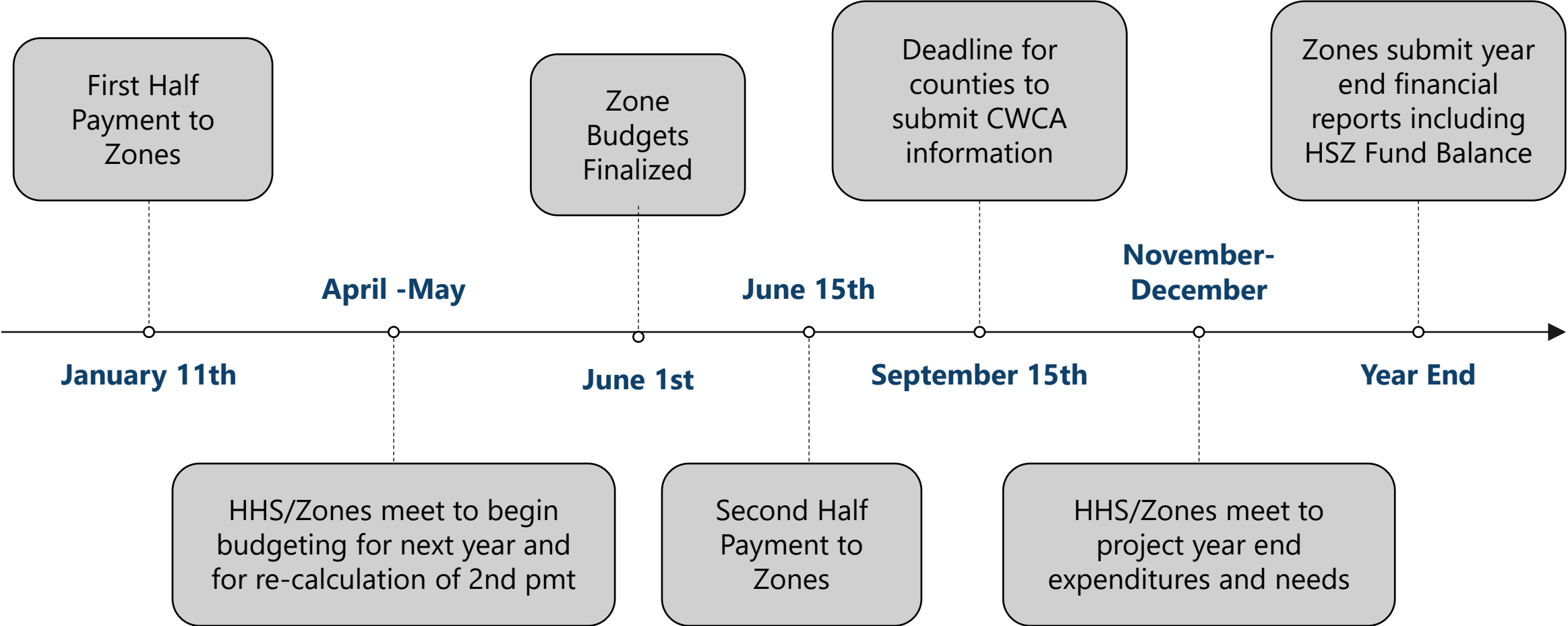
North Dakota's model of human service delivery is characterized by shared roles and responsibilities



* Adoption and implementation of Safety model framework Dec 2020

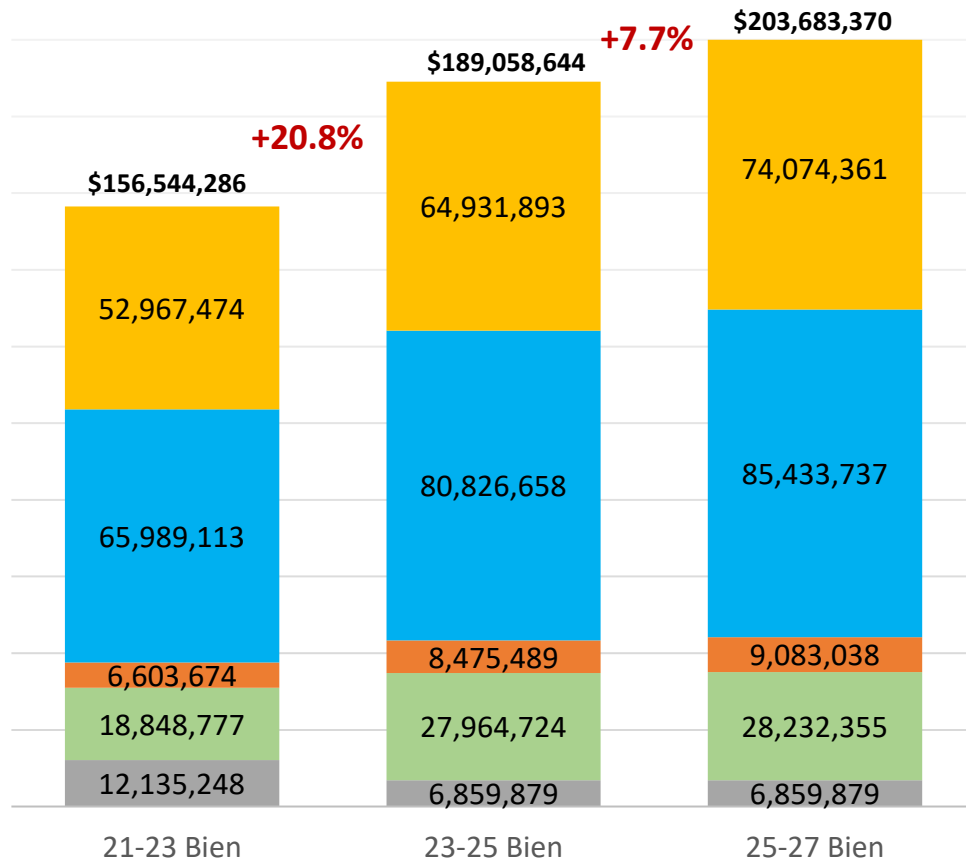


Zone Budgeting Process

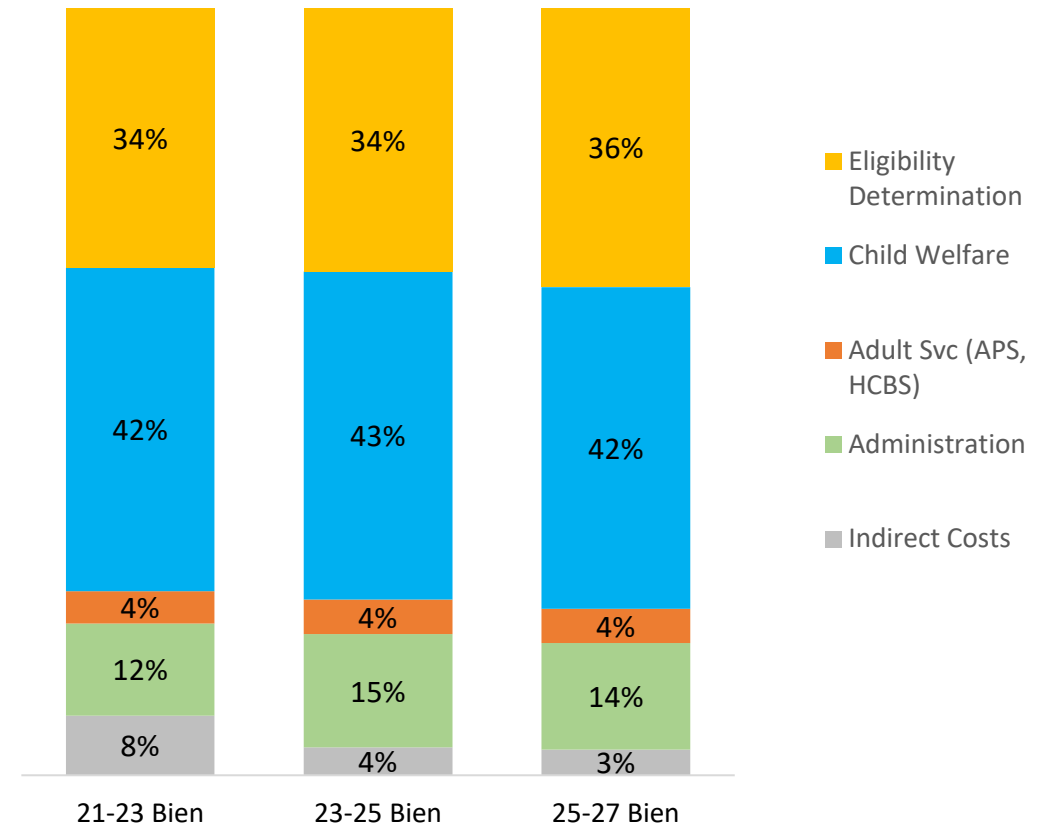


Human Svc Zone Budget by Type of Service

Biennium Expenses by Major Program Area



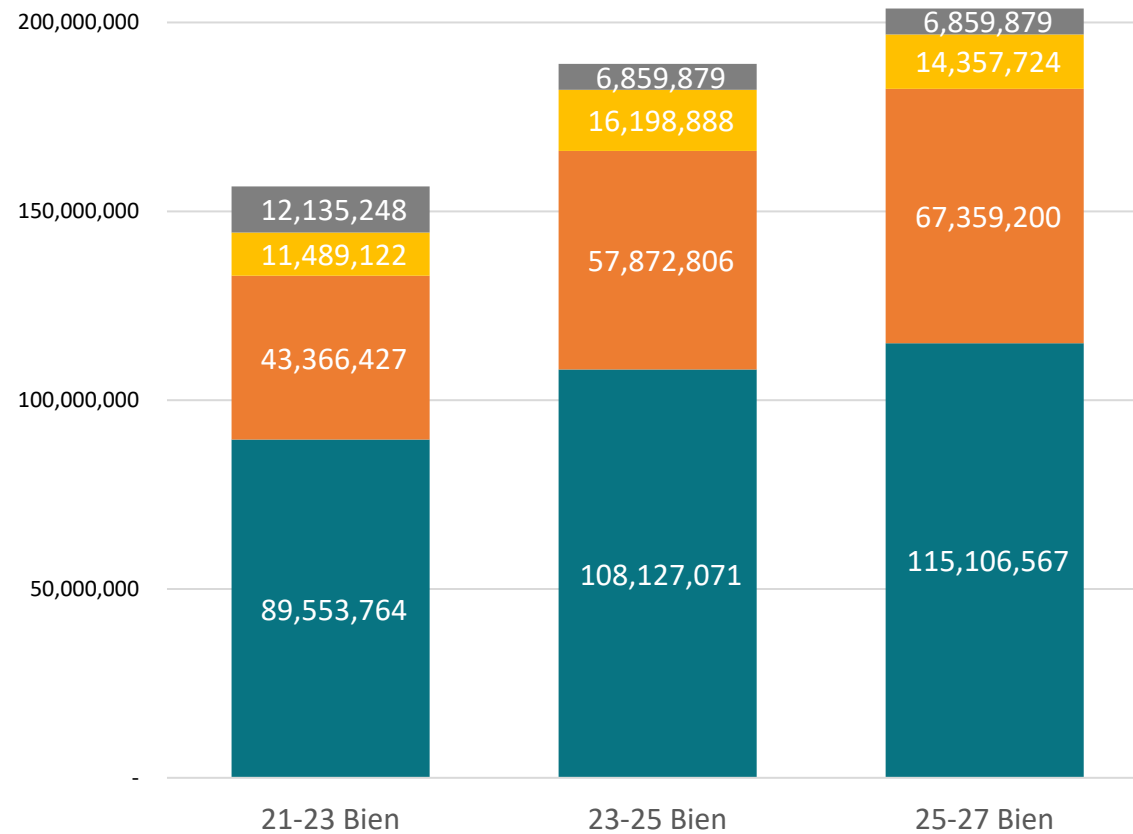
Biennium Expenses by % Major Program Area



Human Svc Zone Budget by Expense Type

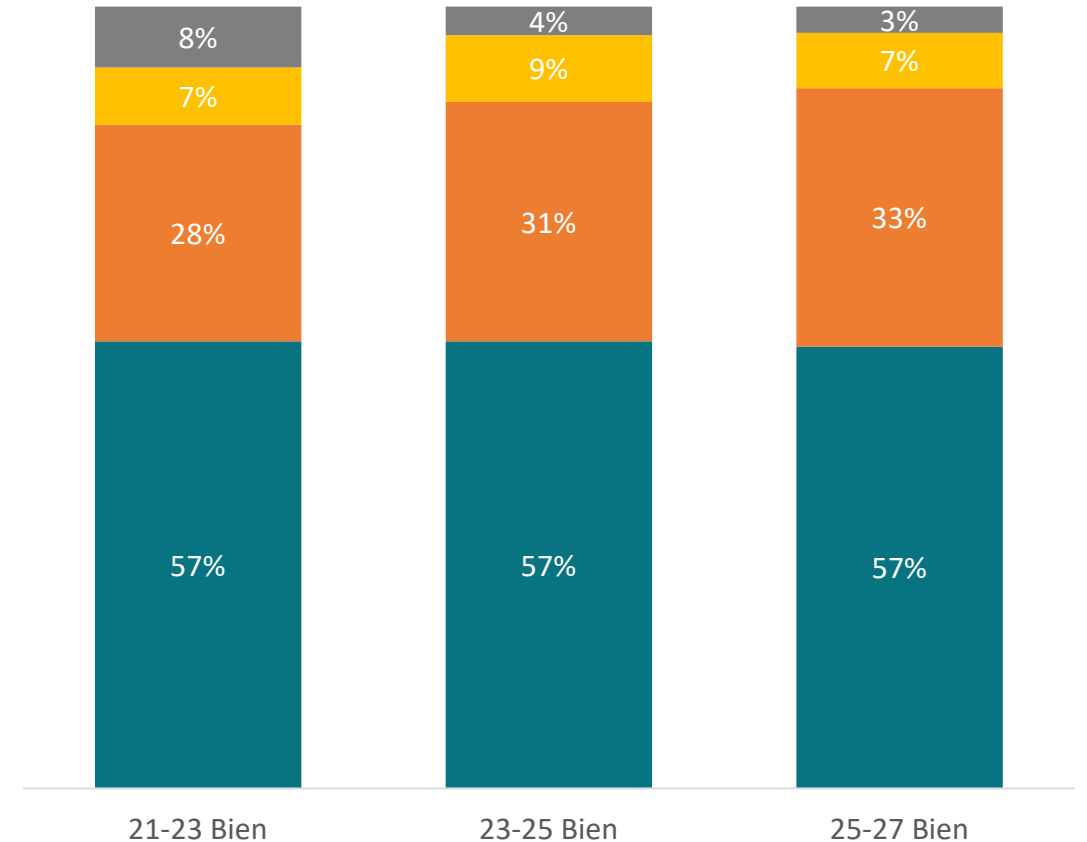
Biennium Expenses by Major Type

■ Salary ■ Benefits ■ Operating ■ Indirect Cost



Biennium % of Expenses by Major Type

■ Salary ■ Benefits ■ Operating ■ Indirect Cost



Who we are and what we do

HHS Zone Operations team

Our role

- Serve as liaison between Zones, Zone Boards, and HHS, including collaborative budget work
- Provide directives, leadership, mentoring and technical assistance to Zones, Zone directors, and HSZ boards
- Mediate between Zones to support function and capacity across system
- Collaborate on visioning, evaluating and solution identifying of services delivered by Zones.

Partners

- Human Service Zone Directors
- HHS Program and Policy (Children and Family Services, Economic Assistance, Legal and Medical Services)
- HSZ Board members and County Officials (Commissioners, Auditors, State's Attorneys)

NDCC Reference for HSZ Authority

NDCC 50-01.1 | Human Service Zones

NDCC 50-35 | State-funded Human Services

Social Service Redesign set the stage for Counties and the State to work together to serve North Dakotans through the Human Service Zone structure

- Standardization
- Consistency
- Shared services + workload
- Increased access and resources for clients
- Decreased multi-function jobs and allowed for specialization/expertise – reduced # of hats
- Clear program performance measurements
- Increased state collaboration + oversight
- Property Tax Relief

	Host County	Zone	HHS
Employer	✘		
Benefits	✘		
HR Policy Manual		✘	✘
HP Policy Addendums - Submitted by Zone/ DHS Approval		✘	
Merit System Requirements			✘
Office Closure	✘	✘	
Supervision of Staff		✘	
Mileage/Reimbursement	✘		
Bonuses (Performance, Retention, etc,...)		✘	✘
Programmatic Policy			✘

What does it mean to work together?

Human Service Zone Board Role

- Serve as an Advisory Board
- Representative of those served by the Zones
- Co-manage Zone Director Performance, Hiring and Termination
- Each Human Service Zone Board has an elected official (Representative or Senator)





What does it mean to work together? **Host County Role**

- State's Attorney (employee issues, child welfare, contracts)
- Host County Employer
- Host County Auditor
- Payroll + Benefit administration
- Retirement Provider
- Physical Space
- HR Support (varies by Zone)
- EAP Provider (if offered)



What does it mean to work together?

What it means to be a Zone Employee

HR Policies

- The Zone HR Policy Manual was created in July of 2020 with HHS and Zone representation
- All of the policies are based on Admin Code, Best Practice or State/Federal Laws
- The Zones must follow the established Zone HR Policy Manual, but each Zone has the ability to create addendums (changes) to certain areas of the policy manual
- Example: Dress Code, Weather Related Closures, Benefits
- The Host County determines office closures related to weather or other incidents
- Telecommute workers are required to work when the office is closed due to weather related or other closures

A photograph of two young men standing in a grassy field with trees in the background. One man is wearing a black t-shirt and a plaid shirt, and the other is wearing a red t-shirt, a black cap, and tan overalls. They are both smiling and looking towards the right.

What does it mean to work together?

FTE Committee (HR)

Hiring

- SB 2124 directed: "The department of health and human services shall develop a process to review a request from a human service zone for any proposed increase in staff."
- Zones assisted in development of both process and group composition. The committee consists of 4 Zone Directors and 4 members of the HHS Zone Team.
- Salary offers need approval from FTE committee only if above midpoint of salary range.
- Committee meets twice per week.
- This group reviews all FTE requests, salary increases, and temporary hires.



What does it mean to work together?

HHS/State Role

- Establish policy and procedure for programs based on law and administrative rule
- Support programs teams in the zones with technical assistance, hands on training and reviews, including quality reviews
- Administer and adhere to the state merit system for human resource management
- Provide HR technical assistance and support as needed
- Provide official posting and ranking of Zone candidates for interview

New state responsibilities since SB2124

- Funder of all direct costs for delivery of human services
- Provide fiscal support for budgeting and purchasing
- Partner with the zone board on zone director performance management, hiring and terminations

Developed Standards of Administration for Human Services delivered by Human Service Zones

Human Service Zone Standards of Administration include measures that describe basic standards as they apply to HSZ delivery of Human Services, including Child Welfare services, Economic Assistance services, and HSZ Operations.

- Measures 1 - 5 relate to Child Welfare
- Measures 6 and 7 relate to Determining Eligibility
- Measure 8 and 9 relate to Operating
- Measure 10 is in development and will relate to Error Proofing in Determining Eligibility



Quarterly Summary of Compliance with Standards of Administration

SFY 2024 Q1 (July – August - September 2024)

Measure	Quarterly Perf Stat	CATEGORIES Compliance Status – Current Quarter					Has this measure been deemed Severe or Chronic in the last 2 years? (Status S or C)			
		E - Exceeds Standards	M - Meets Standards	F - Failure to Meet Stds	S - Severe Failure to Meet Stds	C - Chronic Failure to Meet Stds	Q1 SFY 24 (current)	Q4 SFY 23	Q3 SFY 23	Q2 SFY 23
1 cw: Tardy Transaction Errors	95.9%	100	99	<99		C	S	S	S	
2 cw: Visits for children in Foster care	95.9%	>85	85	85	<85				S	
3 cw: Visits for children in in-home/kin care	75.0%	>85	90	85	<85	C	S	S	S	
4 cw: Timely CPS assessments	87.7%	88	85	80	<80		S	S	S	
5 cw: Timely CPS face-to-face visits	79.3%	99	90	80	<80	S	S	S		
6 EA: Work item processing volume	64.2%	100	90	80	<80		S			
7 EA: Processing timeliness	88.6%	95	90	80	<80		S	S		
8 OP: Budget Reports by Due Date		<3	3	30	>30					
9 OP: Timely Personnel Reports		5	15	25	>25					
As-of-current-quarter summary of compliance status		2	2	1	2	2	3	4	5	6

To determine Zone status as per Standards of Administration, compare column total to the Action thresholds (yellow shaded rows)

	As-of-current-quarter summary of compliance status	2	2	1	2	2	3	4	5	6
Targeted Training	Yes									
Corrective Action Plan	No									
Performance Improvement Plan	No									
Structural Re-alignment	No									

¹⁰ EA: Error proofing (STATEWIDE)										
Measure still in development										

Attachments:
HSZ Standards of Administration – Quarterly Snapshot Dashboards

Successes this biennium

Increased access to data

- Position Control Log and Data dashboards

Support and Stabilization of Cass CPS team

- HHS and other HSZ members assistance
- New staff onboarding model-now replicated

Staffing Collaboration amongst Zones

- Cross-Zonal Supervision in both child welfare and EA
- Transfer of FTEs for difficult to fill positions (CSC Call Center, Eligibility workers)

March Madness

- Data driven conversations which led to identification of cases that were not being processed timely
- Transparency in assigned work which allowed for designating focus daily (i.e. types of cases or reviews)

Successful PHE Unwinding

Achieving federal Face-to-Face in person case worker visitation standard of 95% (Zones met this goal reaching 96%)

Uniform on-call policy and pay for child welfare team members



Preparing for Re-entry **Human Service Zone/DOCR Collaboration**

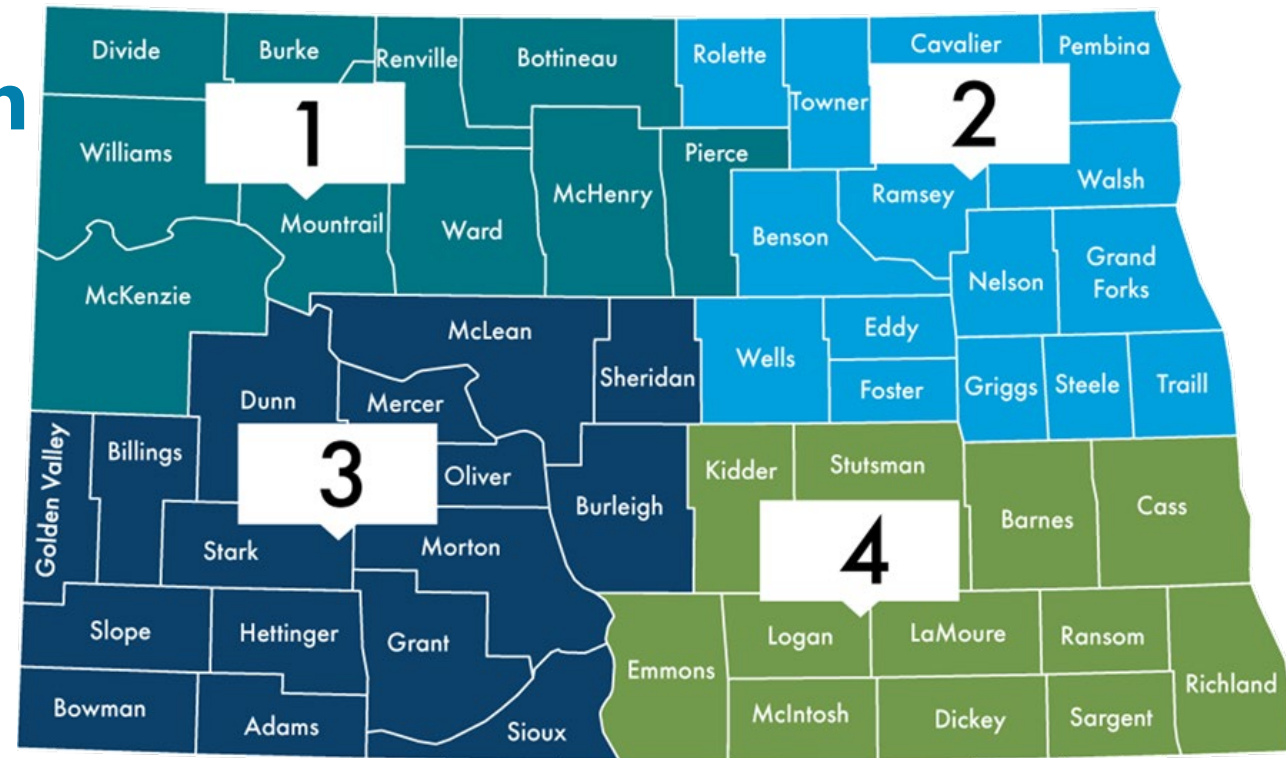
- Buffalo Bridges HSZ monthly visit to James River Correctional Center for application assistance
- Burleigh HSZ recently began 2 Eligibility Workers going to State Penitentiary to assist with apps prior to re-entry
- Zones discussing outreach Dakota Women's Correctional Center in New England and Heart River in Mandan
- Explore beneficial policy changes and potential to support people exiting county jails





Eligibility Processing Human Service Zone/Economic Assistance Collaboration

- High work volume in one group – How to adjust
- Staffing decisions regionally – What Zone/employer? Where do they work?
- CSC – Staffing to trends and metrics.
- Development of new Eligibility Worker training. Lesson Plan from HHS; Zones looking at Benchmarks and Competencies.





Child Welfare **Human Service Zone/Children Family Services Collaboration**

- Cross Zonal Supervision of front line child welfare staff
- Support during a vacancy and mentoring of new team members
- Assist each other in visiting youth in the community where they have placement, both foster and residential facilities. Transportation coordination.
- Shared On Call





More on Staff Turnover

In 2022, Zones gathered data regarding Staff turnover/retention:

- Child Welfare positions - 37.5% turnover
- Economic Assistance - 23.6% turnover

An indicator of progress...

Cass Human Service Zone has created a dashboard to track retention in their Zone and has documented significant progress over the last couple years.

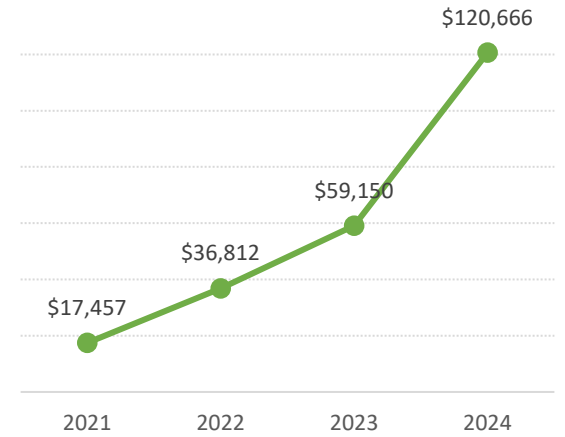
	2022	2024
Child Welfare	65%	15%
Economic Assistance	39%	7%

Final Disposition Assistance Trends

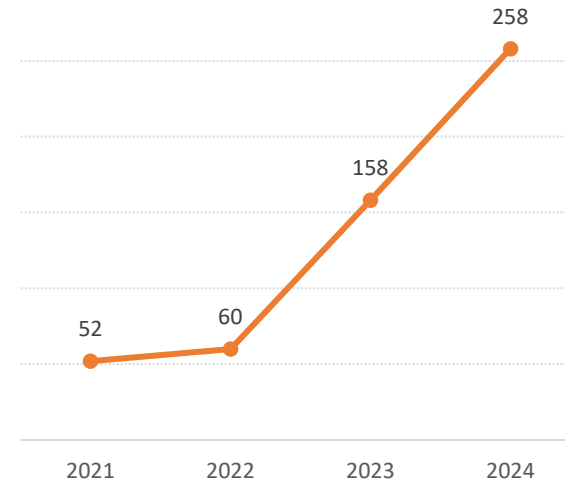
Row Labels	2022 - # individuals	2023 - # individuals	2024 - # individuals	2025 - Estimate
Agassiz_Valley	8	5	4	6
Buffalo_Bridges	11	5	19	13
Burleigh	15	29	32	26
Cass	58	93	97	78
Central_Prairie	5	0	3	3
Dakota_Central	6	4	14	7
Eastern_Plains	1	2	1	3
Grand_Forks	43	39	59	51
Mountain_Lakes	15	11	43	21
Mountrail_McKenzie	9	4	6	8
North_Star	9	10	28	12
Northern_Prairie	8	7	9	8
Northern_Valley	8	17	17	14
RoughRider_North	7	7	23	14
RSR	5	12	15	11
South_Country	9	3	10	7
Southwest_Dakota	1	0	2	3
Three_Rivers	12	11	22	12
Ward	38	38	50	41
Grand Total	268	297	454	338

Row Labels	2022 - GA Burial Costs	2023 - GA Burial Costs	2024 - GA Burial Costs	2025 - GA Burial Costs
Agassiz_Valley	\$15,455	\$6,125	\$17,500	\$21,000
Buffalo_Bridges	\$21,768	\$12,340	\$60,175	\$45,500
Burleigh	\$28,750	\$78,211	\$107,904	\$91,000
Cass	\$136,100	\$279,114	\$275,394	\$273,000
Central_Prairie	\$10,977	\$0	\$10,105	\$10,500
Dakota_Central	\$15,500	\$13,250	\$38,080	\$24,500
Eastern_Plains	\$2,961	\$12,220	\$6,896	\$10,500
Grand_Forks	\$102,585	\$79,327	\$219,348	\$178,500
Mountain_Lakes	\$37,510	\$39,090	\$119,875	\$73,500
Mountrail_McKenzie	\$23,500	\$13,500	\$14,000	\$28,000
North_Star	\$28,275	\$32,404	\$70,000	\$42,000
Northern_Prairie	\$18,250	\$16,400	\$33,893	\$28,000
Northern_Valley	\$17,360	\$42,650	\$50,357	\$49,000
RoughRider_North	\$14,750	\$19,359	\$71,518	\$49,000
RSR	\$11,053	\$35,589	\$35,244	\$38,500
South_Country	\$16,541	\$8,000	\$29,357	\$24,500
Southwest_Dakota	\$1,950	\$0	\$10,500	\$10,500
Three_Rivers	\$17,135	\$29,053	\$66,625	\$42,000
Ward	\$103,600	\$116,993	\$165,182	\$143,500
Grand Total	\$624,019	\$833,626	\$1,401,955	\$1,183,000

HHS Estate Recovery Collections



HHS Legal Team Support # Requests



Comparison of budgets and funding

By Major Expense – Human Service Zone funding

DESCRIPTION	2023-25 LEGISLATIVE BASE	INCREASE / (DECREASE)	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012
Salaries & Benefits	\$ 167,810,916	\$ 14,654,852	\$ 182,465,768	\$ -	\$ 182,465,768
Operating	14,308,195	(1,919,143)	12,389,052	-	12,389,052
IT Services	1,890,693	77,978	1,968,671	-	1,968,671
Indirect Cost	11,839,184	(4,979,305)	6,859,879	-	6,859,879
County Generated Revenue	-	(5,000,000)	(5,000,000)	-	(5,000,000)
Total	\$ 195,848,988	\$ 2,834,382	\$ 198,683,370	\$ -	\$ 198,683,370
General Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Federal Funds	-	-	-	-	-
Other Funds	195,848,988	2,834,382	198,683,370	-	198,683,370
Total Funds	\$ 195,848,988	\$ 2,834,382	\$ 198,683,370	\$ -	\$ 198,683,370

Human Service Zones as % of HHS Budget

- 3.2%

Budget by Funding Source

- 0% General
- 0% Federal
- 100% Other

Budget by Pass Through / Function

- 14% Zone Administration
- 42% Child Welfare
- 36% Eligibility Determination
- 4% Adult services (HCBS, APS)
- 4% Indirect costs

Comparison of budget expenditures and projections

By Program – Human Service Zone funding

PROGRAMS	2023-25 LEGISLATIVE BASE	ONE-TIME / CARRYOVER	2023-25 EXPENSES THROUGH DECEMBER	2023-25 PROJECTED EXPENDITURES	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012	GENERAL	FEDERAL	OTHER
ADMINISTRATION	\$ 28,970,694	\$ -	\$ 13,553,554	\$ 28,038,109	\$ 27,539,310	\$ -	\$ 27,539,310	\$ -	\$ -	\$ 27,539,310
ELIGIBILITY DETERMINATION	67,263,393	-	31,468,284	65,098,143	72,255,991	-	72,255,991	-	-	72,255,991
CHILD WELFARE	83,728,889	-	39,171,448	81,033,604	83,336,518	-	83,336,518	-	-	83,336,518
ADULT SERVICES (APS, HCBS)	8,779,817	-	4,107,521	8,497,189	8,860,068	-	8,860,068	-	-	8,860,068
INDIRECT COSTS	7,106,195	-	3,324,539	6,877,442	6,691,483	-	6,691,483	-	-	6,691,483
TOTAL	\$ 195,848,988	\$ -	\$ 91,625,346	\$ 189,544,488	\$ 198,683,370	\$ -	\$ 198,683,370	\$ -	\$ -	\$ 198,683,370

Comparison of budgets and funding

By Major Expense – Human Service Zone Operations (combined)

DESCRIPTION	2023-25 LEGISLATIVE BASE	INCREASE / (DECREASE)	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012
Salaries & Benefits	\$ 34,086,800	\$ 2,305,474	\$ 36,392,274	\$ -	\$ 36,392,274
Operating	1,797,544	830,294	2,627,838	-	2,627,838
IT Services	17,128	3,263,945	3,281,073	-	3,281,073
Grants	195,848,988	2,834,382	198,683,370	-	198,683,370
Total	\$ 231,750,460	\$ 9,234,095	\$ 240,984,555	\$ -	\$ 240,984,555
General Fund	\$ 1,876,289	\$ (1,876,289)	\$ -	\$ -	\$ -
Federal Funds	1,620,055	1,252,471	2,872,526	-	2,872,526
Other Funds	228,254,116	9,857,913	238,112,029	-	238,112,029
Total Funds	\$ 231,750,460	\$ 9,234,095	\$ 240,984,555	\$ -	\$ 240,984,555

Costs for HHS-delivered service



Costs for Zone-delivered service



Human Service Zone Operations as % of HHS Budget

- 3.8%

Budget by Funding Source

- 0% General
- 1% Federal
- 99% Other

Budget by Pass Through / Function

- 81% Pass through to Human Service Zones
- 12% HHS - Direct service
- 3% HHS - Admin
- 1% HHS - Technology
- 3% HHS - Programmatic

Comparison of budget expenditures and projections

By Program – Human Service Zone Operations (combined)

PROGRAMS	2023-25 LEGISLATIVE BASE	ONE-TIME / CARRYOVER	2023-25 EXPENSES THROUGH DECEMBER	2023-25 PROJECTED EXPENDITURES	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012	GENERAL	FEDERAL	OTHER
HUMAN SERVICE DELIVERY (ZONES)	\$ 198,473,352	\$ -	\$ 91,625,346	\$ 189,544,488	\$ 205,784,293	\$ -	\$ 205,784,293	\$ -	\$ -	\$ 205,784,293
CHILD WELFARE QUALITY ASSURANCE	2,175,314	-	1,721,820	2,304,814	2,273,650	-	2,273,650	-	-	2,273,650
FOSTER CARE	7,021,232	-	5,430,958	7,695,333	8,036,439	-	8,036,439	-	173,485	7,862,954
CHILD CARE LICENSING	5,309,346	-	3,749,154	5,014,922	5,078,274	-	5,078,274	-	-	5,078,274
LONG TERM CARE ELIGIBILITY	2,987,248	-	2,945,926	3,920,364	3,781,490	-	3,781,490	-	-	3,781,490
HCBS CASE MANAGEMENT	15,783,967	-	12,092,651	15,807,661	16,030,409	-	16,030,409	-	2,698,966	13,331,444
TOTAL	\$ 231,750,460	\$ -	\$ 117,565,855	\$ 224,287,582	\$ 240,984,555	\$ -	\$ 240,984,555	\$ -	\$ 2,872,451	\$ 238,112,104

On the horizon for Human Service Zones and HHS



- Economic Assistance Redesign Refinement
 - Adjust
 - Align
 - Improve
- HSZ Data Snapshots – key program measures of effectiveness and impact. Continued awareness, training and analysis to assist in data driven decision making.
- Integrated HR data system for Zones
- Working together to problem solve
 - Case mgmt for children with complex needs | Timeliness of child protection visits| Ongoing recruitment and retention of child welfare team members



Contact Information

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<https://www.hhs.nd.gov/human-service/zones>