MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION
SFN 2053 (2/85) 5M

ROLL NUMBER

DESCRIPTION

2205

2007 SENATE HUMAN SERVICES

SB 2205

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2205

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: #1538

Committee Clerk Signature	Mary K Monson

Minutes:

Senator Judy Lee, Chairperson of the Human Services Committee brought the committee to order.

All members of the committee were present.

Senator Lee opened the hearing on SB 2205 relating to employment of special assistant attorneys general, relating to state administration of the child support enforcement program and relating to administration of child support enforcement activities; to provide for a transfer of employees and equipment; to provide for payment and transfer of unused leave; to provide for a transfer of budgeted funds and unexpected child support incentive funds; to provide an appropriation; and to provide a continuing appropriation.

Senator Tom Fischer of District 46 co-sponsor of SB 2205 introduced the bill stating the bill is a result from last session's SB 2301 that dealt with the same subject and eventually formed the task force for study during the interim. He deferred to those who served on the interim task force and those who serve on the guidelines committee for child support. He further stated there is a fiscal note of 8.4 million attached to the bill.

Senator Lee commented that Senator Fischer has been involved with the child support issue for many years and is an expert on the subject.

Mike Schwindt, Director of the Child Support Enforcement Division of the Department of Human Services, testified in a neutral position explaining SB 2205 (See attachment # 1) He also presented documentation recapping the task force's work which is the basis for the legislation as well as amendments (See attachment #1).

Senator Dick Dever asked if this was set in motion last session, why is not in the Governor's budget.

Mike Schwindt responded that the governor's budget was well under development before the task force reached a conclusion and because this is a recommendation from the task force there is nothing that bids the governor in accepting it.

Senator Dever recalled that last session a considerable amount of discussion was held as to where this service would be housed as in courthouses and how it is addressed in SB 2205.

Mike Schwindt explained that a section of SB 2205 states there has to be an office in each of the eight governors's planning regions.

Discussion was held as to the number of offices, if any changes would be made and that population will help determine this.

Senator Dever asked who covers the cost of providing the facility.

Mike Schwindt answered that this would be part of the department's costs.

Senator John Warner commented about the need for security because this is an agency that attracts a lot of lightening.

Mike Schwindt agreed although it is a very low percentage of people who causes problems.

Senator Lee asked for an explanation of the $260 million.

Mike Schwindt explained the $260 million represents the amount of unpaid child support plus interest since the program started in 1975. Most of the amount is assigned to the state and after it is recovered it goes back to the families. The federal and county government each gets some. 85% of what is collected goes to families and the rest goes to other states or reimburses that state and federal programs.

Senator Warner asked if there is a process of making the $260 million more accurate or reflective of what is actually out there.

Mike Schwindt appreciated the question and responded they are now in the process of analysis of their receivables. He further stated SB 2129 would give them the authority to take the numbers of what can reasonably collected out of the books so an accurate number would be available.

Terry Traynor, Assistant Director of the North Dakota Association of Counties testified in support of SB 2205 (See attachment #2).

Senator Lee thanked the task force and the Association of Counties of all their efforts and hard work.

Terry Traynor added that everyone on the committee is concerned that employees take the leave but the issue is what amount of the cost of that leave should be borne by the counties that are giving it up and how much should be borne by the state. It was not an employee issue but to fairly treat each employee equitably as possible.

Larry Bernhardt, President of the ND County Social Services Director's Association testified in support of SB 2205 (See attachment # 3).

Senator Dever asked if all employees affected fall within the state scale range.

Larry Bernhardt stated he was not sure about those under the states attorneys operation but could speak of those in the five units under county social service operations and they are because they are governed by a merit system.

Joe Belford a Ramsey County Commissioner and Chairman of the Ramsey Social Service Board testified in support of SB 2205. He stated he was part of task force that had a lot of good discussions and debates. He thinks that consolidating this program with the state would make it be operated more efficiently to bring in the money. This will give the state the ability to shift the work load around within the state. He further stated efforts are being made to get the two reservations back into the federal program.

Senator Lee asked for testimony in opposition and in a neutral position and hearing none asked for anyone who could answer Senator Dever's question.

Mike Schwindt answered there are just four employees within the salary scale range whose salaries are frozen until the range catches up.

Ken Purdy, Classification and Compensation Manager with HRS of the Sate Personnel Division answered that there are three or four over the current range that encompassed in the projected ranges based on the current executive budget. Legislation does provide that they would be entitled to a July increase and the increase scheduled that would provide an exception too if that salary would continue to bump against the maximum. Over the long term there would be some equalization, letting other employees catch up and does not see an immediate impact. He continued that there would be seven that appear to be below the projected ranges of July 1 and that would be a $1500.00 a month cost to the state division and is sure it is covered in the bill.

John Waller, Administrator of Southwest Regional Child Support Enforcement Unit testified in support of SB 2205.

Senator Lee requested Mr. Waller to submit his comments in writing (See attachment # 4).

Mr. Purdy added that the study had not been completed that they received the material last year. They have prioritized and taken an initial look at all of the positions and the projection of the three positions is based on what the initial findings are regarding those classifications. Again based on their projected classification assignment at this point would effect three positions immediately in today's ranges but the July ranges would encompass their salaries and the statute would provide that they would be eligible for increases.

Senator Lee closed the hearing on SB 2205.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2205

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 22, 2007

Recorder Job Number: # 1540

Committee Clerk Signature	Mary K Monson

Minutes:

Senator Judy Lee, Chairperson of the Human Services Committee opened committee work on SB 2205.

All members of the committee were present.

Senator Lee commented they have amendments submitted to SB 2205 and to those that were new to the committee that the contents of the bill have been a topic that has gone on for some time, taken a lot energy and is pleased to see a bill that might work.

Senator Dick Dever commented that the controversy has gone away.

Senator Lee added she was very happy about that and that part of the controversy was raised by the counties and have come to the conclusion this bill is the answer. Half of what involves child support disbursement has already gone by in the state as a result of federal rule and now we are putting the other half of that project into central offices.

Senator Joan Heckaman commented she had attended a nine county commissioner meeting and that all of the counties recommend the provisions of the bill.

Senator Dever asked for explanation of the fiscal note when the big dollars come in the next biennium but in this biennium there are expenditures of $797,000.00, revenue at $384,000.00, so why is the total appropriation $797,000.00.

Senator John Warner commented that revenue still needs to appropriated. If revenue comes in, they have to be reappropriated.

Senator Lee said that the $384 was what was being paid for the one time equalization of benefits.

Senator Heckaman made a motion to adopt the amendments as proposed.

Senator Robert Erberle second the motion.

Roll call vote #1 for adoption of the amendments was taken indicating 6 Yeas, 0 Nays and 0 absent or not voting.

Senator Heckaman made a motion for a Do Pass as Amended and rerefered to Appropriations of SB 2205.

Senator Erberle second the motion.

Roll call vote #2 for a Do Pass as Amended and rerefered to Appropriations of SB 2205 was taken indicating 6 Yeas, 0 nays and 0 absent or not voting.

Senator Heckaman will carry SB 2205

FISCAL NOTE
Requested by Legislative Council
03/28/2007

Amendment to: Reengrossed SB 2205

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$384,998	$5,615,123	$0	$2,739,699
Expenditures	$0	$0	$6,873,169	$5,615,123	$10,255,549	$2,739,699
Appropriations	$0	$0	$0	$0	$10,255,549	$2,739,699

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($5,350,015)	$0	$0	($9,100,421)	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for the transfer of the Regional Child Support Enforcement Units (RCSEUs) from county operations to the Department of Human Services effective July 1, 2007.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of this bill is a combination of transferring the costs of operating the RCSEUs from the counties to the Department, the loss of SWAP revenues due to the decreased county expenditures, the transfer of the remaining county budgets to the Department for the operations of the RCSEUs, and a one-time payment by the counties to the state general fund for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The general fund revenues for the 2007-09 biennium are a result of the counties making a one-time payment to the state for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

The other funds revenues for both the 2007-09 and 2009-11 biennia are from the additional draw down of federal funds for the increased child support enforcement expenditures offset by the loss of SWAP revenues due to the decreased county expenditures. In 2007-09 only other funds also include the payment by the counties to the state of their remaining 2007 calendar year budgets for the RCSEUs.

   B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The general fund expenditures for the 2007-09 and 2009-11 biennia are a result of: 1) increases due to the state's share of the operating costs of the RCSEUs, 2) increased general fund needs within the Department to replace the loss of SWAP revenues, offset by 3) a reduction in the amount of general fund moneys needed for Indian county payments. The difference between the two biennia is due to the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The other fund expenditures for the 2007-09 and 2009-11 biennia are a result of increases related to the federal share of the operating costs of the RCSEUs offset by decreased other funds available due to the loss of SWAP revenues. The difference between the two biennia is due to the additional other funds available from the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The transfer would increase the Department's FTE by approximately 122.6 FTE.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

This bill contains an appropriation for the expenses to implement the provisions of the bill, and is not included in the Executive Budget.

Name:	Brenda M. Weisz	**Agency:**	DHS
Phone Number:	328-2397	**Date Prepared:**	03/28/2007

FISCAL NOTE

Requested by Legislative Council
03/15/2007

Amendment to: Reengrossed SB 2205

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$384,998	$5,615,123	$0	$2,739,699
Expenditures	$0	$0	$6,873,169	$5,615,123	$10,255,549	$2,739,699
Appropriations	$0	$0	($308,538)		$10,255,549	$2,739,699

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($5,350,015)	$0	$0	($9,100,421)	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for the transfer of the Regional Child Support Enforcement Units (RCSEUs) from county operations to the Department of Human Services effective July 1, 2007.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of this bill is a combination of transferring the costs of operating the RCSEUs from the counties to the Department, the loss of SWAP revenues due to the decreased county expenditures, the transfer of the remaining county budgets to the Department for the operations of the RCSEUs, and a one-time payment by the counties to the state general fund for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The general fund revenues for the 2007-09 biennium are a result of the counties making a one-time payment to the state for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

The other funds revenues for both the 2007-09 and 2009-11 biennia are from the additional draw down of federal funds for the increased child support enforcement expenditures offset by the loss of SWAP revenues due to the decreased county expenditures. In 2007-09 only other funds also include the payment by the counties to the state of their remaining 2007 calendar year budgets for the RCSEUs.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The general fund expenditures for the 2007-09 and 2009-11 biennia are a result of: 1) increases due to the state's share of the operating costs of the RCSEUs, 2) increased general fund needs within the Department to replace the loss of SWAP revenues, offset by 3) a reduction in the amount of general fund moneys needed for Indian county payments. The difference between the two biennia is due to the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The other fund expenditures for the 2007-09 and 2009-11 biennia are a result of increases related to the federal share of the operating costs of the RCSEUs offset by decreased other funds available due to the loss of SWAP revenues. The difference between the two biennia is due to the additional other funds available from the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The transfer would increase the Department's FTE by approximately 122.6 FTE.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

This bill contains an appropriation for the expenses to implement the provisions of the bill, and is not included in the Executive Budget.

Name:	Brenda M. Weisz	**Agency:**	DHS
Phone Number:	328-2397	**Date Prepared:**	03/15/2007

FISCAL NOTE

Requested by Legislative Council
03/07/2007

REVISION

Amendment to: Engrossed SB 2205

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$384,998	$5,615,123	$0	$2,739,699
Expenditures	$0	$0	$0	$12,488,292	$10,255,549	$2,739,699
Appropriations	$0	$0	$0	($308,538)	$10,255,549	$2,739,699

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($5,350,015)	$0	$0	($9,100,421)	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for the transfer of the Regional Child Support Enforcement Units (RCSEUs) from county operations to the Department of Human Services effective July 1, 2007.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of this bill is a combination of transferring the costs of operating the RCSEUs from the counties to the Department, the loss of SWAP revenues due to the decreased county expenditures, the transfer of the remaining county budgets to the Department for the operations of the RCSEUs, and a one-time payment by the counties to the state general fund for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The general fund revenues for the 2007-09 biennium are a result of the counties making a one-time payment to the state for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

The other funds revenues for both the 2007-09 and 2009-11 biennia are from the additional draw down of federal funds for the increased child support enforcement expenditures offset by the loss of SWAP revenues due to the decreased county expenditures. In 2007-09 only other funds also include the payment by the counties to the state of their remaining 2007 calendar year budgets for the RCSEUs.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The general fund expenditures for the 2007-09 and 2009-11 biennia are a result of: 1) increases due to the state's share of the operating costs of the RCSEUs, 2) increased general fund needs within the Department to replace the loss of SWAP revenues, offset by 3) a reduction in the amount of general fund moneys needed for Indian county payments. The difference between the two biennia is due to the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The other fund expenditures for the 2007-09 and 2009-11 biennia are a result of increases related to the federal share of the operating costs of the RCSEUs offset by decreased other funds available due to the loss of SWAP revenues. The difference between the two biennia is due to the additional other funds available from the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The transfer would increase the Department's FTE by approximately 122.6 FTE.

The general fund requirement for this bill for the 2007-09 biennium, will be funded through the Permanent Oil Tax Trust Fund. The fiscal note was not changed for the 2009-11 biennium as future legislation will have to determine the funding of these expenditures.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

This bill contains an appropriation for the expenses to implement the provisions of the bill, and is not included in the Executive Budget.

Name:	Brenda M. Weisz	**Agency:**	DHS
Phone Number:	328-2397	**Date Prepared:**	03/08/2007

FISCAL NOTE
Requested by Legislative Council
02/14/2007

Amendment to: Engrossed SB 2205

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$384,998	$5,615,123	$0	$2,739,699
Expenditures	$0	$0	$0	$12,796,830	$10,579,514	$2,739,699
Appropriations	$0	$0	$0	$0	$10,579,514	$2,739,699

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($5,658,553)	$0	$0	($9,424,386)	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for the transfer of the Regional Child Support Enforcement Units (RCSEUs) from county operations to the Department of Human Services effective July 1, 2007.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of this bill is a combination of transferring the costs of operating the RCSEUs from the counties to the Department, the loss of SWAP revenues due to the decreased county expenditures, the transfer of the remaining county budgets to the Department for the operations of the RCSEUs, and a one-time payment by the counties to the state general fund for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The general fund revenues for the 2007-09 biennium are a result of the counties making a one-time payment to the state for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

The other funds revenues for both the 2007-09 and 2009-11 biennia are from the additional draw down of federal funds for the increased child support enforcement expenditures offset by the loss of SWAP revenues due to the decreased county expenditures. In 2007-09 only other funds also include the payment by the counties to the state of their remaining 2007 calendar year budgets for the RCSEUs.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The general fund expenditures for the 2007-09 and 2009-11 biennia are a result of: 1) increases due to the state's share of the operating costs of the RCSEUs, 2) increased general fund needs within the Department to replace the loss of SWAP revenues, offset by 3) a reduction in the amount of general fund moneys needed for Indian county payments. The difference between the two biennia is due to the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The other fund expenditures for the 2007-09 and 2009-11 biennia are a result of increases related to the federal share of the operating costs of the RCSEUs offset by decreased other funds available due to the loss of SWAP revenues. The difference between the two biennia is due to the additional other funds available from the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The transfer would increase the Department's FTE by approximately 122.6 FTE.

The general fund requirement for this bill for the 2007-09 biennium, will be funded through the Permanent Oil Tax Trust Fund. The fiscal note was not changed for the 2009-11 biennium as future legislation will have to determine the funding of these expenditures.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

This bill contains an appropriation for the expenses to implement the provisions of the bill, and is not included in the Executive Budget.

Name:	Brenda M. Weisz	**Agency:**	DHS
Phone Number:	328-2397	**Date Prepared:**	02/14/2007

FISCAL NOTE

Requested by Legislative Council

01/24/2007

Amendment to: SB 2205

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$384,998	$5,850,608	$0	$2,739,699
Expenditures	$0	$0	$6,946,222	$5,850,608	$10,579,514	$2,739,699
Appropriations	$0	$0	$6,946,222	$5,850,608	$10,579,514	$2,739,699

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($5,423,068)	$0	$0	($9,424,386)	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for the transfer of the Regional Child Support Enforcement Units (RCSEUs) from county operations to the Department of Human Services effective July 1, 2007.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of this bill is a combination of transferring the costs of operating the RCSEUs from the counties to the Department, the loss of SWAP revenues due to the decreased county expenditures, the transfer of the remaining county budgets to the Department for the operations of the RCSEUs, and a one-time payment by the counties to the state general fund for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The general fund revenues for the 2007-09 biennium are a result of the counties making a one-time payment to the state for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

The other funds revenues for both the 2007-09 and 2009-11 biennia are from the additional draw down of federal funds for the increased child support enforcement expenditures offset by the loss of SWAP revenues due to the decreased county expenditures. In 2007-09 only other funds also include the payment by the counties to the state of their remaining 2007 calendar year budgets for the RCSEUs.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The general fund expenditures for the 2007-09 and 2009-11 biennia are a result of: 1) increases due to the state's share of the operating costs of the RCSEUs, 2) increased general fund needs within the Department to replace the loss of SWAP revenues, offset by 3) a reduction in the amount of general fund moneys needed for Indian county payments. The difference between the two biennia is due to the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The other fund expenditures for the 2007-09 and 2009-11 biennia are a result of increases related to the federal share of the operating costs of the RCSEUs offset by decreased other funds available due to the loss of SWAP revenues. The difference between the two biennia is due to the additional other funds available from the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The transfer would increase the Department's FTE by approximately 122.6 FTE.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The general fund appropriation for the 2007-09 biennium would need to be increased by a net amount of $6,946,222 as a result of: 1) the increase needed for the state's share of the operating costs of the RCSEUs, 2) the increase needed within the Department to replace the loss of SWAP revenues, offset by 3) the decrease in the amount of general fund moneys needed for Indian county payments.

The other funds appropriation for the 2007-09 biennium would need to be increased by a net amount of $5,850,608 as a result of the increase in federal funds related to the federal share of the operating costs of the RCSEUs, the one time remaining calendar year budgets offset by the decrease in other funds available due to the loss of SWAP revenues.

Name:	Brenda M. Weisz	**Agency:**	DHS
Phone Number:	328-2397	**Date Prepared:**	01/24/2007

FISCAL NOTE

Requested by Legislative Council
01/23/2007

REVISION

Bill/Resolution No.: SB 2205

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$384,998	$5,850,608	$0	$2,739,699
Expenditures	$0	$0	$6,946,222	$5,850,608	$10,579,514	$2,739,699
Appropriations	$0	$0	$6,946,222	$5,850,608	$10,579,514	$2,739,699

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($5,423,068)	$0	$0	($9,424,386)	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for the transfer of the Regional Child Support Enforcement Units (RCSEUs) from county operations to the Department of Human Services effective July 1, 2007.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of this bill is a combination of transferring the costs of operating the RCSEUs from the counties to the Department, the loss of SWAP revenues due to the decreased county expenditures, the transfer of the remaining county budgets to the Department for the operations of the RCSEUs, and a one-time payment by the counties to the state general fund for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The general fund revenues for the 2007-09 biennium are a result of the counties making a one-time payment to the state for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

The other funds revenues for both the 2007-09 and 2009-11 biennia are from the additional draw down of federal funds for the increased child support enforcement expenditures offset by the loss of SWAP revenues due to the decreased county expenditures. In 2007-09 only other funds also include the payment by the counties to the state of their remaining 2007 calendar year budgets for the RCSEUs.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The general fund expenditures for the 2007-09 and 2009-11 biennia are a result of: 1) increases due to the state's share of the operating costs of the RCSEUs, 2) increased general fund needs within the Department to replace the loss of SWAP revenues, offset by 3) a reduction in the amount of general fund moneys needed for Indian county payments. The difference between the two biennia is due to the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The other fund expenditures for the 2007-09 and 2009-11 biennia are a result of increases related to the federal share of the operating costs of the RCSEUs offset by decreased other funds available due to the loss of SWAP revenues. The difference between the two biennia is due to the additional other funds available from the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs.

The transfer would increase the Department's FTE by approximately 122.6 FTE.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The general fund appropriation for the 2007-09 biennium would need to be increased by a net amount of $6,946,222 as a result of: 1) the increase needed for the state's share of the operating costs of the RCSEUs, 2) the increase needed within the Department to replace the loss of SWAP revenues, offset by 3) the decrease in the amount of general fund moneys needed for Indian county payments.

The other funds appropriation for the 2007-09 biennium would need to be increased by a net amount of $5,850,608 as a result of the increase in federal funds related to the federal share of the operating costs of the RCSEUs, the one time remaining calendar year budgets offset by the decrease in other funds available due to the loss of SWAP revenues.

Name:	Brenda M. Weisz	**Agency:**	DHS
Phone Number:	328-2397	**Date Prepared:**	01/23/2007

FISCAL NOTE

Requested by Legislative Council
01/16/2007

Bill/Resolution No.: SB 2205

1A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2005-2007 Biennium		2007-2009 Biennium		2009-2011 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	$0	$0	$384,998	$11,999,360	$0	$2,739,699
Expenditures	$0	$0	$797,470	$11,999,360	$10,579,514	$2,739,699
Appropriations	$0	$0	$797,470	$11,999,360	$10,579,514	$2,739,699

1B. **County, city, and school district fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

2005-2007 Biennium			2007-2009 Biennium			2009-2011 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
$0	$0	$0	($5,423,068)	$0	$0	($9,424,386)	$0	$0

2A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

This bill provides for the transfer of the Regional Child Support Enforcement Units (RCSEUs) from county operations to the Department of Human Services effective July 1, 2007.

B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The fiscal impact of this bill is a combination of transferring the costs of operating the RCSEUs from the counties to the Department, the loss of SWAP revenues due to the decreased county expenditures, the transfer of the remaining county budgets to the Department for the operations of the RCSEUs, and a one-time payment by the counties to the state general fund for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*
   A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

The general fund revenues for the 2007-09 biennium are a result of the counties making a one-time payment to the state for the value of the transferred annual and sick leave of the county employees being transferred to the Department.

The other funds revenues for both the 2007-09 and 2009-11 biennia are from: 1) the additional draw down of federal funds for the increased child support enforcement expenditures offset by the loss of SWAP revenues due to the decreased county expenditures. In 2007-09 only other funds also include the payment by the counties to the state of their remaining 2007 calendar year budgets for the RCSEUs.

B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

The general fund expenditures for the 2007-09 and 2009-11 biennia are a result of: 1) increases due to the state's share of the operating costs of the RCSEUs, 2) increased general fund needs within the Department to replace the loss of SWAP revenues, offset by 3) a reduction in the amount of general fund moneys needed for Indian county payments. The difference between the two biennia is due to the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs and the related federal funds the Department is able to match with the one-time county payments.

The other fund expenditures for the 2007-09 and 2009-11 biennia are a result of increases related to the federal share of the operating costs of the RCSEUs offset by decreased other funds available due to the loss of SWAP revenues. The difference between the two biennia is due to the additional other funds available from the one-time payment from the counties to the Department of their remaining 2007 calendar year budgets for the RCSEUs and the related federal funds the Department is able to match with the one-time county payments.

The transfer would increase the Department's FTE by approximately 123 FTE.

C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation is also included in the executive budget or relates to a continuing appropriation.*

The general fund appropriation for the 2007-09 biennium would need to be increased by a net amount of $797,470 as a result of: 1) the increase needed for the state's share of the operating costs of the RCSEUs, 2) the increase needed within the Department to replace the loss of SWAP revenues, offset by 3) the decrease in the amount of general fund moneys needed for Indian county payments.

The other funds appropriation for the 2007-09 biennium would need to be increased by a net amount of $11,999,360 as a result of the increase in federal funds related to the federal share of the operating costs of the RCSEUs, the one time remaining calendar year budgets offset by the decrease in other funds available due to the loss of SWAP revenues.

Name:	Brenda M. Weisz	**Agency:**	DHS
Phone Number:	328-2397	**Date Prepared:**	01/19/2007

Date: 1-22-07

Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2205

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken amendments

Motion Made By Sen. Heckaman Seconded By Sen Erbele

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V. Chair	✓		Senator Jim Pomeroy	✓	
Senator Dick Dever	✓		Senator John M. Warner	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment

If the vote is on an amendment, briefly indicate intent:

Date: 1-22-07

Roll Call Vote #: 2

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. SB 2205

Senate **HUMAN SERVICES** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 78240.0101

Action Taken DP/amended - rerefer to approp.

Motion Made By Sen. Heckaman Seconded By Sen. Erbele

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee, Chairman	✓		Senator Joan Heckaman	✓	
Senator Robert Erbele, V. Chair	✓		Senator Jim Pomeroy	✓	
Senator Dick Dever	✓		Senator John M. Warner	✓	

Total (Yes) 6 No 0

Absent 0

Floor Assignment Senator Heckaman

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2205: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2205 was placed on the Sixth order on the calendar.

Page 8, line 31, remove "special assistant" and remove "general who are duly appointed under section 54-12-08"

Page 9, line 2, after the underscored period insert "Any attorney who represents the state agency under this chapter must be a special assistant attorney general appointed by the attorney general under section 54-12-08." and after "salary" insert "and expenses"

Page 9, line 12, replace "Investigate" with "investigate"

Page 11, line 17, replace "January" with "February"

Renumber accordingly

2007 SENATE APPROPRIATIONS

SB 2205

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2205

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 01/31/07

Recorder Job Number: 2354

Committee Clerk Signature	

Minutes:

Chairman Holmberg opened the hearing on SB 2205 on 01/31/07.

Senator Tom Fischer introduced SB 2205 indicating it deals with the centralization of child support enforcement administration. He discussed the task force that met several times during the interim and this bill is a result of that task force.

Senator Mathern, District 11, Fargo, discussed three specific points he wanted to make, 1) child support is a very emotional issue and it is important that we be consistent with the enforcement and implementation, 2) property taxes are going because of the local services being delivered and this should help the counties in terms of property taxes, and 3) there are potential problems in making this transfer in light of proper salaries for people who move from one system to another and hopefully the amendments done by the policy committees address those.

Chairman Holmberg asked if the fiscal note on the bill is the most recent and indicated this bill would go to the subcommittee for further perusal. The response was yes 1/24/07 is most recent.

Terry Traynor, Assistant Director, ND Association of Counties, presented written testimony (1) and indicated his testimony is centered around the financial aspects of the bill.

He described what when on at the county level with child support, what is currently happening and stated the counties are very supportive of the state handling all of the child support.

Chairman Holmberg asked if this transfer has the potential to reduce the county tax levies as sometimes people want to use the money that has already been levied. The response was that the tax levies would be reduced.

Senator Fischer asked how many total FTE's are involved. The response was 126.

Mike Schwindt, Director, Child Support Enforcement, DHS, distributed written testimony (2, 3) indicating the department was neutral on SB 2205. He presented the background leading up to SB 2205, discussed how this will be administered by the state, the salaries and employee benefits, the effective date of the bill and reviewed the state and county impact during 2007-09 and 2009-11.

Senator Wardner asked if child support was comprised of local or federal tax. The response was this is property tax with a federal incentive.

Chairman Holmberg asked what the Interstate Center is. The response was it is a centralized project center. He also questioned OMB about the mill levy, property tax and general fund monies. The response was that they would get back to Chairman Holmberg.

Joe Balfour, Ramsey County, testified in support of SB 2205 on behalf of seven counties. He indicated that the mill levy would indeed be decreased it this bill comes to pass.

Chairman Holmberg closed the hearing on SB 2205 indicating the the subcommittee needs to look at the language about transfers.

2007 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 2205

Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 02-12-07

Recorder Job Number: 3399

Committee Clerk Signature	Alice Delzer

Minutes:

Chairman Holmberg opened the hearing on SB 2205.

Senator Fischer handed out amendments and explained the amendments.

Senator Fischer made the motion to pass the amendments. Senator Krauter seconded.

Discussion followed regarding the employees from the counties becoming state employees, the regional worker, the fact that this bill will produce a unified system. The motion on the amended carried.

Senator Krauter moved a DO PASS AS AMENDED, Senator Robinson seconded.

Discussion followed regarding who monitors the program, the unity of the system, and the question came up what if the state decides they don't need these employees any longer.

Senator Bowman had questions regarding where the money goes and what counties are the biggest payers.

Senator Fischer The counties will not be paying them It is a unified system. It's partially done under the state now with some regulations and rules. He referred to SB 2301 from last session that actually mandated the centralization. The only thing left was to put the counties together and how they wanted to handle it. This bill is 100% state funded.

Senator Mathern confirmed the fact that this is a bill that will unify the system.

A roll call vote was taken resulting in 14 yeas, 0 nays, and 0 absent. Motion carried.

Senator Lee will carry the bill.

The hearing on SB 2205 closed.

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Title.0300

Prepared by the Legislative Council staff for
Senator Fischer
February 12, 2007

2-12-07

PROPOSED AMENDMENTS TO ENGROSSED SENATE BILL NO. 2205

Page 11, after line 29, insert:

"**SECTION 17. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.** There is appropriated out of any moneys from special funds, derived from federal funds and other income, the sum of $12,796,830, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of regional child support enforcement unit operations, for the biennium beginning July 1, 2007, and ending June 30, 2009. Of the $12,796,830, $7,181,707 is from the permanent oil tax trust fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 325 - Department of Human Services - Program and Policy

SENATE - This amendment adds a special funds appropriation of $12,796,830, of which $7,181,707 is from the permanent oil tax trust fund for costs associated with state administration of regional child support enforcement units.

Date: 2-12-07
Roll Call Vote #: 1

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2205

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number on amendment

Action Taken

Motion Made By Fischer Seconded By Krauter

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm			Senator Aaron Krauter		
Senator Bill Bowman, V Chrm			Senator Elroy N. Lindaas		
Senator Tony Grindberg, V Chrm			Senator Tim Mathern		
Senator Randel Christmann			Senator Larry J. Robinson		
Senator Tom Fischer			Senator Tom Seymour		
Senator Ralph L. Kilzer			Senator Harvey Tallackson		
Senator Karen K. Krebsbach					
Senator Rich Wardner					

Total (Yes) Carried No

Absent

Floor Assignment Fischer

If the vote is on an amendment, briefly indicate intent:

Date: 2-12-07
Roll Call Vote #:

2007 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2205.

Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken do pass as amended.

Motion Made By Krauter Seconded By Robinson

Senators	Yes	No	Senators	Yes	No
Senator Ray Holmberg, Chrm	✓		Senator Aaron Krauter	✓	
Senator Bill Bowman, V Chrm	✓		Senator Elroy N. Lindaas	✓	
Senator Tony Grindberg, V Chrm	✓		Senator Tim Mathern	✓	
Senator Randel Christmann	✓		Senator Larry J. Robinson	✓	
Senator Tom Fischer	✓		Senator Tom Seymour	✓	
Senator Ralph L. Kilzer	✓		Senator Harvey Tallackson	✓	
Senator Karen K. Krebsbach	✓				
Senator Rich Wardner	✓				

Total (Yes) 14. No 0

Absent 0

Floor Assignment ~~Fischer will ask~~ ask Sen Lee! HMS?

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2205, as engrossed: Appropriations Committee (Sen. Holmberg, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Engrossed SB 2205 was placed on the Sixth order on the calendar.

Page 11, after line 29, insert:

"**SECTION 17. APPROPRIATION - DEPARTMENT OF HUMAN SERVICES.** There is appropriated out of any moneys from special funds, derived from federal funds and other income, the sum of $12,796,830, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses of regional child support enforcement unit operations, for the biennium beginning July 1, 2007, and ending June 30, 2009. Of the $12,796,830, $7,181,707 is from the permanent oil tax trust fund."

Renumber accordingly

STATEMENT OF PURPOSE OF AMENDMENT:

Dept. 325 - Department of Human Services - Program and Policy

SENATE - This amendment adds a special funds appropriation of $12,796,830, of which $7,181,707 is from the permanent oil tax trust fund for costs associated with state administration of regional child support enforcement units.

2007 HOUSE HUMAN SERVICES

SB 2205

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2205

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: February 28, 2007

Recorder Job Number: 4086

Committee Clerk Signature	Judy Schock

Minutes:

Chairman Price: We will open the hearing on SB 2205.

Senator Tom Fischer, District 46 Fargo, ND: This bill has a lot of history to it. If you go back to 1997 in reality it started 4 years ago with discussion. About 2 years ago SB 2301 was introduced that put the wheels in motion for 2205. Result efforts of the task force, is the result of this bill. It is the centralization of child support enforcement.

Representative Robin Weisz, District 14: In 1997 when the process was started the problem back than was the dollars. The efficiency, the costs, and some of the equities in the counties were issues. This is an\n excellent step. It is the states responsibility not the counties. The system has improved dramatically and I give my whole hearted support for this bill.

Mike Schwindt, Director of the Child Support Enforcement Division of the Department of Human Services: See attached testimony.

Representative Porter: In regards to employees in section 14, is the state picking up all the years of service towards the retirement. Also how are we as property tax payers guaranteed that there will be a mill deduction and we will see those savings under this bill.

Mr. Schwindt: All employees are in PERS. I can't answer your other question.

Representative Porter: Was there discussion during the course of your meetings on making that a guaranteed part of this bill. We are picking up a substantial part of an existing county obligation without any guarantees. Did the committee discuss on putting those in writing that there is guaranteed property tax relief with this bill?

Mr. Schwindt: I don't recall any discussion about that.

Representative Weisz: asks to have the fiscal note explained.

Mr. Schwindt: See attached fiscal note and explanation attachment, and in the back you will see in that chart the dollars and where they go.

Representative Porter: On line 11 the loss, where is that money going to go? Will the money stay in the department's budget?

Mr. Schwindt: Right now it is targeted towards the Medicaid program. The money has to be adjusted to accommodate that.

Chairman Price: On the sick leave section 15. There are a couple of counties that employees were worried about that. Has that been taken care of for them or is it still an issue?

Mr. Schwindt: As far as I know it has been taken care of. They have choices of a transfer down or they can take cash out.

Representative Weisz: On line 25 (could not understand him), but he questions the retirement and health benefits.

Terry Traynor, Assistant Director of NDAC: See attached testimony. The counties have concerns about the property tax. I too can not say the counties will reduce the levies. I expect they will. The levy is specific. The bill is as employee friendly as possible. Many counties don't pay unused sick leave.

Representative Porter: What was the reason of going after the oil tax dollars?

Mr. Trayner: That was not the committee that was the senate appropriations committee. It was found favorable that it would be added to the DHS appropriation bill.

Michon Sax, Social Services director in McKinsey and Williams: We strongly support the bill, the efficiency is up scale. It will be nice to have centralization where everything is done the same. (Very hard to understand) We don't loose total involvement, and should defiantly be property tax relief. The tribal is different, there is no jurisdiction there.

Chairman Price: Mr. Flemming do you see any additional benefit to this as far as maybe more unified work with the tribal courts on child support orders?

Jim Flemming, Deputy Director and General Counsel of Child Support: I do see that, together we are trying to work cooperatively with the tribe's state wide. It is a concern. There is a lot to do.

Chairman Price: Anyone else to testify on SB 2205? If not we will close the hearing.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2205

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: March 12, 2007

Recorder Job Number: 4857

Committee Clerk Signature	Judy Schock

Minutes:

Representative Weisz: Calls the sub committee to order to act on SB 2205. I have a proposed study resolution to tack on to 2205. It has been about 12 years since we first started to implement it. I am offering this amendment suggesting language of Human Services. It does include all areas.

Representative Porter: It seems wordy. See attached amendment. I move the amendments, seconded by **Representative Schneider**.

Representative Porter: It was felt we needed to make sure that the savings truly represented property tax relief. I will go through the amendments. See attached and fiscal note with 300,000 less. We would not adopt the study as part of this because of the study language. Line 29 is where the difference between the two fiscal notes.

Terry Traynor, with NDAC: It is hard to argue with logic, and depending on what happens in the other legislation. That effects how this would be implemented. Counties have emergency core responsibilities, basically if all else fails they levy to meet the needs of the core. Some may see more increases out of this session than they will see savings. We are looking at several million dollars increase. I don't think it is going to be a net win for all counties. Counties have to show where their savings are where their increases are.

Rep. Weisz: If we don't pass 2205, nothing changes, than 1051 will have to stay in effect.

Rep. Porter: Once 2205 passes it's done. Specifically to those dollars in section 1 and the dates and budgets.

Mr. Traynor: It is the highest budget in the last three years. Obviously we understand what is there. The counties are not going to be relieved of all costs associated with child support enforcement. We understand we are talking about the units here. When they do it for the state they can not bill.

Committee agrees section 1 is clear. They discuss section 15 and section b, add another year? If you want it to expire you would want to put through 2011.The counties would know in 2009. You could put the expiration date of December 31, 2008.If this bill is passed it is a true savings to the counties.

Representative Schneider: I am still fearful that this passes and 1051 that we are tying the hands of the counties. My constituents don't like the property taxes, but at the same time they are comfortable with where they are at.

Mr. Traynor: In all honesty Mr. Schwiendt we should mention in February of 08 we do still have 384,000 dollars of expenses related to the buy out benefits, so than there will be another reduction, so maybe 09 instead of 08.

Representative Schneider moves the amendment, seconded by **Representative Porter**.

The verbal vote was unanimous.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2205

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: March 12, 2007

Recorder Job Number: 4935 (beginning at 37:05 on the tape)

Committee Clerk Signature	Shirley Olmsted

Minutes:

Chairman Price asked the committee to address SB 2205.

Representative Weisz explained his proposed amendments. He said it is the counties role versus the state's role. He said they passed legislation in 1997 that had to do with changes on how things were done and who is paying for what in the counties. This would merely phase that out after 12 years. It is time to take a look and see how things have played out. He said he would like to move this amendment.

Representative Schneider seconded the motion.

Chairman Price asked for discussion.

Representative Conrad asked if they were envisioning going back.

Representative Weisz said he would hope not. He thinks it is as we go forward we need to know how it has played out.

Representative Conrad said she was representing the counties in negotiations in the interim.

Representative Weisz said he thinks it does make sense to look at it.

Chairman Price called for a voice vote. The motion carried.

Representative Weisz asked them to look at page 12 on the bill. There would be one simple change on line 4 which would replace "permanent oil tax trust" with "general" fund. The reason the committee did that was by the direction of the Department of Human Services.

Representative Porter seconded the motion.

Chairman Price asked for discussion. Hearing none, a voice vote was taken. The motion carried.

Representative Porter said that on page 2 subsection D after the period if you add in this subsection expires on December 31, 2009. Section 21, on page 2 is crossed off because we already passed the study language that is more in depth that came from the department than this language. The amendment ends with subsection D. Page 1, Section 1, the new language that would go into 11-23 talks about county budgets, the county social services board in 2007 must identify the reduction in county funding derived from transfer of administration of the child support enforcement program from the county social service board to the department of human services on July 1, 2007. The amount reported must equal the full amount budgeted for administration of the child support enforcement program in the budget submitted by the county social service board and approved by the board of county commissioners in 2006. The budget must include a recommendation of how that reduction in county funding responsibility will be passed on to the property taxpayers of the county. On page 2, subsection D, it talked about inside the budgeting authority and the taxing authority that the reduced amount in dollars levied by a county in the base year for administration of the child support enforcement program by the county social services board so that is the instructions back to the county board that they have to reduce in that base year that amount of money that we are in affect saving the counties the first year. It is a simple amendment that reflects back to the property tax payers that we are in fact as a state picking up a portion of their current responsibility if this bill should pass. By doing that we are guaranteeing that the money goes back on the basis and prior to the county commission or the human services board budgeting, they have to go back to the basis minus this amount of savings. He made a motion to move this amendment.

Representative Weisz seconded the motion.

Chairman Price asked if they were reporting on the same date the bill becomes effective.

Representative Porter said if this bill passes it does go into affect July 1, 2007. This is a transfer date. The county budget certification date is October of each year.

Mr. Flemming said where Representative Porter said the amendment would end they need to have the line that is referenced on page 11, lines 16 to 18. That is the reference about prior to transferring of the budgeted fund, the regional office will hold on to enough money to pay the health premium for the next month. Two new sections are being added to the bill from the amendments, the reference would need to be changed.

Representative Porter said he may have said to cross out after D, but he was just taking out the study.

Chairman Price said basically what it is doing is letting the taxpayers know what we did as far as returning money to the counties.

Representative Porter said yes.

Representative Conrad asked about the part of removing the levy.

Representative Porter said no. They have to reduce by the amount of dollars levied by a county in a base year for administration of the child support program. There is nothing that says they cannot redistribute but they have to show that amount of dollars that they are saving because of this act are taken off first and then they can move forward with it after that fact.

Representative Conrad asked what the purpose was for this.

Representative Porter said because this bill is a total switch and the funding of the child support agencies. It is currently a county regional responsibility. Now it is becoming the state general funds responsibility and in order to go back to see what the state of ND did, and here is a reduction in the state property taxes. It is no way to go back to see what actual savings of this 5.3 million dollars went back to each county. There is no way to track that money back.

Representative Conrad asked what the value of that is.

Representative Porter said as a taxpayer he would like to know how it was going to affect the bottom line of my property taxes in Morton County. It does allow the money to go back out in the county, but it does allow me as a taxpayer to see what is going on with my money.

Representative Conrad said she spent the last week listening to county commissioners, city council, park boards, township officers, county auditors and a variety of people saying what is with you guys. What happened to our partnership here? I don't know why we need this.

Representative Kaldor asked about the mechanics of the unamended bill in terms of this change. Won't they be forced to reduce their levy?

Representative Weisz said yes and no. They can move the money but no one will know where the money went. This will say how much they are going to reduce the baseline and then you can add that same amount to the human services if you desire, but people are going to know what we saved you on the other end. Their budget may go down by that amount as well. We are asking them to identify this. The money blends in and we really have no idea where it is actually being spent.

Chairman Price asked if they had to report to someone.

Representative Weisz said he would assume they would have to report to the county commissioners as a board in the minutes.

Representative Potter said if it does not show on your tax statement, how will someone know how much it affected their taxes.

Representative Porter said in their discussions with the county social services budget, they will have to start back at their base minus how much the county has been paying towards this regional child support program and then they report what their needs are for the next two years and they will have to say they are saving, or they are even or they have an increase in the dollars it takes to run the county social services. As a taxpayer you will be able to go in and see that savings.

Chairman Price called for a voice vote. The motion carried.

Representative Weisz made a motion for a do pass as amended with referral to appropriations on SB 2205.

Representative Hofstad seconded the motion.

Chairman Price asked for discussion. Hearing none, the clerk called the roll on **a do pass as amended with referral to appropriation on SB 2205.** Let the record show 10 yes, 2 no with all present.

Representative Weisz will carry the bill to the floor.

Prepared by the Legislative Council staff for
Representative Porter
March 7, 2007

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2205

Page 1, line 3, after the first "sections" insert "11-23-01," and after "14-09-09.10" insert a comma

Page 1, line 4, remove the second "and"

Page 1, line 5, after "50-24.1-03.2" insert ", and subsection 3 of section 57-15-01.1"

Page 1, line 6, after "program" insert "and property tax reductions"

Page 1, after line 11, insert:

"**SECTION 1. AMENDMENT.** Section 11-23-01 of the North Dakota Century Code is amended and reenacted as follows:

11-23-01. Officers required to furnish commissioners with departmental budget. Every officer in charge of any institution, office, or undertaking supported wholly or in part by the county shall file with the board of county commissioners a departmental budget that is prescribed by the state auditor. The departmental budget must include an itemized statement of the estimated amount of money that will be required for the maintenance, operation, or improvement of the institution, office, or undertaking for the ensuing year. The board of county commissioners may require additional information to clarify the departmental budget.

<u>The departmental budget submitted by the county social service board in 2007 must identify the reduction in county funding derived from transfer of administration of the child support enforcement program from the county social service board to the department of human services on July 1, 2007. The amount reported must equal the full amount budgeted for administration of the child support enforcement program in the budget submitted by the county social service board and approved by the board of county commissioners in 2006. The budget must include a recommendation of how that reduction in county funding responsibility will be passed on to the property taxpayers of the county.</u>"

Page 10, after line 17, insert:

"**SECTION 14. AMENDMENT.** Subsection 3 of section 57-15-01.1 of the North Dakota Century Code is amended and reenacted as follows:

3. A taxing district may elect to levy the amount levied in dollars in the base year. Any levy under this section must be specifically approved by a resolution approved by the governing body of the taxing district. Before determining the levy limitation under this section, the dollar amount levied in the base year must be:

    a. Reduced by an amount equal to the sum determined by application of the base year's calculated mill rate for that taxing district to the final base year taxable valuation of any taxable property and property exempt by local discretion or charitable status which is not included in the taxing district for the budget year but was included in the taxing district for the base year.

b. Increased by an amount equal to the sum determined by the application of the base year's calculated mill rate for that taxing district to the final budget year taxable valuation of any taxable property or property exempt by local discretion or charitable status which was not included in the taxing district for the base year but which is included in the taxing district for the budget year.

c. Reduced to reflect expired temporary mill levy increases authorized by the electors of the taxing district.

<u>d.</u> <u>Reduced by the amount in dollars levied by a county in the base year for administration of the child support enforcement program by the county social service board.</u>"

Page 11, line 2, replace "16" with "18"

Page 12, after line 10, insert:

"**SECTION 21. LEGISLATIVE COUNCIL STUDY.** The legislative council shall consider studying, during the 2007-08 interim, the effects of laws that impose duties on counties to fund administration of certain economic assistance programs and require state funding for grant costs associated with those programs, commonly referred to as the swap proposal, and report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Renumber accordingly

Date: 3/12
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES S.B 2205 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number ______

Action Taken Move Amendments

Motion Made By Rep. Porter Seconded By Rep. Schneider

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman			Kari L Conrad		
Vonnie Pietsch – Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		
Patrick R. Hatlestad			Jasper Schneider		
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) "Click here to type Yes Vote" 3 No "Click here to type No Vote" 0

Absent 0

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent: Pass

Date: 3/12
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES 2205 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Move Amendments

Motion Made By Rep. Schneider Seconded By Rep. Porter

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman			Kari L Conrad		
Vonnie Pietsch – Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		
Patrick R. Hatlestad			Jasper Schneider		
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) 3 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent 0

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

Date: 3/12
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES SB 2205 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Move Amendment

Motion Made By Rep. Weisz Seconded By Rep. Schneider

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman			Kari L Conrad		
Vonnie Pietsch – Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		
Patrick R. Hatlestad			Jasper Schneider		
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) 12 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent 0

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

Date: 3/12
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES SB 2205 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Move Amendment

Motion Made By Rep. Weisz Seconded By Rep. Porter

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman			Kari L Conrad		
Vonnie Pietsch – Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		
Patrick R. Hatlestad			Jasper Schneider		
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) 12 "Click here to type Yes Vote" No 0 "Click here to type No Vote"

Absent 0

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

Date: 3/1 2
Roll Call Vote #: 3

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES S.B. 2205 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Move 3-4 Amendment

Motion Made By Rep. Porter Seconded By Rep. Weisz

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman			Kari L Conrad		✓
Vonnie Pietsch – Vice Chairman			Lee Kaldor		
Chuck Damschen			Louise Potter		✓
Patrick R. Hatlestad			Jasper Schneider		✓
Curt Hofstad					
Todd Porter					
Gerry Uglem					
Robin Weisz					

Total (Yes) 9 "Click here to type Yes Vote" No 3 "Click here to type No Vote"

Absent 0

Floor Assignment Rep.

If the vote is on an amendment, briefly indicate intent:

Date: 3/12
Roll Call Vote #: 4

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. "Click here to type Bill/Resolution No."

House HUMAN SERVICES SB 2205 Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass As Amended RR/App

Motion Made By Rep. Weisz Seconded By Rep. Hofstad

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price – Chairman	✓		Kari L Conrad	✓	
Vonnie Pietsch – Vice Chairman	✓		Lee Kaldor	✓	
Chuck Damschen	✓		Louise Potter	✓	
Patrick R. Hatlestad	✓		Jasper Schneider		✓
Curt Hofstad	✓				
Todd Porter		✓			
Gerry Uglem	✓				
Robin Weisz	✓				

Total (Yes) 10 "Click here to type Yes Vote" No 2 "Click here to type No Vote"

Absent 0

Floor Assignment Rep. Weisz

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2205, as reengrossed: Human Services Committee (Rep. Price, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (10 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed SB 2205 was placed on the Sixth order on the calendar.

Page 1, line 1, after "50-09" insert "and a new subdivision to subsection 3 of section 57-15-01.1"

Page 1, line 2, after "general" insert "and to property tax reductions"

Page 1, line 3, after the first "sections" insert "11-23-01," and after "14-09-09.10" insert a comma

Page 1, line 10, after the first semicolon insert "to provide for a legislative council study;", remove "and", and after the second "appropriation" insert "; and to provide an expiration date"

Page 1, after line 11, insert:

"**SECTION 1. AMENDMENT.** Section 11-23-01 of the North Dakota Century Code is amended and reenacted as follows:

11-23-01. Officers required to furnish commissioners with departmental budget.

<u>1.</u> Every officer in charge of any institution, office, or undertaking supported wholly or in part by the county shall file with the board of county commissioners a departmental budget that is prescribed by the state auditor. The departmental budget must include an itemized statement of the estimated amount of money that will be required for the maintenance, operation, or improvement of the institution, office, or undertaking for the ensuing year. The board of county commissioners may require additional information to clarify the departmental budget.

<u>2.</u> <u>The departmental budget submitted by the county social service board in 2007 must identify the reduction in county funding derived from transfer of administration of the child support enforcement program from the county social service board to the department of human services on July 1, 2007. The amount reported must equal the full amount budgeted for administration of the child support enforcement program in the budget submitted by the county social service board and approved by the board of county commissioners in 2006. The budget must include a recommendation of how that reduction in county funding responsibility will be passed on to the property taxpayers of the county.</u>"

Page 10, after line 17, insert:

"**SECTION 14.** A new subsection to section 57-15-01.1 of the North Dakota Century Code is created and enacted as follows:

<u>Reduced by the amount in dollars levied by a county in the base year for administration of the child support enforcement program by the county social service board.</u>"

Page 11, line 2, replace "16" with "19"

Page 11, line 21, replace "16" with "19"

Page 11, after line 22, insert:

"**SECTION 18. LEGISLATIVE COUNCIL STUDY - LOCALLY ADMINISTERED ECONOMIC ASSISTANCE PROGRAMS.** The legislative council shall consider studying, during the 2007-08 interim, the success and effects of the laws enacted by the fifty-fifth legislative assembly in House Bill No. 1041 and Senate Bill No. 2052, referred to in testimony as the "swap proposal", which required counties to pay the entire cost of the local administration of medicaid, energy assistance, basic care assistance, child care assistance, and temporary assistance for needy families in exchange for the state's assumption of the full responsibility for paying the grant costs associated with those programs. If conducted, the study should include a review of sections 50-01.2-00.1, 50-01.2-03.1, 50-01.2-03.2, 50-01.2-06, 50-03-00.1, 50-03-08, 50-03-09, and 50-03-10, subsection 28 of section 50-06-05.1, and sections 50-06-20, 50-24.1-14, and 50-24.5-08 to determine if those provisions have created a more understandable and sustainable division of responsibility between the state and counties in the delivery and financing of these economic assistance programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 12, line 4, replace "permanent oil tax tust" with "general"

Page 12, after line 10, insert:

"**SECTION 22. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2007, and after that date is ineffective and section 14 of this Act is effective through December 31, 2009, and after that date is ineffective."

Renumber accordingly

2007 HOUSE APPROPRIATIONS

SB 2205

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2205**

House Appropriations Committee
Human Resources Division

☐ Check here for Conference Committee

Hearing Date: **03-19-2007**

Recorder Job Number: **5281**

Committee Clerk Signature	Donna Kramer

Minutes:

Chairman Pollert opened the hearing for SB 2205.

Clerk read the bill for SB 2205, which is related to administration of Child Support Enforcement Activities to provide for transfer of employees and equipment to provide for payment and transfer of unused leave, to provide for transfer of budgeted funds and unexpected child support incentive funds, to provide for a LC study, to provide an appropriation, to provide an continuing appropriation, and to provide an expiration date.

Rep Weisz: From District 14. 10 Years ago the Legislature felt the state needed to run the child support but the funds were not available to make that move. Even though we made a lot of change in 1997 with the SWAP legislation, the child support component stayed as it was. What we are discussing is the cost to the state to take over all functions of child support, the regions and takes over the employees. The FN reflects these changes. Basically this will cost the state some money but this is true property tax relief. The county saved approximately 5.3 million dollars.

Chairman Pollert: This was not in the Governors' budget right?

Rep Weisz: It was not. This is very important for the counties, especially the Indian Counties.

We have always made some adjustments to help them but it was never enough. This basically equalizes it for every county as now every county will now have to fund it.

Rep Pollert: In your committee, did you get a break down of all dollars? Could we see the break down of the figures before I take action on the bill?

Rep Weisz: I don't believe it will save the State money in the long run as far as state dollars. I think it will save the state money if you look at the complete cost.

Rep Pollert: You are saying it will save the state money because the Department will collect more money in child support, bringing more money back to the state?

Rep Weisz: That is part of it but I think will run more efficiently. It will take some time to get their, where the whole thing is within the state. By looking at what the county was paying and the state was paying to do the procedure. In the long term it will offer us a savings per dollar collected.

Rep Nelson: In the FN the departments FTA count would go up by 122.6, is that a direct off-set of the regional units now or do you have the information now as to how many FTA's are now currently working in the region on child support enforcement?

Rep Weisz: All the employees will move over to the state. As the system evolves and the department is able to encourage efficiencies, I think long term we will get more bang for our buck. They can implement things they couldn't do under the current system, because you don't have control of regions and you can't require certain things to happen and you couldn't take advantage of numbers, specialized attorneys dealing with tribal issues. Now we will have that ability.

Rep Pollert: I know this property tax relief for the counties is it going to stay there? Did you make any provisions?

Rep Weisz: The amendment version 0400 is a section 14, page 11 in the bill, must reduce the amount levied by the county on the base for administration for Child Support Enforcement Program by the County Social Service Board.

Chairman Pollert: What were you impression of what we passed what we did last session? Do you feel we started under this trail 2 years ago and we are to finish it this trail?

Rep. Weisz: Last session was facing in the cost. It moved it over to the state and faced in what the county contributed to the cost. Which I think drop down to 20%.

Chairman Pollert: Are we going to have to rent office spaces to have the county employees transfer to the state level? Is that part of this bill?

Rep Weisz: Those costs are all part of this.

Rep Wieland: In the FN is see a difference of 1.5 million dollars between General Fund expenditures and between what the counties will be receiving. I would like to know what that extra million and ½ dollars is for? Does the 5.3 million dollars make the counties whole in terms of personnel issues and maybe you just answered that. I do think that rental and custodial are not included as part of the reimbursement.

Rep Weisz: The cost of personnel is covered. The state is picking up accumulated leave will reimbursing the state for that, because the state is going to honor that. The only issue that will be for the counties is for the foster care funds that get subtracted out in the whole equation. Part of the 1.5 million dollars $308,000 goes to the Indian counties and part goes to eliminating the foster care, which is reducing the net savings, so if you go down the list of the other funds you come up with the actual savings to the counties versus the expenditures from the state end.

Rep Ekstrom: Is there anyone that showed up at your hearing in objection or having trouble with this (opposing testimony).

Rep Weisz: There was no opposition to this bill. Which we did have a few opposing counties previous years.

Chairman Pollert: What was the vote in the committee?

Rep Weiss: It was either unanimous or one opposing vote. The counties I have talked to would be trill to have this bill passed.

Rep Wieland: Section 14 If I am reading that correctly it is saying that we have to reduce by the number of dollars that an individual county would receive. What about a county that is a growth county? They are going to spend more dollars every year. How does that particular section affect them?

Rep Weiss: It won't affect them. There are two things: I do have a suggested amendment that I want to present. One it doesn't prohibit them because it funds set out. So what we are doing is initially if the fund sets out in 09. So what it is say you start the base budget, so if you get $200,000 back that is where the base starts. You could grow it at $500,000 by the growth. It just says that you are going to take that account what you back from the state for this and drop your base and now drop your base back to where ever your growth demands.

Chairman Pollert and Weisz: Discussed the language

Rep Nelson: To pay for this a couple of options were discussed. One would be to off set several property tax reductions in either HB1051 or SB 2032. Reviewing 2032 as an example to draw from, all the property tax relief in that bill goes so to school districts rather than counties. Do you see anything that is problematic if that was the route that was chosen to fund this program, working with SB 2032 as the surviving tax relief bill? How are you going to fund this purposal?

Rep Weisz: No. Property tax relief is property tax relief. The customer really doesn't care where the saving come from whether it is coming from county, school or something else. We did discuss how we will be funding this quite a bit. We amended it to come out of General Fund dollars because one we refunded the Human Services from the General Fund dollars.

Chairman Pollert: This is all General Fund dollars where this money is coming from.

By doing this, is there any way we can get matching funds from the Federal Government?

Mike Schwindt: Ex Director Child Support.

Handout "Schedule=Fiscal Note" and an explanation on the schedule line by line.

The General Fund amount may be reduced the $384,998. We may not need this and we may discuss how this may be reduced. The explanation did give the difference for the different bienniums.

Brenda Weisz: From the DHS and author of the FN helped with the discussion of the FN.

Explained the process of if they take out the grants you would need to take it out of the grants portion and put it in the operations portion, because we still need the money in the budget to pay for expenditures that will be operating nature not grant. You can't do just straight reductions without doing the off setting changes.

Rep Nelson: Asked questions pertaining to the discussion the efficiency that would be gained by the state taking over this Child Support Enforcement, especially in Indian counties. Is the $617,000 saving in efficiencies or in added collections or a combination in both?

Mike: One the Devils Lake Regional Office has been performing at the bottom of the regional office for years. We continue to hear it is stemming from the Indian case load but the simple fact is the Indian case load is excluded from those numbers when we make calculation.

We also did some work several years ago which showed that when they working the lack of jurisdiction cases the accuracy was not all that high. So you are doing it again and again.

We can do things differently to create efficiency.

We also can look at some specialization on the Indian Case load. They have some different guidelines as do the other reservations. Working with tribes versus regions would consolidate and help with doing business.

We are looking at doing some modified enforcement of some of the more difficult cases. Can we find by pooling some resources, do some more selective enforcement than we have right now.

If we get our cases process faster our collections are going to go up simply because our average case brings in about $2000 in collections. Yet we have about 44,000 some odd cases where we have to get the orders in place. My goal increases it by 2% per year until we get up to one of or to be one of the top 5 of the country.

As our collections go up, I can tell you, we are going to be saving money out of the taniff program, were going to be saving money of the food stamp program, out of the Medicaid program, housing assistance program and all those kinds of programs.

Chairman Pollert: Would we able to trace the savings by the next biennium?

Mike Schwindt: We will be able to trace parts of it, but not necessarily all of it. I can show you some information at the National level.

Chairman Pollert: Will the state get the incentive payments?

Mike Schwindt: Yes. Right now the counties get the 70%.

Chairman Pollert: Yes so it is 1.766 million. So shouldn't that show revenue to us?

Mike: Yes and described where it is.

Chairman Bellew: Are all the employees necessary?

Mike: Today we are can not understand it. My hope would be that somewhere we may be able to. It will take a little bit of time to work into that.

Chairman Pollert: We have discussed efficiencies but all I see is a cost. I can see an increase in child support collections. So where are the other efficiencies coming from?

Mike: Cost avoidance part which is about $18,000. Your going to start to see more efficiency because we are going to cut of some of the fusing that goes on between the state and the counties, and from county to county. But it will take some time to get into place.

Chairman Pollert: The 200 and some odd thousand dollars that goes to the Devils Lake child support. Can that be deducted from the budget?

Mike: No Sir! It is used for staff up there.

Rep Nelson: If we discuss this issue as to why we are to take over the responsibility of Child Support Enforcement, I believe Wells County was in the Devils Lake Region at one time and now they have transferred their administration to the Jamestown Region. Is that correct?

Mike: Yes Sir

Rep Nelson: Was the reason they did that due to the additional cost of the Devils Lake Region office incurs in counties or was there another reason?

Mike: As I recall the Wells County contribution on the Devils Lake Region Program was about $11,000 a year, when there cost at the Jamestown is about $30,000.

Rep Nelson: That doesn't make sense!

Chairman Pollert: On the front page of the FN, the $308,000 we can take that out?

Mike: Yes Sir! Because the appropriation 2205 shows General Fund of 7.1 million and you go to the bottom of the schedule you see it is only 6.8 million.

Terry Traymor: Association of Counties Testified in support. We have been interested in this issue since 1997. It has been a top priority in our Legislative resolutions for the last 5 years.

Chairman Pollert: What is the difference from last biennium to this year?

Terry: Immediately the state would take 20% of the cost and all the employees and the counties would continue to pay 80% of and 60, then 40, then 30, and then over a period of 3 biennium it would go away. Before it was the counties would continue to pay 40% and we asked that it not be passed.

Rep Bellew: Do all counties all have the same max kind of levy that they can levy for Social Services?

Terry: All counties have a 20 mill levy. But they can draw from their general fund.

Rep Nelson: Could it be an option to implement this in stages.

Terry: It would be very difficult not to move all the employees at one time.

Joe Bell: Chairman of Ramsey County Social Service. Testified in support Ramsey county mill levy is 36 mills which are for Social Services 5 of which goes to our Child Support Program. So it is definitely a property tax relief for us in our county.

Hear closed.

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. **SB 2205**

House Appropriations Committee
Human Resources Division

☐ Check here for Conference Committee

Hearing Date: 3-23-07

Recorder Job Number: 5512

Committee Clerk Signature Diane Haan

Minutes:

Chairman Pollert: We'll work on SB 2205

Rep Ekstrom: To get a clarification from LC, on Page 11, 2nd Engrossment, Line 12…I had a note there that said that we were adding language that said "an increase by section 16 of this act" … it's been so long, but it seemed that there was a need for a further amendments…is that right?

Chairman Pollert: Rep Weisz is the carrier.

Rep Ekstrom: I just want to make sure we do it if we're suppose to.

Chairman Pollert: Is anyone from the Assoc of Counties here? Rep Kerzman, do you have a note on what this was about?

Rep Kerzman: No I don't, I'm not sure if I was here for the hearing but the way I read this…the counties would be directed to reduce the levy that they normally levy for child support and also if you put the amendment on, they reduce it by the number of employees that they're allowed to replace or whatever they eliminate on the county level…I think that's why they wanted the amendment in there. This would direct the counties…if they levy X number of bills for child support enforcement…if it's taken over by the state, the counties are directed to reduce the levies by that amount and if we add the amendment for the transfer of employees…if they have an employee or 2 that's working in child support and they don't need those anymore, they can reduce their budget or their levy by the same amount…I think that's why you want to put it in there.

Rep Ekstrom: The wording…you remove the period and the following …and increase by section 16 of this act. Reduced by the amount of dollars levied by a county in the base year for the administration of child support and enforcement program by the County Social Service Board and increase by section 16 of this act…this is what I wrote.

Rep Wieland: When this was originally put, it actually did reduce what the amount of dollars that would be going to the counties, but that's not what this is. This is that the counties would reduce the levies that they are now using for child support enforcement. In case of Ward County they're approximately 5 mills, so the Social Service Board would have to reduce it by the 5 mills. It's suppose to be property tax relief and that's how the property tax relief is accomplished and in some counties, if they've reached the cap, they can't add that back in to spend in some other line item. A lot of the counties have reached the caps, so they won't be able to do that. I'm not 100% sure where section 16 is, so that was added later. Terry and Mark are here, I'd like one of them to come forward.

Terry Traynor, ND Association of Counties: Rep Weisz brought it in at our request…the language in the amendments that the House Human Service Committee put on, as Rep Wieland explained, directs the counties to look at what their saving are because of this bill and lower their budgets for their mills by that amount of savings. When this was discussed in Committee, no one thought about the fact that next year we have an obligation, based on section 16, to pay for benefits that have accrued to the state, because the state will be assuming that and the intention the amendment was that we're going to lower our budgets and our mills for the savings, but we do want to be able to recognize that one time expenditure that we're going to have to make in 2008, which roughly across the state is $380T. Each county would realize a very small amount of that but because we're going to be asking them to lower their levies, we wanted to be able to recognize that increase.

Chairman Pollert: But the amendment needed to be added in because the dollar figures are in the fiscal note, right? There's $384,998 in the fiscal note?

Terry Traynor: Correct, but because of the amendments that were added, it's really directed the counties to adjust their budget down and they are going to be paying that money out of their next years budget...it would allow them to at least increase their budget by the amount that they're directed by section 16 to pay for the state.

Chairman Pollert: We're not a policy committee, I hate changing policy. So is that what the House Human Services policy committee intended to do?

Mike Schwindt: That's my understanding.

Chairman Pollert: Committee, are you in agreement with that?

Rep Nelson: I think you could argue that this isn't a policy change, it's just changing the dollar amount that's needed for the counties to fit in what the policies directs them to.

Chairman Pollert: Terry, I have on my notes that on the appropriations, $308T of that can be taken out.

Terry Traynor: That's my understanding...that Mr Schwindt recommended that there was $308T in this bill, because it was taken care of elsewhere.

Chairman Pollert: So we would need an amendment to add the language Rep Weisz asked about and also that would amendment would have to show that dollar figure would be coming out as well, right?

Terry Traynor: Right.

Chairman Pollert: When you testified on SB 2012, you had the fiscal note breakdown and there are going to be some reductions to that bill. If this bill passes, those will be automatic reductions to SB 2012, is that correct or is that already in the budget bill?

Mike Weisz, Director Child Support: It's not budget bill already, as I understand the amendments to SB 2012...I'll refer to Brenda.

Brenda Weisz, Chief Financial Officer for the Dept: We kept the records separate so they can pass without respect to the other...everything in SB 2012 is what we would need to operate. If SB 2205 passes, the costs have already been reduced if there would be duplication. They're 2 separate pieces.

Chairman Pollert: I thought when we talked on SB 2012, Mr Schwindt had mentioned that there was an item or 2 that said they could be deducted out of SB 2012.

Brenda Weisz: I clarified this that day also, if you deduct it, you have to add it back in operating line item, you can't take it out completely...it will just change the makeup because it will no longer be a grant to a county but will have to stay within the budget as operating expense to actually pay for those FTEs and pay for their rent. You can't have a one sided reduction...you'd have to move it between lines.

Rep Bellew: My notes show that you can reduce Indian County allocation by some $600T and some dollars...is this correct?

Brenda Weisz: The fiscal note in front of you takes that reduction into account, so you can't go back into SB 2012 and reduce it again by another $600T.

Chairman Pollert: That reminds me that I should ask Rep Wieland if those numbers are correct.

Rep Wieland: Yes, the numbers are correct...we verified all of the numbers.

Brenda Weisz: If you look at the fiscal note for SB 2205, there is too much general fund in the fiscal note in the language of the bill itself. Right now the Appropriations section it says general funds $7.1M.

Chairman Pollert: Our fiscal note of March 15th says $6M873T

Brenda Weisz: Right below that it says negative 308 ... what we're telling you is it's appropriation language in the bill itself...it's $308T too high. The bill itself say $7.1M in general funds are needed and we really only need the 6.8, so if you were to do any amendments you'd reduce it by that.

Rep Bellew: I'll move that we reduce the appropriation by $308,538T on Page 13 L 15, it says $7.1M from the general fund...change that figure to $6,873,169.

Chairman Pollert: That gets the fiscal note in line with the bill.

Rep Ekstrom: Would we also be adding the language on page 11 that we discussed earlier?

Rep Bellew: I would say yes, that would be part of my amendment.

Rep Wieland: I'll second it.

Chairman Pollert: We have a motion by Rep Bellew and a second by Rep Wieland to amend on Page 13, Line 15, the $7.1M down to $6,873,169 and then the amendment on Page 11, Section 14 on Line 12 to take out the *(can't understand)* and the amendment and increase by section 16 of this act.

VOICE VOTE for the 2 parts of the Amendments   Amendment Carries

Rep Wieland: I make a motion for a DO PASS AS AMENDED

Rep Ekstrom: I second it.

Rep Bellew: I feel this is one of the true property tax relief bills in this session and I'm going to support this one.

Roll call vote taken **Yes 7 No 1 Absent 0 Carrier Rep Wieland**

2007 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. SB 2205

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 3-23-07

Recorder Job Number: 5548

Committee Clerk Signature	

Minutes:

Chairman Svedjan opened the hearing on SB 2205.

Rep Wieland: (distributed amendment 0304 - Attachment A)

This bill transfers child support enforcement from the counties to the state.

Rep Wieland moved the amendment

Rep Klein seconded the motion

There are two parts to the amendment. One part is that the departmental budget that is submitted by county social services must identify the reduction in county funding derived from transfer of the administration of this program, and the amount reported must equal the full amount budgeted for administration in the budget submitted. They need to reduce their mill levy by the amount that they are now levying. In most cases since there is a cap set they cannot spend it on anything else. The other part of it has to do with the reduction of cost that is not needed ($308,000).

Rep Carlson: Question on the back page - wasn't that original fund dollars or was it always permanent oil tax trust fund?

Rep Wieland: It came from the Senate from the permanent tax fund -the policy committee did change that to the general fund. We're removing the language that puts it into the permanent trust fund. It is back to the general fund.

Rep Pollert: These amendments were drafted with the two changes that Rep Wieland just brought up.

Rep Carlson: It's the $6.8M?

Rep Wieland: Yes.

Rep Nelson: That 6.8 is more than is needed for the child support. There is some foster care,$900,000 of foster care money that's included in that total. So the total amount of property tax relief for counties would be five million three hundred fifty thousand fifteen dollars.

Rep Carlson: This is not the first time that we have taken over services from the county. How is this going to be reflected to the taxpayers as property tax relief?

Rep Wieland: That is addressed in the amendment. They have to reduce their general taxes by the amount of the mill levy that they are now paying in for this program.

A Voice Vote to adopt the amendment on SB2205 passed

Rep Wieland: We are back to the transfer. There are 122 people that are involved that are currently employed by the child support enforcements back in the counties. The state would pay starting July 1 and they would no longer be employees of the counties. The state benefits would also apply. The only thing is that there is a transfer of leave and a buy out. The counties will have to provide the amount of dollars to the state over time as these people and will have to pay that amount. The only thing they pay in addition to the salaries is there is some rents involved. They will have to pay telephone costs and also all of the furniture, computers, desks, files, etc. become the property of the state. That is the same thing we did when we took over the clerk of courts. The cost is $6.8M of which $5.350M is tax relief back to the counties. There is no guarantee of job security. If it becomes necessary to have a RIF after the first of July, the dept can do that.

Chairman Svedjan: Could you talk about the swap issue? Also there is another bill that has us going back to take another look at swap.

Rep Wieland: The swap was in enacted and the state was to take over the program and the counties take over the administration. Originally child support was not in that. But all of the costs have been paid for by the counties with the exception of that they did get some incentive payments. Now the state will get all of the incentives.

Rep Carlisle: Did the counties ask for this? Was it their idea?

Rep Wieland: In the '05 session there was a bill passed - 2301 - where the dept actually took over the operation of child support enforcement. In essence they are actually running the program today, but the counties are still paying all of the employees and they haven't got anything further to say what the program is doing or anything like that.

Rep Nelson: The counties came willingly. The dept feels that they will be able to do a better job.

Rep Wieland moved a Do Pass as Amended

Rep Klein seconded the motion

(yes) 22 (no) 0 (absent) 2

Carrier: Rep Wieland

Attachment A

78240.0304
Title.

Prepared by the Legislative Council staff for
House Appropriations - Human Resources
March 23, 2007

PROPOSED AMENDMENTS TO REENGROSSED SENATE BILL NO. 2205

In lieu of the amendments adopted by the House as printed on pages 1004 and 1005 of the House Journal, Reengrossed Senate Bill No. 2205 is amended as follows:

Page 1, line 1, after "50-09" insert "and a new subdivision to subsection 3 of section 57-15-01.1"

Page 1, line 2, after "general" insert "and to property tax reductions"

Page 1, line 3, after the first "sections" insert "11-23-01," and after "14-09-09.10" insert a comma

Page 1, line 10, after the first semicolon insert "to provide for a legislative council study;", remove "and", and after the second "appropriation" insert "; and to provide an expiration date"

Page 1, after line 11, insert:

"**SECTION 1. AMENDMENT.** Section 11-23-01 of the North Dakota Century Code is amended and reenacted as follows:

11-23-01. Officers required to furnish commissioners with departmental budget.

<u>1.</u> Every officer in charge of any institution, office, or undertaking supported wholly or in part by the county shall file with the board of county commissioners a departmental budget that is prescribed by the state auditor. The departmental budget must include an itemized statement of the estimated amount of money that will be required for the maintenance, operation, or improvement of the institution, office, or undertaking for the ensuing year. The board of county commissioners may require additional information to clarify the departmental budget.

<u>2.</u> <u>The departmental budget submitted by the county social service board in 2007 must identify the reduction in county funding derived from transfer of administration of the child support enforcement program from the county social service board to the department of human services on July 1, 2007. The amount reported must equal the full amount budgeted for administration of the child support enforcement program in the budget submitted by the county social service board and approved by the board of county commissioners in 2006. The budget must include a recommendation of how that reduction in county funding responsibility will be passed on to the property taxpayers of the county.</u>"

Page 10, after line 17, insert:

"**SECTION 14.** A new subdivision to subsection 3 of section 57-15-01.1 of the North Dakota Century Code is created and enacted as follows:

Reduced by the amount in dollars levied by a county in the base year for administration of the child support enforcement program by the county social service board and increased by section 16 of this Act."

Page 11, line 2, replace "16" with "19"

Page 11, line 21, replace "16" with "19"

Page 11, after line 22, insert:

"**SECTION 18. LEGISLATIVE COUNCIL STUDY - LOCALLY ADMINISTERED ECONOMIC ASSISTANCE PROGRAMS.** The legislative council shall consider studying, during the 2007-08 interim, the success and effects of the laws enacted by the fifty-fifth legislative assembly in House Bill No. 1041 and Senate Bill No. 2052, referred to in testimony as the "swap proposal", which required counties to pay the entire cost of the local administration of medicaid, energy assistance, basic care assistance, child care assistance, and temporary assistance for needy families in exchange for the state's assumption of the full responsibility for paying the grant costs associated with those programs. If conducted, the study should include a review of sections 50-01.2-00.1, 50-01.2-03.1, 50-01.2-03.2, 50-01.2-06, 50-03-00.1, 50-03-08, 50-03-09, and 50-03-10, subsection 28 of section 50-06-05.1, and sections 50-06-20, 50-24.1-14, and 50-24.5-08 to determine if those provisions have created a more understandable and sustainable division of responsibility between the state and counties in the delivery and financing of these economic assistance programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 11, line 31, after "moneys" insert "in the general fund in the state treasury, not otherwise appropriated, the sum of $6,873,169, or so much of the sum as may be necessary, and"

Page 12, line 1, replace "$12,796,830" with "$5,615,123"

Page 12, line 4, remove "Of the $12,796,830, $7,181,707 is from the permanent oil tax trust fund."

Page 12, after line 10, insert:

"**SECTION 22. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2007, and after that date is ineffective and section 14 of this Act is effective through December 31, 2009, and after that date is ineffective."

Renumber accordingly

Date: 03-23-07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2205

House **HUMAN RESOURCES DIVISION** Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number

Action Taken Do Pass as amended.

Motion Made By Rep. Wieland Seconded By Rep. Ekstrom

Representatives	Yes	No	Representatives	Yes	No
Chairman Pollet		X	Rep. Nelson	X	
Vice Chairman Bellew	X		Rep. Kerzman	X	
Rep. Wieland	X		Rep. Metcalf	X	
Rep. Kreidt	X		Rep. Ekstrom	X	

Total (Yes) 7 No 1

Absent

Floor Assignment Rep. Wieland

If the vote is on an amendment, briefly indicate intent:

Pass

Date: 3/23/07
Roll Call Vote #: 1

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2205

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 78240.0304

Action Taken adopt amendment 0304

Motion Made By Wieland Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan					
Vice Chairman Kempenich					
Representative Wald			Representative Aarsvold		
Representative Monson			Representative Gulleson		
Representative Hawken					
Representative Klein					
Representative Martinson					
Representative Carlson			Representative Glassheim		
Representative Carlisle			Representative Kroeber		
Representative Skarphol			Representative Williams		
Representative Thoreson					
Representative Pollert			Representative Ekstrom		
Representative Bellew			Representative Kerzman		
Representative Kreidt			Representative Metcalf		
Representative Nelson					
Representative Wieland					

Total (Yes) ______ No ______

Absent ______

Floor Assignment ______

If the vote is on an amendment, briefly indicate intent:

Voice Vote - Carries

Date: 3/23/07
Roll Call Vote #: 2

2007 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2205

House Appropriations Full Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 78240.0304

Action Taken Do Pass as amended

Motion Made By Wieland Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan	✓				
Vice Chairman Kempenich	✓				
Representative Wald	✓		Representative Aarsvold	✓	
Representative Monson	✓		Representative Gulleson	✓	
Representative Hawken	—	—			
Representative Klein	✓				
Representative Martinson	✓				
Representative Carlson	✓		Representative Glassheim	✓	
Representative Carlisle	✓		Representative Kroeber	✓	
Representative Skarphol	✓		Representative Williams	✓	
Representative Thoreson	✓				
Representative Pollert	✓		Representative Ekstrom	✓	
Representative Bellew	✓		Representative Kerzman	—	—
Representative Kreidt	✓		Representative Metcalf	✓	
Representative Nelson	✓				
Representative Wieland	✓				

Total (Yes) 22 No 0

Absent 2

Floor Assignment Wieland

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2205, as reengrossed and amended: Appropriations Committee (Rep. Svedjan, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (22 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). Reengrossed SB 2205, as amended, was placed on the Sixth order on the calendar.

In lieu of the amendments adopted by the House as printed on pages 1004 and 1005 of the House Journal, Reengrossed Senate Bill No. 2205 is amended as follows:

Page 1, line 1, after "50-09" insert "and a new subdivision to subsection 3 of section 57-15-01.1"

Page 1, line 2, after "general" insert "and to property tax reductions"

Page 1, line 3, after the first "sections" insert "11-23-01," and after "14-09-09.10" insert a comma

Page 1, line 10, after the first semicolon insert "to provide for a legislative council study;", remove "and", and after the second "appropriation" insert "; and to provide an expiration date"

Page 1, after line 11, insert:

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11-23-01. Officers required to furnish commissioners with departmental budget.

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<u>2. The departmental budget submitted by the county social service board in 2007 must identify the reduction in county funding derived from transfer of administration of the child support enforcement program from the county social service board to the department of human services on July 1, 2007. The amount reported must equal the full amount budgeted for administration of the child support enforcement program in the budget submitted by the county social service board and approved by the board of county commissioners in 2006. The budget must include a recommendation of how that reduction in county funding responsibility will be passed on to the property taxpayers of the county.</u>"

Page 10, after line 17, insert:

"**SECTION 14.** A new subdivision to subsection 3 of section 57-15-01.1 of the North Dakota Century Code is created and enacted as follows:

<u>Reduced by the amount in dollars levied by a county in the base year for administration of the child support enforcement program by the county social service board and increased by section 16 of this Act.</u>"

Page 11, line 2, replace "16" with "19"

Page 11, line 21, replace "16" with "19"

Page 11, after line 22, insert:

"**SECTION 18. LEGISLATIVE COUNCIL STUDY - LOCALLY ADMINISTERED ECONOMIC ASSISTANCE PROGRAMS.** The legislative council shall consider studying, during the 2007-08 interim, the success and effects of the laws enacted by the fifty-fifth legislative assembly in House Bill No. 1041 and Senate Bill No. 2052, referred to in testimony as the "swap proposal", which required counties to pay the entire cost of the local administration of medicaid, energy assistance, basic care assistance, child care assistance, and temporary assistance for needy families in exchange for the state's assumption of the full responsibility for paying the grant costs associated with those programs. If conducted, the study should include a review of sections 50-01.2-00.1, 50-01.2-03.1, 50-01.2-03.2, 50-01.2-06, 50-03-00.1, 50-03-08, 50-03-09, and 50-03-10, subsection 28 of section 50-06-05.1, and sections 50-06-20, 50-24.1-14, and 50-24.5-08 to determine if those provisions have created a more understandable and sustainable division of responsibility between the state and counties in the delivery and financing of these economic assistance programs. The legislative council shall report its findings and recommendations, together with any legislation required to implement the recommendations, to the sixty-first legislative assembly."

Page 11, line 31, after "moneys" insert "in the general fund in the state treasury, not otherwise appropriated, the sum of $6,873,169, or so much of the sum as may be necessary, and"

Page 12, line 1, replace "$12,796,830" with "$5,615,123"

Page 12, line 4, remove "Of the $12,796,830, $7,181,707 is from the permanent oil tax trust fund."

Page 12, after line 10, insert:

"**SECTION 22. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2007, and after that date is ineffective and section 14 of this Act is effective through December 31, 2009, and after that date is ineffective."

Renumber accordingly

2007 TESTIMONY

SB 2205

Attachment #1

Testimony
Senate Bill 2205 – Department Of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
January 22, 2007

Chairman Lee, members of the Senate Human Services Committee, I am Mike Schwindt, Director of the Child Support Enforcement Division of the Department of Human Services. I am here to present the Department of Human Services' perspective on the bill.

The issue of moving to state administration of the child support enforcement program has surfaced in each of the last four sessions. Again, we are neutral on the bill since it is not in the Governor's budget.

Programmatically, state administration presents a unique opportunity to reorganize the state child support enforcement program to help our customers in 54 states and territories, a number of foreign countries, and on Indian reservations. When the current regional structure was created over thirty years ago, no one knew what a "mature" child support enforcement program would be doing. Today, there are many potential benefits in moving to a state administered program. These include improved enforcement in state and tribal cases through specialization, consistency of services, targeting cases for criminal prosecutions, improved locating of parents, and better communication throughout the program. Specialization will also continue our customer service improvements.

Financially, as a result of the 1997 SWAP legislation, the cost of administering the child support enforcement program at the local level is funded by the counties, either through mandatory reinvestment of federal incentives or property taxes. By covering these costs, the counties are not simply paying for child support enforcement. This is the way, under SWAP, that the counties fund their share of the costs of all economic assistance programs delivered in the counties.

In the intervening years, federal changes have prescribed many mandatory components of the program thereby reducing our options to operate the program as we have in the past. Consequently, the program has shifted to where the county role is to fund and operate the eight Regional Child Support Enforcement Units (RCSEU) within the narrowing rules.

Consensus could not be reached on fiscal issues so SB 2301 was enacted which, among other things, required the Department to create a task force to "...study the organizational and programmatic structure of the child support enforcement program to determine how to enhance service delivery, improve performance, and increase efficiencies." (2005 SB 2301, Section 5). Committee membership consisted of

- Two legislators,
- Three county commissioners,
- Four CSSB directors,
- Three court representatives,
- A tribal representative,
- A representative of the Association of Counties,
- Three RCSEU staff, and
- Two Department/CSE staff.

The bill before you is the result of the efforts of the task force which unanimously recommended state administration. The final vote on the bill draft was 16-2 with the remaining point of conflict being Section 15 relating to the payment and transfer of unused leave.

In broad terms, the bill would transfer the existing 122.6 RCSEU staff from the eight host counties to the Department effective July 1, 2007, along with the unexpended county funds budgeted for the county fiscal year. Incentives, which normally would be paid out to the RCSEUs, will also be retained at the State and reinvested back into the program as the federal rules demand.

There would be no ongoing maintenance of effort required of the counties – the biggest sticking point from last session. County fiscal exposure would be limited to a one-time projected $385,000 payment in 2008. This would fund the estimated impact of transferring annual and sick leave balances to the Department as provided in Section Fifteen of the bill. The payments would be deposited in the state general fund and the Department would incur the costs in the normal course of business, using existing appropriations when the leave is actually used.

Turning to the bill, Sections One, Two, Three, Four, Five, Six, Seven, Eight, Nine, Eleven, Twelve, Thirteen, and Seventeen make the technical changes in state law necessary to transfer administration of the child support enforcement program from the counties to the State. Section Six adds child support enforcement to the list of programs administered by the Department of Human Services; Section Seven removes child support enforcement from the list of programs administered by the counties.

For the committee's information, the current law that would be repealed under Section Thirteen states:

50-09-34. Administration of child support enforcement activities. The state agency shall identify any activity of the child support enforcement program the state agency believes may be administered more effectively, efficiently, or consistently through an agreement between two or more child support agencies or through an agreement for centralized administration under section 50-09-33 and shall direct a child support agency to enter an agreement to perform that activity on terms prescribed by the state agency. The department may not pay any incentive funds to a county or a child support agency that does not enter an agreement under this section. Any attorney performing an activity under this section represents the state and shall obtain an appointment from the attorney general under section 54-12-08.

This section was enacted last session after 2005 Senate Bill 2301 was amended to no longer provide for state administration of the program, and successfully led to the formation of a centralized unit for outgoing interstate cases in Grand Forks.

<u>Section Ten</u> enacts a new section to the code regarding the attorneys who are currently employed locally by the child support enforcement program. Since the State, rather than the counties, would employ those attorneys, the new section provides that these attorneys would be employed by the Department and appointed by the Attorney General. It is our understanding that Attorney General Stenehjem does not object to this provision. This section follows the general rule of having assistant attorneys general and special assistant attorneys general serve at the pleasure of the Attorney General.

Under Section Fourteen, all existing employees of the eight RCSEUs would be transferred into the state merit system as employees of the Department at their existing salaries. In addition to protecting current positions and salaries, any salary increase that an RCSEU employee was scheduled to receive during Calendar Year 2007 would still occur after the transfer. For purposes of retirement and accrual of sick and annual leave, the employees would receive credit for years of service in an RCSEU. Finally, there would be no gap in health insurance coverage for the employees at any RCSEU; their existing coverage would continue until the State's coverage started one month after the transfer.

The Department strongly supports these "hold harmless" provisions for existing employees – the key to continued success for our program is to retain these experienced employees. By avoiding a wholesale change in employees, transition to state administration can be less traumatic.

All equipment, furnishings, and supplies in the control and custody of an RCSEU on July 1, 2007, would be transferred to the Department. This, too, is important for a smooth transition and continued operations.

Section Fifteen pertains to payment and transfer of leave. As a general rule, when the Department hires an employee from a county social service agency or from an RCSEU within the state merit system, the Department accepts a transfer of the employee's unused leave at no charge to the former employer. Once the leave hours transfer to the Department, the State incurs the cost of those hours - either in the form of lost time or as a payout of unused hours when the employee stops working for the State. This cost to the State exists whether or not the current county employer reimburses former employees for unused leave.

The bill gives RCSEU employees the choice of transferring some or all of their unused leave hours, or obtaining reimbursement for those hours from their current county employer based on the employer's policies (some counties offer reimbursement, others do not). Because the transfer of employees in this bill is outside the normal course of business, the members of the task force, by a vote of 16-2, felt that the cost to the State of assuming the transferred leave hours should be paid by the employing counties as a one-time settlement. The payment would be due in 2008 under the formula in Section Fifteen.

The effective date of this bill would be July 1, 2007, while counties budget on a calendar-year basis. Section Sixteen provides the appropriation authority for the Department to accept and use the unexpended Calendar Year 2007 county funds. Thus, the property taxes assessed for operating the eight RCSEUs would be used for that purpose.

The fiscal note for this bill reflects, in part, the fact that after the first six months of the biennium, there is no replacement appropriation to operate the RCSEUs.

With federal performance measures, greater competition for federal incentive funds, a growing caseload, and arrearages of $260 million, we have much work to do before all reasonable efficiencies are achieved. As they occur, the savings can either be reinvested in the program to keep pace with the growing caseload, implement any new federal requirements, or reduce the outlay of state and county funds.

Relieving counties of the costs of administering the child support enforcement program would be a substantial form of property tax relief. Additionally, the Deficit Reduction Act of 2005 eliminated the ability to use incentive funds as match, shifting more costs to the state.

The Department's proposed budget in Senate Bill 2012 cannot absorb this additional responsibility. Thus, we ask that if you support this bill, you also support the appropriation needed to cover the upcoming biennium.

Madame Chairman, we believe the North Dakota child support enforcement program is a worthwhile investment of taxpayer dollars.

This concludes my testimony. I would be happy to answer any questions the committee may have.

Prepared by the North Dakota
Department of Human Services
01/22/05

PROPOSED AMENDMENTS TO SENATE BILL NO. 2205

Page 8, line 31, replace "special assistant attorneys general who are duly appointed under section 54-12-08" with "attorneys"

Page 9, line 2, after the period insert "The attorneys that represent the state agency under this chapter must be special assistant attorneys general appointed by the attorney general pursuant to section 54-12-08." and after "salary" insert "and expenses"

Page 9, line 12, replace "Investigate" with "investigate"

Page 11, line 17, replace "January" with "February"

Renumber accordingly

north dakota
department of
human services

Child Support Enforcement
1600 E. Century Avenue Suite 7, PO Box 7190, Bismarck, ND 58507-7190
(701) 328-3582 • Fax (701) 328-5575
Instate Toll Free 1-800-755-8530 • National Toll Free 1-800-231-4255
TTY Text 1-800-366-6888
TTY Voice 1-800-366-6889

John Hoeven, Governor
Carol K. Olson, Executive Director

December 7, 2006

Honorable Judy Lee
State Senator
Chairman
Senate Human Services Committee
600 E. Boulevard Ave.
Bismarck, ND 58505

Honorable Clara Sue Price
State Representative
Chairman
House Human Services Committee
600 E. Boulevard Ave.
Bismarck, ND 58505

Dear Senator Lee and Representative Price:

The child support enforcement task force that was convened under Section 5 of 2005 Senate Bill 2301 has completed its work. The final report was adopted by unanimous vote. Attachment C, which is a bill draft to implement the Task Force's recommendations, was adopted by a vote of 16-2.

Under Section 5, "the findings and recommendations, together with any legislation required to implement the recommendations, must be presented by the state agency to the sixtieth legislative assembly."

On behalf of Executive Director Carol K. Olson and the members of the Task Force, attached please find the Task Force's final report and three attachments. Should you prefer that we present the information to your committees, please let me know.

Sincerely,

Mike Schwindt

Mike Schwindt, Director
Child Support Enforcement

Enclosures

cc Carol Olson
Child Support Enforcement Task Force members

Final Report

Child Support Enforcement Task Force
September 1, 2006

As required in 2005 Senate Bill 2301, a task force was convened by the Department of Human Services to study the organizational and programmatic structure of the child support enforcement program. The purpose of the study was to determine how to enhance service delivery, improve performance, and increase efficiencies. The study was to consider the impact on customers, the effect on Indian counties and the fiscal effect on counties and the state. This report contains the Task Force's findings and recommendations, and implementing legislation, for presentation by the Department of Human Services to the 2007 Legislative Assembly.

Summary of Recommendations

- The Task Force recommends that responsibility for administration of the child support enforcement program be transferred from the counties to the Department of Human Services effective July 1, 2007.

- The Task Force recommends that the non-federal costs of administering the child support enforcement program be borne by the State and not be funded through county property taxes effective July 1, 2007.

Background

Program Creation. The Child Support Enforcement (CSE) program was created by congressional action and implemented in North Dakota in 1975 shortly after the congressional mandate became effective. The initial structure was based on existing services offered by several States Attorneys offices in several counties. Other counties placed the CSE program under the County Social Service Boards (CSSB).

Organizational Structure. The North Dakota child support enforcement program is jointly operated by the federal, state and county governments, one of 12 similarly structured in the country. Within the state, the program has been assigned to the Department of Human Services (DHS). At the county level, the counties have created regional child support enforcement units (RCSEU) in the eight larger counties with services provided to the outlying counties. Among the RCSEUs, five are under county social service board structure and three are with the state's attorney's offices. Attachment A.

Each county within a region is assessed a portion of the cost, based on agreements unique to each region. Generally, the allocation is based on a pro rata share of county caseloads, (some use weighted; others unweighted) although historically Indian counties have been relieved of a portion of their responsibility as their neighbors recognize their reduced tax base. Recently, that relief has eroded as the other counties move closer to a percent of caseload allocation method.

State Supervision – County Administration. The federal government provides broad laws, guidance, and funding for programmatic operations of the IV-D portion of the program. The federal government retains oversight and audit authority over the program throughout the country.

DHS is to manage the total child support program within the federal rules, state laws and guidelines including both the IV-D and nonIV-D portions of the program. The DHS role is to supervise and direct the RCSEUs. This limits DHS to instructing the RCSEUs as to what is to be done.

The county/RCSEU (hereafter RCSEU) role is to manage the establishment and enforcement of child support and medical support orders within the IV-D portion of the state program. Since DHS is limited to providing instructions as to what is to be done, how the work is to be done is a local discretion.

Additionally, the program interacts with many other entities, both within and outside of government within the state, nation and internationally along with tribes that operate their own child support programs.

Earlier Studies and Legislation. There have been several studies addressing the organizational structure of the CSE program. These studies consistently recommended a structural change for a number of reasons, including equalized pay and caseloads. Most recently, a 2000 performance audit by the State Auditor's office, with TMR-Maximus as the consultant, recommended the CSE program "...be state administered rather than county administered."

The 2001-03 Interim Family Law Committee reviewed the performance audit, heard testimony from DHS and others, but did not recommend legislation to the 2003 Legislature.

DHS, in following up on the performance audit, contracted with TMR-Maximus to develop a final cost analysis addressing the organization structure as well as several other areas for improvement. Their 2001 analysis, while dated in some aspects, provides a roadmap for change that we believe is still, for the most part, reasonable in defining the tasks to be accomplished, cost of conversion and timelines for accomplishment. Those recommendations are incorporated by reference as Attachment B.

The 2005 legislature considered SB 2301 based on a bill draft developed by the Association of Counties, but, after DHS and the counties could not reach consensus, passed the bill in its current form. The legislation changed some aspects of the previous working relationship by confirming the oversight responsibility of DHS, but the underlying disagreements on how the CSE program is to operate remain in place and, in some instances, have intensified.

Several other requirements of 2005 SB 2301 included:

- Distribution of child support incentive funds according to a formula that promotes performance and consistency in child support enforcement activities throughout the state (Section 2);
- Establishment of the Child Support Improvement Account including the development of a business plan for improving the CSE program (Section 3);
- Identification of activities where the program could be administered more effectively through agreement among RCSEUs and/or with the state office (Section 4);
- A review by DHS and North Dakota human resource management staff of the classification and compensation of all state and county employees engaged in child support enforcement activities (Section 6).

During the 2005-07 interim, DHS called for proposals to centralize two areas: Asset Seizure and Outgoing Interstate Case Processing. Proposals were accepted from the Grand Forks and the Dickinson RCSEUs. The request for proposals for Asset Seizure was later withdrawn.

Process of Restructuring

Goal. The goal of restructuring the child support enforcement program is to continue maturation of the CSE program by providing high quality customer services so that children receive reasonable financial and medical support from their parents and only when necessary, the taxpayers. A mature, successful program will integrate: reasonable expectations of support to be provided by parents; assistance to parents in establishing and enforcing the support obligations; education of stakeholders including parents, governmental entities and the business community; and the work of other programs to ensure the correct information and resources are transmitted to the correct destination.

Objective. The objective is to design and implement an organization structure that will result in a world class program providing effective and efficient customer service to children and parents at a reasonable cost to taxpayers while playing by all the federal and state rules we are to follow.

Success. The success of the recommended reorganization will be measured by reasonable customer and stakeholder satisfaction as well as improvement in our performance compared to the top five states in each of the performance measures selected. When applicable, more refined comparative data will be used as the benchmark in lieu of a basic federal measurement. These measurements will mesh with the OCSE, the DHS and the CSE strategic plans.

Justification. Based on the best information available, including comparison with the top five performing states in each federal measure, we can determine how well we perform in each measure as well as calculate the impact of lapsed incentive funds and estimated costs that could have been avoided, by source of funds, had we improved performance in each measure. We can also determine performance by each RCSEU and, in some situations, the state office, based on the responsibilities assigned to each.

As a general rule, each office will be responsible for developing and implementing a plan to improve performance by at least 2% each year in each measure until performance is comparable to the top five states or, in certain situations, similarly situated subdivisions within other states. With concurrence from the state office, alternative benchmarks can be established.

As a manager, each RCSEU administrator will create a plan to address the RCSEU's caseload needs and operating environment to achieve that goal. Each plan will include a budget for the resources needed to achieve the goals including staff and other resources needed to achieve success. Additionally, with concurrence from the state office, RCSEUs may determine alternative methods to meet the goals including centralization of selected activities.

Initial Expectations for Restructuring. The TMR-Maximus analysis of tasks for state administration is, for the most part, feasible. We will refine that plan based on changed environment and refined expectations. There are sufficient staff within the total CSE program to achieve the stated goals. Should subsequent analysis demonstrate a need for added staff or changed skill sets, changes will require state office concurrence. Services will be available, to the extent reasonably possible, through tribal courts. Thus, all RCSEUs will be able to address their customer needs either directly or through contract with another RCSEU with staff licensed to practice in tribal court.

Performance expectations will be in place for FFY 2007 forward. Incentives will be distributed based on the administrative code including the performance expectations.

RCSEUs will comply in all material respects with instructions issued by the state office.

Findings

- The child support enforcement program under its current structure has provided quality services to the people of North Dakota, with its performance for the past federal fiscal year ranking second in the country.

- There remains room for improvement in the performance of the child support enforcement program.

- The advent of tribal child support enforcement programs and rapid changes to federal regulations demand that the CSE program be flexible and quickly adapt to change in order to improve performance and remain competitive among other jurisdictions for federal incentive funds.

- The CSE program's capacity for change is currently challenged by an organizational structure that effectively requires consensus between DHS and several components of county government for new initiatives, policy changes, or re-allocation of resources.

- The current separation of program funding and program supervision creates competing priorities, including the priority of changes to the automated system, and distracts from the pursuit of common goals and objectives.

- There are sufficient resources within the current CSE program to improve overall program performance and efficiency if those resources and program activities can be allocated among the current nine offices as needed.

- Qualified and adequately compensated staff are vital to providing quality services to the people of North Dakota in the face of complex job duties, frequent animosity between parents, and high anxiety over the needs of children.

- The current method of using county property taxes to fund program administration leads to inequities among counties, particularly counties in which there is an Indian reservation, because the value of taxable property in a given county does not have any relation to the child support caseload for the same county.

- As the program matures and the importance of data analysis and reporting increases, the need for good coordination of resources and activities among the eight regions and the state office also increases.

- The accountability of the RCSEUs to the CSSBs in each region rather than DHS may detract from timely adherence to program directions and effective responses to staff who do not follow those directions.

Recommendations

- Funding and supervision of the CSE program should be assigned to the same entity to ensure that the priorities of program management can be aligned with the resources available to implement those priorities.
- The chain of command within the CSE program should be consolidated.
- Responsibility for administration of the child support enforcement program should be transferred from the counties to the Department of Human Services.
- The non-federal costs of administering the child support enforcement program should be borne by the State rather than county property taxes to provide property tax relief and spread the cost of the program among all taxpayers more evenly, particularly in "tribal" counties.
- The existing staff of the regional offices should be retained at no less than their current compensation.
- Overall program funding should be maintained at the current level until the transition is completed and program changes can produce additional efficiencies.

Conclusion

In a program as large and complicated as child support enforcement, it is difficult to envision or design in advance an "ideal" structure. What is known is that the current structure lends itself to numerous challenges to program performance and optimal use of resources. The Task Force has reached a consensus that a change to state administration will result in enhanced service delivery, improved performance and increased efficiencies.

Changing to state administration and state funding is expected to result in improvements in program performance, eliminate county financial responsibility for a program that it does not supervise, and give DHS full ability to apply the resources of the program to the activities it feels need to be taken to create the best program possible for the children and taxpayers of North Dakota.

The legislation needed to implement these recommendations is attached. Attachment C.

Attachment #2

Testimony To The
SENATE HUMAN SERVICES COMMITTEE
Prepared January 22, 2007 by the
North Dakota Association of Counties
Terry Traynor, Assistant Director

Same to House Human Services

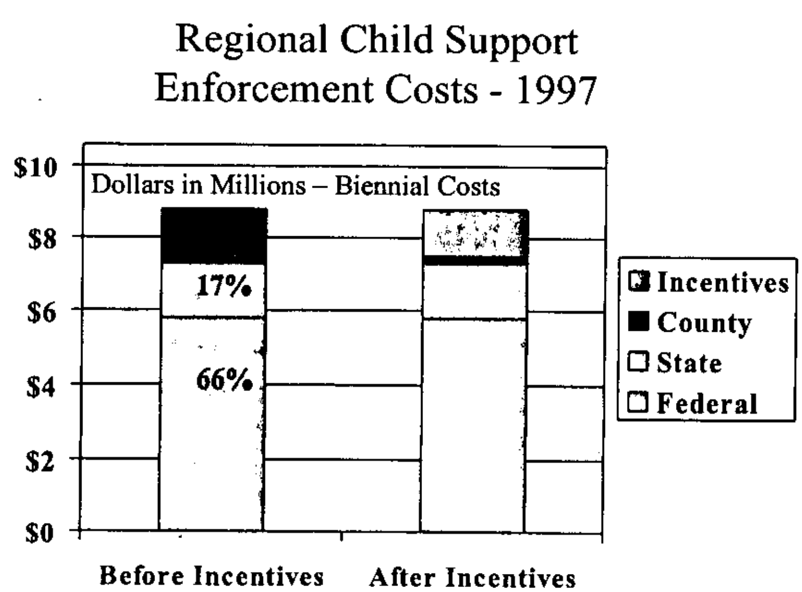
Same to Senate Approps

CONCERNING SENATE BILL 2205

Chairman Lee and committee members, the movement of the eight regional child support enforcement units to state administration has been a topic of discussion ever since the federal government mandated that states perform this function. It has become much more of an issue for counties since 1997, when the Legislature determined it was necessary to place 100% of the cost of their administration with the counties to offset the State assumption of federal grant costs previously borne by the counties.

Counties had; quite obviously, different degrees of interest in the structural change proposed by this Legislation last Session, and the Legislature wisely used the interim for a thorough examination by the stakeholders. That process has yielded SB2205, which our Association has embraced as the best possible direction.

Our interest in this bill stems largely from the changes in human service financing over time. Prior to 1997, the counties had little concern with acting as the employer and administrator for the child support program. Some degree of authority was granted to the counties, and very little (if any) cost was associated with the program.



The graph illustrates the statewide funding of the eight regional offices in 1997. Of the approximately $9 million in total costs, about $1.5 million was the counties' share, however incentive payments were provided to the counties in an amount that usually met (and sometimes exceeded) the counties' total costs.

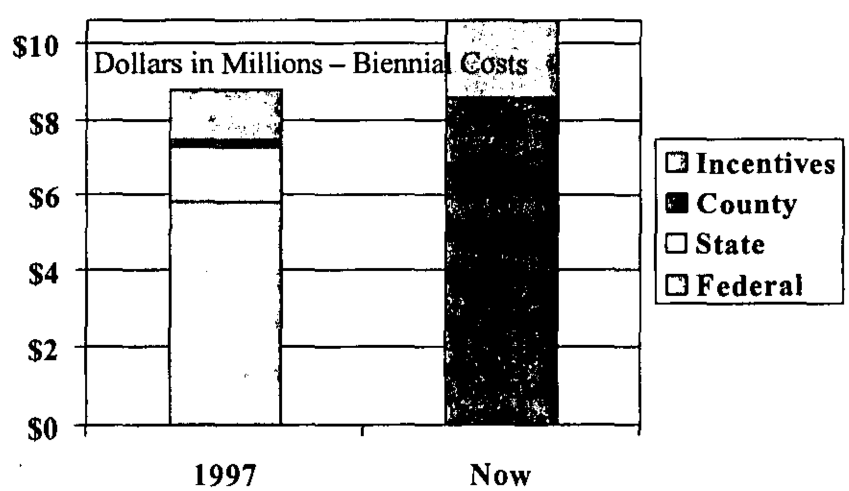
The federal Welfare Reform Act brought numerous administrative changes into play after their adoption by the North Dakota Legislature in 1997. This was at the same time that the Department and the counties brought to the Legislature a comprehensive proposal to restructure the state/county financing of the economic assistance portion of human services.

The legislation brought to the 1997 Session proposed no changes to the financing of the regional child support enforcement units. However the proposed "swap" of county economic assistance grant costs for the reimbursements that counties had received for administering Medicaid, TANF, Child Care, JOBS and other economic assistance programs was not cost neutral – it would have cost the State about $6 million per biennium.

To make the swap cost-neutral, the legislation was amended to leave the costs associated with the regional child support units with the counties, but relieve the State of its general fund participation and allow the State to retain the federal reimbursements generated by those county costs. This made it possible for the financial restructuring to take place – a very positive change for the system and a long-term positive impact for property taxpayers as a whole.

Over time however, it became clear that the child support enforcement costs were growing more rapidly than any other, and placing a severe strain on many counties, particularly those with large caseloads and relatively little taxable valuation.

Regional Child Support Enforcement Costs Changes



Prior to 1997, the counties of each regional group were also not particularly concerned with who paid how much – because reimbursements essentially covered costs. With the reimbursement (except incentives) removed, each regional group began to look more closely at their formula for cost allocation – prompting a greater share of already increasing costs to be shifted to those high-caseload, but unfortunately, low-tax base counties.

With both outside consultants and the State Auditors Office recommending state administration to address efficiency and cost effectiveness, the counties now believe that transferring this responsibility, and cost, will ultimately benefit the clients, the State, and the county property taxpayers.

Statewide, this transfer as the potential to reduce dedicated human service levies by about $4 million annually – making this an effective method of delivering immediate and long-term property tax relief for every county (and therefore every property taxpayer) of the State.

In conclusion, the Association of Counties urges your support and a "do pass" recommendation for Senate Bill 2205.

Attachment #3

SB 2205 – Administration of Child Support
Senate Human Services Committee
January 22, 2007

Chairman Lee, members of the Human Services Committee, my name is Larry Bernhardt. I am the Director of Stark County Social Services and I am here today as President of the ND County Social Service Director's Association.

Since brevity is a virtue, I shall be brief. The ND County Social Service Director's Association supports SB 2205 and asks the Committee to give it favorable consideration and passage.

We do offer one amendment. On page 11, line 17 we would ask that you change the date from January 1, 2008 to February 1, 2008. County Social Service Boards would be responsible for making payment for the value of unused annual and sick leave of the staff of the child support regional offices. Counties have not budgeted for that expense in the CY 2007 budgets and would need to plan for that payment. By allowing that payment to be due on February 1, 2008, instead of January 1, 2008, Counties could better manage the budgeting of this expense.

Thank you for the opportunity to provide testimony before the Committee and if you have any questions, I would be happy to try to answer them.

Attachment # 4

NDLA, S HMS

From:	Lee, Judy E.
Sent:	Tuesday, January 23, 2007 3:58 PM
To:	NDLA, S HMS (shms@nd.gov)
Subject:	FW: comments to SB 2205
Attachments:	SB 2205.doc

Mary - This is for you, too.

From: Waller, John [mailto:John.Waller@co.cass.nd.us]
Sent: Tuesday, January 23, 2007 2:31 PM
To: Lee, Judy E.; Dever, Dick D.; Erbele, Robert S.; Heckaman, Joan M.; Pomeroy, Jim R.; Wardner, Rich P.
Subject: comments to SB 2205

Chairman Lee and members of the Human Services Committee,

In response to your request to submit my comments in writing, I have attached a Word document. I hope this is appropriate, and I thank you for the opportunity. If you have any questions or if I can be of any assistance, please let me know.

Thank you.

John Waller
Administrator
Southeast Regional Child Support Enforcement Unit
Box 2806
Fargo, ND 58108
(701) 241-5640

SB 2205 – Administration of Child Support
Senate Human Service Committee
Senator Judy Lee, Chairman
January 23, 2007

Chairman Lee, members of the Human Services Committee, thank you for the opportunity to provide a written summary of my comments from the January 22, 2007 hearing on SB 2205. My name is John Waller and I am the Administrator of the Southeast Regional Child Support Enforcement Unit. I had not anticipated commenting at yesterday's hearing, so I had nothing prepared. I apologize and again thank you for the chance to submit this written comment.

My comment is limited to the question asked by Senator Dever about transferring non-merit system employees to the merit system.

The testimony indicated that of all the regional child support employees, only three or four would be above the pay range. Because my own analysis had indicated at least three employees (and more likely six to nine) in the Southeast Region would be above the pay range, I assumed that all of the employees referred to in the testimony of Mr. Schwindt were employees of the Southeast Region. I have since learned that in the Department's analysis, only two of the three or four individuals who would be above the pay range were from the Southeast Region.

I believe the discrepancy can be explained by the data used. The analysis that identified two Southeast Regional employees as beyond the State pay ranges was based on December 2006 salaries for the employees, the current salary ranges for State employees, and projected Department classifications. My comment is intended to point out that each of these assumptions is subject to change.

All Southeast Regional employees got a cost-of-living-adjustment effective January 2007, and each employee is scheduled for an annual review at some point during the year that could lead to a step increase. Some have already received this increase as well.

The salary ranges currently in place for State employees are effective only until June 30, 2007, and because our employees are not currently on the merit system, it is uncertain which pay range is applicable for a particular worker.

Thank you for the opportunity to submit this written comment.

(2)

Testimony
Senate Bill 2205 – Department Of Human Services
Senate Appropriations Committee
Senator Ray Holmberg, Chairman
January 31, 2007

Chairman Holmberg, members of the Senate Appropriations Committee, I am Mike Schwindt, Director of the Child Support Enforcement Division of the Department of Human Services. I am here to present the Department of Human Services' perspective on the bill.

The issue of moving to state administration of the child support enforcement program has surfaced in each of the last four sessions. Again, the Department is neutral on the bill since it is not in the Governor's budget.

Programmatically, state administration presents a unique opportunity to reorganize the state child support enforcement program to help our customers in 54 states and territories, a number of foreign countries, and on Indian reservations. When the current regional structure was created over thirty years ago, no one knew what a "mature" child support enforcement program would be doing. Today, there are many potential benefits in moving to a state administered program. These include improved enforcement in state and tribal cases through specialization, consistency of services, targeting cases for criminal prosecutions, improved locating of parents, and better communication throughout the program. Specialization will also continue our customer service improvements.

Financially, as a result of the 1997 SWAP legislation, the cost of administering the child support enforcement program at the local level is funded by the counties, either through mandatory reinvestment of federal incentives or property taxes. By covering these costs, the counties are not simply paying for child support enforcement. This is the way, under SWAP, that the counties fund their share of the costs of all economic assistance programs delivered in the counties.

In the intervening years, federal changes have prescribed many mandatory components of the program thereby reducing our options to operate the program as we have in the past. Consequently, the program has shifted to where the county role is to fund and operate the eight Regional Child Support Enforcement Units (RCSEU) within the narrowing rules.

Consensus could not be reached on fiscal issues so SB 2301 was enacted which, among other things, required the Department to create a task force to "...study the organizational and programmatic structure of the child support enforcement program to determine how to enhance service delivery, improve performance, and increase efficiencies." (2005 SB 2301, Section 5). Committee membership consisted of

- Two legislators,
- Three county commissioners,
- Four CSSB directors,
- Three court representatives,
- A tribal representative,
- A representative of the Association of Counties,
- Three RCSEU staff, and
- Two Department/CSE staff.

The bill before you is the result of the efforts of the task force which unanimously recommended state administration. The final vote on the bill draft was 16-2 with the remaining point of conflict being Section 15 relating to the payment and transfer of unused leave.

In broad terms, the bill would transfer the existing 122.6 RCSEU staff from the eight host counties to the Department effective July 1, 2007, along with the unexpended county funds budgeted for the county fiscal year. Incentives, which normally would be paid out to the RCSEUs, will also be retained at the State and reinvested back into the program as the federal rules demand.

There would be no ongoing maintenance of effort required of the counties – the biggest sticking point from last session. County fiscal exposure would be limited to a one-time projected $385,000 payment in 2008. This would fund the estimated impact of transferring annual and sick leave balances to the Department as provided in Section Fifteen of the bill. The payments would be deposited in the state general fund and the Department would incur the costs in the normal course of business, using existing appropriations when the leave is actually used.

Turning to the bill, Sections One, Two, Three, Four, Five, Six, Seven, Eight, Nine, Eleven, Twelve, Thirteen, and Seventeen make the technical changes in state law necessary to transfer administration of the child support enforcement program from the counties to the State. Section Six adds child support enforcement to the list of programs administered by the Department of Human Services; Section Seven removes child support enforcement from the list of programs administered by the counties.

For the committee's information, the current law that would be repealed under Section Thirteen states:

> **50-09-34. Administration of child support enforcement activities.** The state agency shall identify any activity of the child support enforcement program the state agency believes may be administered more effectively, efficiently, or consistently through an agreement between two or more child support agencies or through an agreement for centralized administration under section 50-09-33 and shall direct a child support agency to enter an agreement to perform that activity on terms prescribed by the state agency. The department may not pay any incentive funds to a county or a child support agency that does not enter an agreement under this section. Any attorney performing an activity under this section represents the state and shall obtain an appointment from the attorney general under section 54-12-08.

This section was enacted last session after 2005 Senate Bill 2301 was amended to no longer provide for state administration of the program, and successfully led to the formation of a centralized unit for outgoing interstate cases in Grand Forks.

Section Ten enacts a new section to the code regarding the attorneys who are currently employed locally by the child support enforcement program. Since the State, rather than the counties, would employ those attorneys, the new section provides that these attorneys would be employed by the Department and appointed by the Attorney General. It is our understanding that Attorney General Stenehjem does not object to this provision. The two amendments in this area accepted by the Human

Services Committee clarified the roles and responsibilities between DHS and the Attorney General's office. This section follows the general rule of having assistant attorneys general and special assistant attorneys general serve at the pleasure of the Attorney General.

Under Section Fourteen, all existing employees of the eight RCSEUs would be transferred into the state merit system as employees of the Department at their existing salaries. In addition to protecting current positions and salaries, any salary increase that an RCSEU employee was scheduled to receive during Calendar Year 2007 would still occur after the transfer. For purposes of retirement and accrual of sick and annual leave, the employees would receive credit for years of service in an RCSEU. Finally, there would be no gap in health insurance coverage for the employees at any RCSEU; their existing coverage would continue until the State's coverage started one month after the transfer.

The Department strongly supports these "hold harmless" provisions for existing employees – the key to continued success for our program is to retain these experienced employees. By avoiding a wholesale change in employees, transition to state administration can be less traumatic.

All equipment, furnishings, and supplies in the control and custody of an RCSEU on July 1, 2007, would be transferred to the Department. This, too, is important for a smooth transition and continued operations.

Section Fifteen pertains to payment and transfer of leave. As a general rule, when the Department hires an employee from a county social service agency or from an RCSEU within the state merit system, the Department accepts a transfer of the employee's unused leave at no charge to the former employer. Once the leave hours transfer to the Department, the State incurs the cost of those hours - either in the form of lost time or as a payout of unused hours when the employee stops working for the State. This cost to the State exists whether or not the current county employer reimburses former employees for unused leave.

The bill gives RCSEU employees the choice of transferring some or all of their unused leave hours, or obtaining reimbursement for those hours from their current county employer based on the employer's policies (some counties offer reimbursement, others do not). Because the transfer of employees in this bill is outside the normal course of business, the members of the task force, by a vote of 16-2, felt that the cost to the State of assuming the transferred leave hours should be paid by the employing counties as a one-time settlement. The payment would be due in 2008 under the formula in Section Fifteen. The Senate Human Services Committee delayed the payment due date one month to February 1, 2008.

The effective date of this bill would be July 1, 2007, while counties budget on a calendar-year basis. Section Sixteen provides the appropriation authority for the Department to accept and use the unexpended Calendar Year 2007 county funds. Thus, the property taxes assessed for operating the eight RCSEUs would be used for that purpose.

The fiscal note for this bill reflects, in part, the fact that after the first six months of the biennium, there is no replacement appropriation to operate the RCSEUs.

With federal performance measures, greater competition for federal incentive funds, a growing caseload, and arrearages of $260 million, we have much work to do before all reasonable efficiencies are achieved. As they occur, the savings can either be reinvested in the program to keep pace with the growing caseload, implement new federal requirements, or reduce the outlay of state funds.

Relieving counties of the costs of administering the child support enforcement program would be a substantial form of property tax relief. Additionally, the Deficit Reduction Act of 2005 eliminated the ability to use incentive funds as match, shifting more costs to the state.

The Department's proposed budget in Senate Bill 2012 cannot absorb this additional responsibility. Thus, we ask that if you support this bill, you also support the appropriation needed to cover the upcoming biennium.

Mr. Chairman, we believe the North Dakota child support enforcement program is a worthwhile investment of taxpayer dollars.

This concludes my testimony. I would be happy to answer any questions the Committee may have.

Testimony
Senate Bill 2205 – Department Of Human Services
House Human Services Committee
Representative Clara Sue Price, Chairman
February 28, 2007

Chairman Price, members of the House Human Services Committee, I am Mike Schwindt, Director of the Child Support Enforcement Division of the Department of Human Services. I am here to present the Department of Human Services' perspective on reengrossed SB 2205.

The issue of moving to state administration of the child support enforcement program has surfaced frequently in recent years including, most recently, in the 2005 session. Again, the Department is neutral on the bill since it is not in the Governor's budget.

Programmatically, state administration presents a unique opportunity to reorganize the state child support enforcement program to help our customers in 54 states and territories, a number of foreign countries, and on Indian reservations. When the current regional structure was created over thirty years ago, no one knew what a "mature" child support enforcement program would be doing. Today, there are many potential benefits in moving to a state administered program. These include improved enforcement in state and tribal cases through specialization, consistency of services, targeting cases for criminal prosecutions, improved locating of parents, and better communication throughout the program. Specialization will also continue our customer service improvements.

Financially, as a result of the 1997 SWAP legislation, the cost of administering the child support enforcement program at the local level is funded by the counties, either through mandatory reinvestment of federal incentives or property taxes. By covering these costs, the counties are not simply paying for child support enforcement. This is the way, under SWAP, that the counties fund their share of the costs of all economic assistance programs delivered in the counties.

In the intervening years, federal changes have prescribed many mandatory components of the program thereby reducing our options to operate the program as we have in the past. Consequently, the program has shifted to where the county role is to fund and operate the eight Regional Child Support Enforcement Units (RCSEU) within the narrowing federal rules.

Last session, consensus could not be reached on fiscal issues so SB 2301 was enacted which, among other things, required the Department to create a task force to "...study the organizational and programmatic structure of the child support enforcement program to determine how to enhance service delivery, improve performance, and increase efficiencies." (2005 SB 2301, Section 5). Committee membership consisted of

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- A representative of the Association of Counties,
- Three RCSEU staff, and
- Two Department/CSE staff.

The bill before you is the result of the efforts of the task force which unanimously recommended state administration. The final vote on the bill draft was 16-2 with the remaining point of conflict being Section 15 relating to the payment and transfer of unused leave.

In broad terms, the bill would transfer the existing RCSEU staff from the eight host counties to the Department effective July 1, 2007, along with the unexpended county funds budgeted for the county fiscal year. Currently, there are 122.6 positions in the eight RCSEUs. Incentives, which normally would be paid out to the RCSEUs, will also be retained at the State and reinvested back into the program as the federal rules demand.

There would be no ongoing maintenance of effort required of the counties – the biggest sticking point from last session. County fiscal exposure would be limited to a one-time projected $385,000 payment in 2008. This would fund the estimated impact of transferring annual and sick leave balances to the Department as provided in Section Fifteen of the bill. The payments would be deposited in the state general fund and the Department would incur the costs in the normal course of business, using existing appropriations when the leave is actually used.

Turning to the bill, Sections One, Two, Three, Four, Five, Six, Seven, Eight, Nine, Eleven, Twelve, Thirteen, and Eighteen make the technical changes in state law necessary to transfer administration of the child support enforcement program from the counties to the State. Section Six adds child support enforcement to the list of programs administered by the Department of Human Services; Section Seven removes child support enforcement from the list of programs administered by the counties.

For the committee's information, the current law that would be repealed under Section Thirteen states:

> **50-09-34. Administration of child support enforcement activities.** The state agency shall identify any activity of the child support enforcement program the state agency believes may be administered more effectively, efficiently, or consistently through an agreement between two or more child support agencies or through an agreement for centralized administration under section 50-09-33 and shall direct a child support agency to enter an agreement to perform that activity on terms prescribed by the state agency. The department may not pay any incentive funds to a county or a child support agency that does not enter an agreement under this section. Any attorney performing an activity under this section represents the state and shall obtain an appointment from the attorney general under section 54-12-08.

This section was enacted last session after 2005 Senate Bill 2301 was amended to no longer provide for state administration of the program, and successfully led to the formation of a centralized unit for outgoing interstate cases in Grand Forks.

Section Ten enacts a new section to the code regarding the attorneys who are currently employed locally by the child support enforcement program. Since the State, rather than the counties, would employ those attorneys, the new section provides that these attorneys would be employed by the Department and appointed by the Attorney General. We understand that Attorney General Stenehjem does not object to this provision after the

Senate adopted two amendments to further clarify the roles and responsibilities between DHS and the Attorney General's office. This section follows the general rule of having assistant attorneys general and special assistant attorneys general serve at the pleasure of the Attorney General.

Under Section Fourteen, all employees of the eight RCSEUs would be transferred into the state merit system as employees of the Department at their existing salaries. In addition to protecting current positions and salaries, any salary increase that an RCSEU employee was scheduled to receive during Calendar Year 2007 would still occur after the transfer. For purposes of retirement and accrual of sick and annual leave, the employees would receive credit for years of county service. Finally, there would be no gap in health insurance coverage for the employees at any RCSEU; their existing coverage would continue until the State's coverage started one month after the transfer.

The Department strongly supports these "hold harmless" provisions for employees – the key to continued success for our program is to retain these experienced employees. By avoiding a wholesale change in employees, transition to state administration can be less traumatic.

All equipment, furnishings, and supplies in the control and custody of an RCSEU on July 1, 2007, would be transferred to the Department. This, too, is important for a smooth transition and continued operations.

Section Fifteen pertains to payment and transfer of leave. As a general rule, when the Department hires an employee from a county social service agency or from an RCSEU within the state merit system, the

Department accepts a transfer of the employee's unused leave at no charge to the former employer. Once the leave hours transfer to the Department, the State incurs the cost of those hours - either in the form of lost time or as a payout of unused hours when the employee stops working for the State. This cost to the State exists whether or not the current county employer reimburses former employees for unused leave.

The bill gives RCSEU employees the choice of transferring some or all of their unused leave hours, or obtaining reimbursement for those hours from their current county employer based on the employer's policies (some counties offer reimbursement, others do not). Because the transfer of employees in this bill is outside the normal course of business, the members of the task force, by a vote of 16-2, felt that the cost to the State of assuming the transferred leave hours should be paid by the employing counties as a one-time settlement. The payment would be due February 1, 2008 under the formula in Section Fifteen.

The effective date of this bill would be July 1, 2007, while counties budget on a calendar-year basis. Section Sixteen provides the appropriation authority for the Department to accept and use the unexpended Calendar Year 2007 county funds. Thus, the property taxes assessed for operating the eight RCSEUs would be used for that purpose.

The Senate added $12.8 million in special funds in Section Seventeen, consisting of federal ($5.6 million) and Permanent Oil Tax trust funds ($7.2 million), to pay the costs transferred to the state from the counties.

With federal performance measures, greater competition for federal incentive funds, a growing caseload, and arrearages of $260 million, we have much work to do before all reasonable efficiencies are achieved. As they occur, the savings can either be reinvested in the program to keep pace with the growing caseload, implement new federal requirements, or reduce the outlay of state funds.

Relieving counties of the costs of administering the child support enforcement program would be a substantial form of property tax relief. Additionally, the Deficit Reduction Act of 2005 eliminated the ability to use incentive funds as match, shifting more costs to the state.

Madam Chairman, we believe the North Dakota child support enforcement program is a worthwhile investment of taxpayer dollars.

This concludes my testimony. I would be happy to answer any questions the Committee may have.

3/7/2007

Description	State Impact - 2007-09 Biennium: Revenues: General Fund	State Impact - 2007-09 Biennium: Revenues: Other Funds	State Impact - 2007-09 Biennium: Expenses: General Fund	State Impact - 2007-09 Biennium: Expenses: Other Funds	County Impact - 2007-09 Biennium: Revenues	County Impact - 2007-09 Biennium: Expenditures	State Impact - 2009-11 Biennium: Revenues: General Fund	State Impact - 2009-11 Biennium: Revenues: Other Funds	State Impact - 2009-11 Biennium: Expenses: General Fund	State Impact - 2009-11 Biennium: Expenses: Other Funds	County Impact - 2009-11 Biennium: Revenues	County Impact - 2009-11 Biennium: Expenditures
RCSEU Expenditures		8,480,600	4,368,794	8,480,600		(12,849,394)		8,904,630	4,587,234	8,904,630		(13,491,864)
Remaining RCSEU Budgets to paid to Department		3,167,539	(3,167,539)	3,167,539		3,167,539						
Loss of SWAP Revenue to Department		(8,480,600)	8,480,600	(8,480,600)				(8,904,630)	8,904,630	(8,904,630)		
Eliminate Incentive Payments to Counties				(1,766,288)	(1,766,288)					(1,854,602)	(1,854,602)	
Increased Incentive Funds in DHS Budget			(1,766,288)	1,766,288					(1,854,602)	1,854,602		
****Funding Source Switch												
Remove Payment to Counties for County-Wide Indirect Cost Allocation				(857,021)	(857,021)					(899,872)	(899,872)	
Increased funds in DHS budget due to retaining county-wide cost allocation funds			(857,021)	857,021					(899,872)	899,872		
County Indirect Cost Allocation Plan Fee		250,000	370,000	250,000				262,500	388,500	262,500		
Fringe Benefit Increase on RCSEU Employees		956,294	492,636	956,294				956,294	492,636	956,294		
Salary/Benefit Increase for 4% for 07 & 08		264,202	136,104	264,202				398,893	205,491	398,893		
Reduction in Indian County Payments			(617,076)		(617,076)				(647,930)		(647,930)	
Leave Balances to be paid to the Department												
Williston	26,214					26,214						
Minot	38,244					38,244						
Devils Lake	21,499					21,499						
Grand Forks	53,179					53,179						
Outgoing Interstate Center	6,836					6,836						
Fargo	64,995					64,995						
Jamestown	27,659					27,659						
Bismarck	85,940					85,940						
Dickinson	60,432					60,432						
Information Technology												
Equipment Replacement		126,144	64,983	126,144								
Additional IT and Phone charges		126,641	65,239	126,641				132,973	68,501	132,973		
Temp Salaries		17,846	9,194	17,846								
Eliminate Foster Care Reimbursement to Counties		706,457	(706,457)	706,457		706,457		989,039	(989,039)	989,039		989,039
Funding switch to match appropriation in Bill			(6,873,169)	6,873,169								
Totals	384,998	5,615,123	0	12,488,292	(3,240,385)	(8,590,400)	0	2,739,699	10,255,549	2,739,699	(3,402,404)	(12,502,825)

ANALYSIS OF COUNTY HUMAN SERVICE LEVIES

AND APPROXIMATE CHILD SUPPORT ENFORCEMENT COSTS

	Total CY06 Dedicated Human Service Levies (Mills)	Total CY06 Dedicated Human Service Levies ($)	Gross FY2006 Child support Enforcement Expenditures	Approx. County Share of Incentive Funds	Estimated Portion * Indian County Reimburse	Net FY2006 Child support Enforcement Expenditures	Net FY2006 Child support Enforcement Expenditures	Percentage of County Total of Human Service Costs
Adams	26.86	185,209	12,490	3,095		9,395	1.36	5.1%
Barnes	19.92	652,237	100,449	19,677		80,772	2.47	12.4%
Benson	25.44	314,523	79,037	15,863	35,567	27,607	2.23	8.8%
Billings	Combined with Golden Valley							
Bottineau	16.20	387,449	39,013	6,598		32,415	1.36	8.4%
Bowman	17.44	250,042	23,263	4,899		18,364	1.28	7.3%
Burke	14.06	120,987	9,371	1,655		7,716	0.90	6.4%
Burleigh	18.14	2,824,252	633,004	70,989		562,016	3.61	19.9%
Cass	19.00	6,177,889	1,058,104	139,311		918,793	2.83	14.9%
Cavalier	20.00	386,455	6,513	3,554		2,958	0.15	0.8%
Dickey	16.19	249,594	30,260	5,744		24,516	1.59	9.8%
Divide	22.94	205,191	8,206	2,306		5,901	0.66	2.9%
Dunn	23.43	298,879	26,683	6,624	4,570	15,489	1.21	5.2%
Eddy	37.45	237,558	6,513	3,032		3,481	0.55	1.5%
Emmons	13.18	178,642	12,861	1,380		11,480	0.85	6.4%
Foster	14.50	177,040	21,707	3,790		17,917	1.47	10.1%
Golden Valley	15.21	160,059	17,252	3,909		13,342	1.27	8.3%
Grand Forks	17.19	2,294,782	636,568	102,102		534,465	4.00	23.3%
Grant	20.42	157,267	16,178	1,568		14,610	1.90	9.3%
Griggs	24.57	205,281	13,236	2,303		10,933	1.31	5.3%
Hettinger	20.00	177,315	17,398	3,667		13,731	1.55	7.7%
Kidder	18.00	168,037	13,211	1,251		11,960	1.28	7.1%
LaMoure	17.26	283,466	20,436	4,081		16,355	1.00	5.8%
Logan	14.50	93,058	3,250	670		2,580	0.40	2.8%
McHenry	14.65	300,782	40,701	7,122		33,579	1.64	11.2%
McIntosh	20.34	193,680	10,826	2,124		8,702	0.91	4.5%
McKenzie	17.25	276,532	57,652	16,521	12,187	28,944	1.81	10.5%
McLean	14.99	371,805	56,160	6,711		49,449	1.99	13.3%
Mercer	10.00	181,540	54,355	6,140		48,215	2.66	26.6%
Morton	26.50	1,452,709	270,761	29,934		240,827	4.39	16.6%
Mountrail	23.69	348,004	69,749	11,929	29,621	28,200	1.92	8.1%
Nelson	18.20	193,458	20,079	2,949		17,130	1.61	8.9%
Oliver	20.00	103,555	11,330	1,251		10,079	1.95	9.7%
Pembina	15.72	439,598	54,237	8,938		45,299	1.62	10.3%
Pierce	21.22	285,720	25,186	4,621		20,565	1.53	7.2%
Ramsey	33.88	822,651	355,454	13,550		168,367	6.93	20.5%
Ransom	11.57	177,640	36,259	4,791		31,469	2.05	17.7%
Renville	10.91	107,541	11,625	1,931		9,693	0.98	9.0%
Richland	17.00	809,816	125,705	16,191		109,514	2.30	13.5%
Rolette	21.04	202,168	175,078	30,785	92,647	51,645	5.37	25.5%
Sargent	11.90	164,738	24,134	3,084		21,050	1.52	12.8%
Sheridan	21.00	127,496	11,330	1,251		10,079	1.66	7.9%
Sioux	41.77	86,053	53,770	4,578	38,715	10,477	5.09	12.2%
Slope	Combined with Bowman							
Stark	36.67	1,383,749	298,783	60,994		237,789	6.30	17.2%
Steele	14.67	147,820	11,458	1,446		10,012	0.99	6.8%
Stutsman	26.29	1,270,370	216,180	41,276		174,904	3.62	13.8%
Towner	7.47	85,560	6,513	3,293		3,220	0.28	3.8%
Traill	21.84	536,432	51,987	6,956		45,030	1.83	8.4%
Walsh	26.08	797,831	122,351	19,025		103,325	3.38	13.0%
Ward	23.10	2,428,067	528,599	92,258		436,342	4.15	18.0%
Wells	20.28	340,875	28,675	6,461		22,214	1.32	6.5%
Williams	42.85	1,555,138	264,608	70,824		193,784	5.34	12.5%
Total/Average	20.45	31,376,540	5,798,544	885,000	213,307	4,526,700	2.94	14.4%

* "Indian County" administrative reimbursement reflects all economic assistance costs - estimate was based on the relative proportion of child support to all applicable costs. (Analysis does not include special Devils Lake Region Appropriation)