

2011 HOUSE HUMAN SERVICES

HB 1333

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1333  
January 25, 2011  
Job #13336

Conference Committee

Committee Clerk Signature

*Vicky Crabtree*

## Explanation or reason for introduction of bill/resolution:

For the state of North Dakota to fund all county social services programs.

## Minutes:

*See Attached Testimonies #1-3*

**Chairman Weisz:** Called the hearing to order on HB 1333.

**Rep. Larry Bellew:** From District 38 in Minot sponsored and introduced the bill and testified in support of it. I want the committee to know the Chairman gave me permission to be late and I just want to state that for the record. If this bill is passed it is the process of the beginning of the state of ND to administer and fund all county social services programs. With passage of this bill the state would be responsible for the cost of all county social programs other than the administration of it. Section 7 of this bill mandates a study that the Department of Human Services develops a plan for restructuring the administration of county social services programs. After completion of this plan the Department of Human Services shall suggest legislation for the implementation of the plan. This bill would create permanent property tax relief as the counties are required to lower property taxes equal to the amount that the state funds for these programs. With the study it is my hope that all property taxes levied by county social services programs would be eliminated next biennium. This should end some of the comments that I have received from county commissioners saying we are always sending them unfunded mandates. I ask for a do pass on this bill.

**Rep. Porter:** Last session we had a very similar bill. Do you recall what the fiscal note was from last session?

**Rep. Bellew:** If I remember right it was roughly \$14,000,000.

**Rep. Porter:** This particular go round has jumped by \$2,000,000. I don't know if you are aware of that.

**Rep. Bellew:** I have not seen the fiscal note. That is very likely true because the costs have gone up in the last two years.

**Rep. Porter:** Do you think by the state taking this over that there would be efficiencies seen that would limit or reduce that amount of the fiscal note overtime? I understand the part of the property tax reduction with just a straight takeover of the program, but where do you see the efficiencies so that over time the state would see some savings?

**Rep. Bellew:** Currently all of these programs are administered in the DHS now. I can see the efficiencies as having only one governmental entity administer these programs. That is my hope anyway. I would like to see that fiscal note being reduced as this program is **administered**.

**Chairman Weisz:** Where we show programs funded at state's expense, you added the foster care and subsidized adoption costs on page 3, but then in Section 3 on page 2 of line 31 with added "those services, programs, and costs listed in section 50-09-27; so at that point you are transferring all of them in?

**Rep. Bellew:** That is my request in this bill.

**Terry Traynor:** Assistant Director of ND Association of Counties testified in support of the bill. (See Testimony #1.)

**Rep. Porter:** Clear me up on the fiscal note. If we are talking \$6.4 million per year, how do we end up at \$16.3 million?

**Traynor:** The department may have to answer that. Remember this was put together last summer as budget guidance for the counties and that is what I worked off of was their budget guidance. Obviously, there is not a lot more information on how the FMAP is going change and how it will change in the future. They have some projections that suggest a pretty dramatic increase in the state county share and I think that is what is driving it is the change in the FMAP.

**Shari Doe:** Director of Burleigh County Social Services testified in support of the bill. (See Testimony #2.)

**Rep. Hofstad:** Are we talking about a payment by the state or we talking about shift of employees from county to state? The mechanics of the facilities, do they still remain with the counties or are they now part of the state?

**Doe:** Absolutely, it is a payment issue. It is not a change of employees or space. For example, in Burleigh County's budget I have a line item that says foster care program costs. In 2011 that is over \$700,000. That cost would not be sent to Burleigh County that would be kept at the state level that is the only difference we are talking about; program costs, not administrative costs.

**Rep. Schmidt:** It's hard for me to visualize the differences. If there was a table that said this is what it is currently and you would list those items and if the state took it over, you would list how that would change; would be a lot easier for me being new into this process to understand the difference for which you speak.

**Doe:** If you can visualize a budget for example. On the top, one of the expenses is program foster care costs, the other expenses are salaries, fringe benefits, operating costs, rent and all the other expenses in a county budget to do social services. What this means is that top line foster care costs would be removed from our budget.

**Chairman Weisz:** What do you mean by program costs? If you would explain that a little more it might help.

**Doe:** Program costs are those costs that deal with a specific program. In foster care we do the case management, we make the placements, we have the custody of children, but the costs for paying the foster home, the treatment center or the facility in which we place children, that is the cost we are talking about. Not the people that do the work, but the cost we pay to the facilities, the family homes and any other costs that are associated with program costs.

**Rep. Holman:** I think the bill says something about reducing the mil levy which means you get less money. How are you going to do more with less?

**Doe:** That whole notion of efficiency that was spoken to earlier. If we don't have the pressure we are feeling on the budget, it will be a lot easier for me to go to the commission and say, I need a half time parent aide or I need to enhance my social work time by a few hours a week. Our workers could have smaller case loads and would take the pressure off the county budget. This past budget period was really tough in Burleigh County. I needed three workers and asked for one and I got one. That is the burden and pressure the counties feel.

**Amy Fast:** Director of McKenzie County Social Services testified in support of the bill. (See Testimony #3.)

**Bruce Strinden:** Morton County Commissioner, a board member of the ND County Commissioners Association and also a member of the legislative committee of the counties. We are in support of HB 1333. In Morton County in 2010 we expended just over \$228, 000 for the programs we are discussing here today. That did not include any of our administrative salary or staffing costs. If these programs were to be taken over or funded by the state, it would increase our mils in Morton County an amount between 3 and 4 mils. Discussing this with other county commissioner most counties would realize a fairly substantial decrease in their mils. North Dakota's 225 county commissioners and the legislative committee of the ND Association of Counties strongly encourages your favorable consideration on this bill and ask that you forward it to House Floor with a do pass recommendation.

**Deb McDermott:** Assistant Director of Fiscal Administration for DHS. I want to talk about the fiscal note (FN) and how it was prepared. 1425 last time when we did the FN we just included foster care and subsidized adoption. The way the changes were made to this bill this we also included the family preservation contracts we have with the county and also intensive in-home so it is more inclusive than FN last time. So, it will be all direct county costs not just foster care and subsidized adoption. Also included in the FN is for the cost of

the study which we've estimated to be about \$450,000 which is \$330,000 roughly, would be general fund dollars.

**Chairman Weisz:** The feds will pick up the other \$100,000 and some of the study then?

**McDermott:** Yes, we would assume we could get federal funds for some of that.

**Rep. Hofstad:** Is there any efficiencies you can see in changing this method of payment? Any efficiencies to the department or the system itself?

**McDermott:** As far as efficiencies in making the grant payments, no I would see it as just the state taking over the county share of foster families, facilities and adoptive parents payments. The second part of the bill as far as efficiencies, I think that is why we need to hire an outside consultant to figure out a way to create efficiencies within the system.

**NO OPPOSITION**

**Chairman Weisz:** Closed the hearing on HB 1333

# 2011 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1333  
February 1, 2011  
Job #13807

Conference Committee

Committee Clerk Signature *Vicky Crattree*

## Minutes:

**Chairman Weisz:** We will look at 1333. To refresh this committee, this is the one that transfers the remaining 25% of programs costs of foster care and subsidized adoption back to the state. Counties will be responsible for the administration costs as they are currently. I did have discussion with appropriations about it a little bit just today and they aren't necessarily impressed if it comes to them.

**Rep. Kilichowski:** I would move a do pass and re-referred to Appropriations.

**Chairman Weisz:** Rep. Kilichowski, would you hold that just for a moment yet. I'm not trying to take away your do pass, I just think there needs to be a little discussion.

**Rep. Kilichowski:** Ok.

**Chairman Weisz:** I want everybody to read subsection 2 on page 1, line 17 through page 2, line 4. If we are comfortable with it or you think it needs to be strengthened.

**Rep. Louser:** The way I read that is, it must include a recommendation, but the recommendation doesn't necessarily have to be a reduction in taxes.

**Chairman Weisz:** That is true, but that is the recommendation that is coming from the county social service board. They don't make that decision so they are supposed to make the recommendation to the full county commission on how that should happen. Then it says "each county shall report to the county the funding reduction recommendation required by this subsection". It doesn't mandate.

**Rep. Kilichowski:** Wouldn't that indicate that social services would go (inaudible, microphone not on) reduction would be 2.5 (inaudible)? Wouldn't that recommendation be the amount the mils would be deducted from the property tax?

**Chairman Weisz:** It could, but it says, "how that reduction in county funding responsibility will be passed onto the property taxpayer". So you could interpret that to say that, for example, it is a 3 mil reduction, but we intend to add a mil for some other service. We in reality are reducing the total bill by 2 mil because we are going to add something here that is going to cost a mil. The language could be construed to be able to allow them to do that and say this bill will give us a 3.25 reduction. We intend to spend ¾ mil additional in

general assistance or whatever else it is and having a net effect of 2 ½ mil reduction. Do we need to strengthen that? This isn't the same as the child support language that we passed.

**Rep. Kilichowski:** You have the lines 2 and 3 says that, "each county social service board shall report to the county the funding reduction and recommendation required". So, I'm assuming that means whatever their foster care costs are, is what they would reflect in if it took 2 ½ mils or 3 ¾ mils or whatever.

**Chairman Weisz:** It is requiring them to report whatever they spent in 2010 for that 25% has to be reported in this report in 2011. It is not mandating a reduction per say, but saying they have to fess up and say what amount it saved them. Next language says the recommendation of how that reduction will be passed on. The amount of the reduction has to be passed onto the DHS. Then a recommendation has to be made on what they are going to do with the dollars that was saved. It does not mandate they lower property taxes by x amount.

**Rep. Kilichowski:** It says the reduction savings will be passed onto the property taxpayers of the county.

**Chairman Weisz:** But, that could \$50,000 increase in general economic assistance and \$100,000 in property tax reduction. All the language says is they have to say what they are going to do with that \$150,000, it doesn't say that equates into a property tax reduction.

**Rep. Damschen:** I was wondering if it couldn't read that the tax would be reduced by the amount currently being levied for those services.

**Chairman Weisz:** We can surely do that. That is why I wanted to discuss this section because this section may become important trying to get approval in appropriations if this bill goes forward.

**Rep. Holman:** It depends on how much we want to micromanage the mil levy of the counties. We did that in the previous session when we told them they had to give a 75 mil school reduction so it is not unprecedented to do.

**Rep. Damschen:** I was thinking along the lines that we are taking over a service and only asking that the expense that we assume would not fall on our taxpayers again.

**Rep. Paur:** Personally I would rather see the property tax reduction and then if they need money for something else they can reassess it, but at least it has once come all as Rep. Damschen proposes.

**Chairman Weisz:** One of the options this committee might have and I don't have it in front of me, but the counties are capped on their human service levy. We could require that cap to go down by the amount of this reduction. I believe it is a 20 mil cap.

**Rep. Hofstad:** How many counties do have that are at that cap?

**Chairman Weisz:** I think all of them. There is also language that says you can't reduce your spending. There is language that says you can have an access mil levy then the next year. (Example) If the human service programs in the county would exceed the mil levy, say by 5 mils they then are required to increase next year 5 mils. That is also in the law.

**Rep. Kilichowski:** I don't know if reducing that cap (drops sentence) you are going to be tying them up for how long down the road if something comes up and they have to put another mil on. I think it is too much micromanagement there. I would oppose that.

**Rep. Holman:** You said there is a 20 mil cap. Then the services we would be cutting would vary from county to county. We would create an accounting mess if we were going to tell the county we were going to reduce by the amount of money they were saving.

**Chairman Weisz:** It would have the affect Rep. Holman.

**Rep. Paur:** Rep. Damschen's idea of capping the mil levy cap and would like to make a motion to that affect as an amendment.

**Chairman Weisz:** Hang on; we need to get the language. Ok committee until we get the language exactly how it is now, is there anything else on this.

**Rep. Devlin:** When I was on the county commission you could set that 20 mil or whatever is was at that time and I've been off for a long time now. The federal and states laws in effect were that you had to have the programs for your county, they essentially told you that you could go above that cap for whatever you had to spend to do it, that was the law. I think trying to cap the cap is just an exercise in futility. I would rather have a way to reduce it at least by this time by the amount they got and leave well enough alone. I think that is all you are going to get.

**Chairman Weisz:** You are correct. They have to apply the following year. They are not allowed to reduce the funding and if it exceeds the cap then the next year they have to add to the 20 mil cap whatever it was they exceeded. It limits them theoretically one year, but then they tack it on the following year. We have a motion in front of us and the motion would be to reduce the mil levy cap and is the motion individual to each county or is it to be the average?

**Rep. Paur:** Individual.

**Rep. Hofstad:** Second.

**Voice Vote: Motion Failed**

**Chairman Weisz:** Any further discussions or motions. Is every comfortable with the language. I'm not sure it is going to make Appropriations happy, but I'm trying to think too how to change it that might address their concerns.

**Rep. Devlin:** I haven't been comfortable since day one with the top of page 2 in the first line the word recommendation. I'm thinking that is not the word we want. I think we need a

word more specific that the budget must include a statement of how that reduction in county funding responsibility is totally passed onto the property taxpayers. Not a recommendation something more factual than that.

**Chairman Weisz:** One of the problems I guess is that the language is all directed at the county social service board which doesn't have the ability to set approved budgets. I assume that is why the language is recommendation because they make the recommendation to the full county commission who will then generally approve their recommendation. They don't have the ability to set that budget. I thought the language should refer to the county commission.

**Rep. Kilichowski:** What if we just eliminated recommendation?

**Chairman Weisz:** But, you must include a reduction in county funding (drops sentence)

**Rep. Kilichowski:** (Interjects here) responsibility will be passed onto the property taxpayers of (drops sentence).

**Chairman Weisz:** (Interjects) and the method of how that reduction will be passed on to the property taxpayers? I think if we want to get more specific, I would rather that it said, "reduction in the county funding responsibility and reduction in taxes that will be passed onto the property taxpayers of the county". That would address the issue of them being able to say we are going to increase these programs here and there. This says, we are going to reduce property taxes for this and all the other issues in the county budget are set. If they have increases they will have increases.

**Rep. Kilichowski:** This would make sure the first budget after this bill becomes law would definitely have to (interrupted by the Chairman).

**Chairman Weisz:** Has to have the reduction property (drops sentence). Maybe that would be proper. You could say a statement of the reduction in property taxes due to the reduction in the county funding responsibilities.

**Rep. Devlin:** We want them to provide a statement that identifies the total amount of property tax relief.

**Chairman Weisz:** There are two things. It should be the total amount of money they saved and then they should turn around and say, "and this is what the reduction in your property taxes will be".

**Rep. Holman:** I support that move because if they want to take that \$15,000 and put it someplace else then it is up to them to say, we saved it here, but we are spending it here. It requires the county commission then to make these statements. Even if they don't reduce taxes, they will have to say where they are making that adjustment.

**Rep. Damschen:** I'm toying with the wording and wondering if something on the order of "the cost savings realized by the county social services would be passed onto the tax payers in the form of property tax reduction".

**Chairman Weisz:** Say that again.

**Rep. Damschen:** "The cost savings realized by the county social **services** would be passed on in the form of property tax reduction".

**Chairman Weisz:** The cost savings to county social services shall be passed on to the property taxpayers of the county.

**Rep. Kilichowski:** How about if we just eliminated "recommendation of how that" and eliminate "responsibility" and right behind "will" insert the word "directly". (Much back and forth on the wording between Rep. Kilichowski and Chairman Weisz.) After funding take out responsibility and put in "will be directly passed onto property taxpayers of the county".

**Chairman Weisz:** That is option 2.

**Rep. Weisz:** I have a logistical question. The next biennium the state is going to have \$16,000,000 appropriation and it looks like this is going to happen for one year at the county level, correct? We are messing with semantics here on 2011, but beyond that they can't possibly report what the savings would have been in a bill they don't incur. We are addressing one year property tax relief although we are going to have a one year appropriation, correct?

**Chairman Weisz:** You are correct as far as the report goes. The assumption will be you have on-going property tax relief because you are not going to pass the responsibility anymore back onto the political subdivisions. Does it eliminate them from raising taxes? No. The legislature always wrestles with the idea, should political subdivisions have the ability to run their own governments from the standpoint of spending and revenue. That is the debate. My point is that is their debate and we shouldn't have them, but does the state have a responsibility to pay what is legitimately a state function? Can we limit them down the road? No. Well committee, what do you want to do? We can send out as is, but I think I'm going to get a lot of grief down there on it.

**Rep. Kilichowski:** I think it says what it intends to do and that is to reduce the property tax. I make a motion of a do pass as is.

**Rep. Conklin:** Second.

**Chairman Weisz:** And re-referred to Appropriations. I still think we need to do an amendment.

**Rep. Devlin:** This is really ugly, but I don't think we need to do some of it. To me what you need to do is something like, "The budget must include a statement identifying the total savings to the county. Each county commission shall report to the department the property tax reduction provided to the property taxpayers in their county by this action.

**Chairman Weisz:** Actually, that isn't bad.

**Rep. Holman:** What you did is what I see as the problem here and I like that. Because you moved the responsibility to the county commission who has the responsibility. The problem with that statement is that it deals with the group that doesn't have any authority on setting taxes and now you have moved it to the group that does. That sounds better.

**Chairman Weisz:** We have a motion on the table unless it is withdrawn.

**Rep. Kilichowski:** I will withdraw my motion.

**Rep. Conklin:** Second.

**Chairman Weisz:** Do you want to make a motion?

**Rep. Devlin:** I'm not sure the wording is just right, but it does two things. It makes the social service board identify the amount that the property taxpayers should save and it makes the county commission responsible to the department to identify that amount was actually given to property taxpayers in their county. I'm not going to tell you there isn't better language, but that was the attempt.

**Rep. Porter:** Second.

**Voice Vote: Motion carried.**

**Chairman Weisz:** We now have an amended bill in front of us. Any further amendments? Seeing none, what are the committee's wishes?

**Rep. Kilichowski:** I'll move a Do Pass as amended and re-referred to Appropriations.

**Rep. Schmidt:** Second.

**VOTE: 12 y 0 n 1 absent – Rep. Hofstad**

**Bill Carrier: Rep. Weisz**

# FISCAL NOTE

Requested by Legislative Council  
01/18/2011

Bill/Resolution No.: HB 1333

**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.*

	2009-2011 Biennium		2011-2013 Biennium		2013-2015 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				(\$15,309,777)		(\$16,725,117)
<b>Expenditures</b>			\$16,327,692	(\$15,309,777)	\$16,725,117	(\$16,725,117)
<b>Appropriations</b>			\$16,327,692	(\$15,309,777)	\$16,725,117	(\$16,725,117)

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

2009-2011 Biennium			2011-2013 Biennium			2013-2015 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$15,430,092)			(\$16,725,117)		

**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 state to take over responsibility for family preservation services, intensive in-home services, foster care & subsidized adoption non-federal costs. The Bill also provides for the Department to study the administration & funding of state & county social service programs.

**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.*

This Bill requires the state to take over all costs, in excess of the amount provided by the federal government, for the foster care and subsidized adoption programs.

It is also presumed that the Bill intended for the state to take over all costs for family preservation services and intensive in-home services since the county portion of those services has been removed from section 50-03-08. Currently the counties are billed a portion of the program costs not funded by the federal government for intensive in-home, foster care and subsidized adoption programs. The amount billed to the counties is not to exceed twenty-five percent.

The Bill also requires the county social service boards to submit a budget to the Department of Human Services by December 31, 2011, identifying the reduction in county expenditures for the foster care subsidized adoption and other family preservation services and including a recommendation on how the reduction will be passed on to property taxpayers.

Lastly the Bill provides for the Department of Human Services to study and develop a plan for restructuring the administration and funding of all state and county social service programs into a state administered and funded social service program. The findings, proposed plan and necessary legislative changes must be presented to legislative management before June 1, 2012.

**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 reduction in revenues is due to the counties no longer being required to pay the state for up to 25% of the costs of family preservation, intensive in-home, foster care and subsidized adoption programs. This results in lost revenues of \$15,430,092 for the 2011-2013 biennium and \$16,725,117 in the 2013 - 2015 biennium.

In addition, there would be an increase in federal funds of \$120,315 for the 2011-2013 biennium related to the availability of federal funds to pay for a portion of the cost of the study.

**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 increase in General fund expenditures is due to the state picking up all costs, in excess of the amount provided by the federal government, for family preservation services, foster care and subsidized adoption programs. Costs included in these programs include room and board for children placed in foster care homes and facilities, treatment costs, intensive in-home services, parent aid, prime time day care, respite care, wraparound case management, safety permanency and subsidy payments to adoptive parents of special needs children. This would result in a General fund increase of \$15,998,007 for these grant costs in the 2011 - 2013 biennium and an anticipated increase of \$16,725,117 for the 2013 - 2015 biennium.

The fiscal impact also includes costs of \$450,000 of which \$329,685 is general fund and \$120,315 is federal funds for the 2011-2013 biennium for the Department to study and develop a plan for restructuring the administration and funding of all state and county social services program into a state administered and funded social services program.

The decrease of other funds in the amount of \$15,309,777 includes the decrease of the county share of programs for intensive in-home, foster care and subsidized adoption programs in the amount of \$15,430,092 offset by the federal fund increase of \$120,315 for a portion of the study that can be funded with federal funds.

**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.*

For the 2011 - 2013 biennium, the Department would need a general fund appropriation of \$16,327,692; \$15,998,007 to cover costs previously paid by counties and \$329,685 for the study. The other funds appropriation contained in SB 2012 could be reduced by \$15,309,777; \$15,430,092 of the decrease is related to the counties no longer paying for any of the costs related to family preservation, intensive in-home, foster care and subsidized adoption programs and an increase in federal funds of \$120,315 for the study.

For the 2013 - 2015 the Department would need a general fund appropriation of \$16,725,117 to cover the costs previously paid by the counties for family preservation, intensive in-home, foster care and subsidized adoption programs. There would be a corresponding decrease in special funds appropriation of the same amount.

<b>Name:</b>	Debra A. McDermott	<b>Agency:</b>	Dept of Human Services
<b>Phone Number:</b>	328-3695	<b>Date Prepared:</b>	01/21/2011

Date: 2-1-11  
Roll Call Vote # 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1333

House HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Paur Seconded By Rep. Hofstad

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. CONKLIN		
VICE-CHAIR PIETSCH			REP. HOLMAN		
REP. ANDERSON			REP. KILICHOWSKI		
REP. DAMSCHEN					
REP. DEVLIN					
REP. HOFSTAD					
REP. LOUSER					
REP. PAUR					
REP. PORTER					
REP. SCHMIDT					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*Voice Vote*

*Motion failed*

February 01, 2011

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1333

Page 2, overstrike lines 1 through 4 and insert immediately thereafter "statement identifying the total savings to the county. Each board of county commissioners shall report to the department the property tax reduction this action provided to property taxpayers in the board's county."

Renumber accordingly

February 1, 2011

VK  
2/2/11

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1333

Page 2, replace lines 1 through 4 with "statement identifying the total savings to the county. Each board of county commissioners shall report to the department the property tax reduction this action provided to property taxpayers in the board's county."

Renumber accordingly

Date: 2-1-11  
Roll Call Vote # 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1333

House HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Devlin Seconded By Rep. Porter

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. CONKLIN		
VICE-CHAIR PIETSCH			REP. HOLMAN		
REP. ANDERSON			REP. KILICHOWSKI		
REP. DAMSCHEN					
REP. DEVLIN					
REP. HOFSTAD					
REP. LOUSER					
REP. PAUR					
REP. PORTER					
REP. SCHMIDT					

Total (Yes) \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

*Voice Vote  
Motion Carried*

Date: 2-1-11  
Roll Call Vote # 3

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
BILL/RESOLUTION NO. 1333

House HUMAN SERVICES Committee

Check here for Conference Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Kilichowski Seconded By Rep. Schmidt

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ	✓		REP. CONKLIN	✓	
VICE-CHAIR PIETSCH	✓		REP. HOLMAN	✓	
REP. ANDERSON	✓		REP. KILICHOWSKI	✓	
REP. DAMSCHEN	✓				
REP. DEVLIN	✓				
REP. HOFSTAD	A				
REP. LOUSER	✓				
REP. PAUR	✓				
REP. PORTER	✓				
REP. SCHMIDT	✓				

Total (Yes) 12 No 0

Absent 1 absent

Floor Assignment Rep. Weisz

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

**REPORT OF STANDING COMMITTEE**

**HB 1333: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). HB 1333 was placed on the Sixth order on the calendar.

Page 2, replace lines 1 through 4 with "statement identifying the total savings to the county. Each board of county commissioners shall report to the department the property tax reduction this action provided to property taxpayers in the board's county."

Renumber accordingly

2011 HOUSE APPROPRIATIONS

HB 1333

# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

HB 1333  
2/10/11  
14366

Conference Committee

Committee Clerk Signature

*Meredith Tracholt*

### Explanation or reason for introduction of bill/resolution:

A BILL for an Act relating to programs funded at state expense; relating to foster care and subsidized adoptions costs; to provide for a study of the administration and funding of state and county social services programs; and to provide an expiration date.

### Minutes:

You may make reference to "attached testimony."

**Chairman Delzer:** Opened discussion on HB 1333. The title was read.

**Representative Robin Weisz, District 14:** What this bill will do is transfer all of the program costs back to the state. Currently the counties pay 25% of the non-federal share of the program costs, and the administration costs of foster care and subsidized adoption. This will shift that 25% back to the state. The administration costs will stay with the county.

**Chairman Delzer:** Does the county retain the intervention side?

**Representative Weisz:** This will have nothing to do with Child Protective Services or anything else, it is strictly the foster care and subsidized adoption costs.

**Chairman Delzer:** Some of those come about because of CPS.

**Representative Weisz:** That is correct, but this bill does not delve into the child abuse reports, neglect, etc. The result of that could very well mean there is a child in foster care, obviously. In this case, the county is still responsible for administering the foster care program, but now they're not paying their share for the foster family or residential center where the child may end up.

**Chairman Delzer:** Representative Bellew, do you have some amendments coming soon?

**Representative Bellew:** That is correct.

**Chairman Delzer:** We can ask questions if we want, but we may wish to wait until Representative Bellew presents the amendments. Committee members? We'll continue this later.

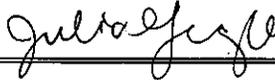
# 2011 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

HB 1333  
2/17/11  
14708

Conference Committee

Committee Clerk Signature



### Explanation or reason for introduction of bill/resolution:

A BILL for an Act to amend and reenact sections 11-23-01, 50-03-08, 50-06-20, 50-09-27, and 50-24.1-14 of the North Dakota Century Code, relating to programs funded at state expense; to repeal section 50-09-21.1 of the North Dakota Century Code, relating to foster care and subsidized adoptions costs; to provide for a study of the administration and funding of state and county social services programs; and to provide an expiration date.

### Minutes:

**Chairman Delzer:** opened hearing on HB 1333, explaining it came to appropriations from human services committee on a 12-0 vote with a \$16M fiscal note. Representative Bellew, can you explain the bill to us as it's your bill?

**Representative Bellew:** This bill has the state take over the expense for foster care and subsidized adoption. Currently, in statue, the counties are responsible for 25% of the nonfederal share of foster care costs that's in the human services budget. It's my belief that this is the state responsibility. I don't know the history or reason that this was shifted over to the counties. The Department of Human Services can raise our property taxes when they raise cost for foster care and there's no public hearing on that back home. That's one of the negatives of that part of the bill. It is pure property tax relief in this bill because it does state in the bill that whatever the amount the county was receiving in foster care and subsidized adoption, they have lower their mill levis by that amount. I will try to answer any questions at this time.

**Chairman Delzer:** You have in the bill that they have to reduce that amount, but there are other places that they could increase property tax to take this up?

**Representative Bellew:** Absolutely.

**Chairman Delzer:** We have the bill before us. The Fiscal Note is pretty interesting if you read it. There's the cost to the counties and about \$450,000 for the department for restructuring and administration plans.

**Representative Bellew:** that \$450,000 is what the department estimated what it would cost to do the study. That's in the last section of the bill.

**Chairman Delzer:** Why would you want to change this and then have a study?

**Representative Bellew:** The study would be to see if the state should take over all the social services in the county.

**Chairman Delzer:** When I read that I have a problem with the way that is worded because it doesn't seem to study whether it should be done or not, it says "shall study and develop a plan" for taking over everything.

**Representative Bellew:** it does say the "plan must provide for the unification of all state and county social services programs"

**Chairman Delzer:** Into state administered and funded social service programs. So it is telling them, not only the \$16M here, but all social services costs must go to the state.

**Representative Bellew:** Yes, in the study.

**Chairman Delzer:** it doesn't say study. It says "shall study and develop a plan for restructuring the administration and funding of all state and county social services" and it goes on to say the plan must provide, so it tells it, it has to do it. Granted, the next legislature would have to accept that.

**Representative Bellew:** That's correct, but my intent was to study it; not to say it has to be done.

**Chairman Delzer:** I don't think that's worded quite right.

**Representative Bellew:** This is the way it came from Legislative Council and I trusted them

**Chairman Delzer:** If this does not go forward, is it your intention to try to put a study of this process on the human service budget?

**Representative Bellew:** Yes, that would be my intent to include a study in the human services budget because we have that the second half if this doesn't pass.

**Representative Wieland:** There's also a bill on the Senate side that talks about a study of the delivery system of human services in the state of ND. I am unsure as to where that bill is at. That's the delivery system and I'm not sure how that would differ from this.

**Representative Bellew:** I will move Do Pass on HB 1333.

**Representative Wieland:** Second

**Chairman Delzer:** We have a motion and a second. Is there discussion by the committee? I'm not going to support this. I think it is premature to do it without studying it, even though I know this bill was here last time too. I don't know if there was a study requested last time.

**Representative Bellew:** There was a study requested. In fact the entire bill was turned into a study. It said the Legislative Management may consider studying and they didn't pick it.

**Representative Pollert:** Reluctantly, I cannot support the bill. If it doesn't make it, I would be pushing for a study in the Department of Human Services (DHS) budget.

Clerk called role for a Do Pass on HB 1333 resulting in 6 yes, 15 no, and 0 absent; motion failed.

**Representative Skarphol:** I move for a Do Not Pass

**Representative Pollert:** second

**Chairman Delzer:** seeing no discussion, clerk will call roll on HB 133

Clerk called roll for a Do Not Pass on HB 1333 resulting in 20 yes, 1 no, and 0 absent; motion carried

**Chairman Delzer** assigned Representative Kaldor as the carrier. I think the study is the way we should go and I think if this committee puts a study on, it should be a "shall" study, not a "consider."

Date: 2/17  
 Roll Call Vote #: 1

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1333

House Appropriations Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Bellew Seconded By Rep. Wieland

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer		X	Representative Nelson	X	
Vice Chairman Kempenich		X	Representative Wieland	X	
Representative Pollert		X			
Representative Skarphol		X			
Representative Thoreson		X	Representative Glassheim		X
Representative Bellew	X		Representative Kaldor		X
Representative Brandenburg		X	Representative Kroeber		X
Representative Dahl		X	Representative Metcalf	X	
Representative Dosch		X	Representative Williams		X
Representative Hawken		X			
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson		X			
Representative Monson		X			

Total (Yes) 6 No 15

Absent \_\_\_\_\_

Floor Assignment \_\_\_\_\_

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

Date: 2/17  
 Roll Call Vote #: 2

2011 HOUSE STANDING COMMITTEE ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1333

House Appropriations Committee

Legislative Council Amendment Number \_\_\_\_\_

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Skarphol Seconded By Rep. Pollert

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Representative Nelson	X	
Vice Chairman Kempenich	X		Representative Wieland	X	
Representative Pollert	X				
Representative Skarphol	X				
Representative Thoreson	X		Representative Glassheim	X	
Representative Beliew		X	Representative Kaldor	X	
Representative Brandenburg	X		Representative Kroeber	X	
Representative Dahl	X		Representative Metcalf	X	
Representative Dosch	X		Representative Williams	X	
Representative Hawken	X				
Representative Klein	X				
Representative Kreidt	X				
Representative Martinson	X				
Representative Monson	X				

Total (Yes) 20 No 1

Absent 0

Floor Assignment Rep. Kaldor

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

**REPORT OF STANDING COMMITTEE**

**HB 1333, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)**  
recommends **DO NOT PASS** (20 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed HB 1333 was placed on the Eleventh order on the calendar.

2011 TESTIMONY

HB 1333

# 1

**Testimony To  
THE HOUSE HUMAN SERVICES COMMITTEE  
Prepared Tuesday, January 25, 2011 by  
Terry Traynor, Assistant Director  
North Dakota Association of Counties**

**REGARDING HOUSE BILL No. 1333**

Chairman Weisz and members of the House Human Services Committee, our Association and the North Dakota County Commissioners Association support this proposal to relieve property taxpayers of a significant burden over which local officials have little control.

In the early days of “county welfare”, county workers had significant authority in the placement of children, and most children were coming from local families and were being placed with other local families. This situation has changed significantly. Often times (particularly with subsidized adoption) children come into a county from other places in the State or even beyond. The regional supervisor of county social services – a State employee – has increasing control over the placement decision and the State and private adoption agencies are much more likely to influence assistance rates than county workers. A growing percentage of the cost is also associated with children in the custody of either the Department of Human Services or the Division of Juvenile Services, and here the county has even less involvement – except for payment.

The current funding structure involves maximizing federal funds when the placement is eligible, and splitting the remainder of ineligible costs at 75% State and 25% county. But the individual county’s share is a bit more complicated. A four-part formula that takes into consideration the county’s caseload, population, poverty, and tax base is used to allocate each county’s share of the statewide total of that 25%. While this funding plan does protect (particularly the smaller) counties from widely fluctuating costs, it results in a disconnect for county commissioners, when all they see is an annual bill that keeps increasing. The first attached table is the cost allocation calculation as it currently exists.

The applicable portions of the budget instructions that the counties received from DHS this summer have been reproduced in the second table. This shows each county (or multi-county) unit's expected costs. For CY2011, counties can expect to pay the Department \$6.4 million in total – an average property tax impact of 3.0 mills. You will see in the note that the federal FMAP percentage is significant factor in this projection. This table also calculates an approximate mill-equivalent of the projected savings (for one calendar year) for each social service unit.

Our Associations support the language of Section 1 of the bill as an excellent means of ensuring a careful analysis and consideration of the impact of this bill on property taxes. Mr. Chairman and committee members, the North Dakota Association of Counties and the North Dakota County Commissioners Association, request a "Do Pass" recommendation on House Bill 1333.

Foster Care County Share Fixed Percentage Formula - CY 2011

Basis For New CY 2011 Formula					
Weight	40%	10%	10%	40%	
	Persons Under 15 3-Year Average	Property Valuation 3-Year Average	Total Personal Income 3-Year Average	Children DAYS by County of Financial Responsibility 3-Year Average	CY 2011 Formula
Adams	0.0027543809	0.0040646758	0.0032301212	0.0026265833	0.0028819
Barnes	0.0154173008	0.0206719776	0.0174013642	0.0149092320	0.0159379
Benson	0.0047734567	0.0074646762	0.0076029578	0.0015489778	0.0040357
Billings	Combined with Golden Valley				0.0000000
Bottineau	0.0081094520	0.0143284485	0.0114154421	0.0036258410	0.0072685
Bowman	0.0049994726	0.0090619084	0.0056421376	0.0041254698	0.0051204
Burke	0.0023897419	0.0046717054	0.0034493566	0.0003121075	0.0018928
Burleigh	0.1295463107	0.1163874044	0.1249209845	0.0997459471	0.1158477
Cass	0.2399264695	0.2247233335	0.2343335695	0.2673450830	0.2488143
Cavaller	0.0046046981	0.0120700504	0.0082432407	0.0006344901	0.0041270
Dickey	0.0085494297	0.0097307922	0.0087567216	0.0107015611	0.0095491
Divide	0.0021215363	0.0051508622	0.0034717710	0.0020203499	0.0025190
Dunn	0.0039537722	0.0068860708	0.0037516859	0.0009620102	0.0030301
Eddy	0.0031160064	0.0034887703	0.0031745969	0.0028295174	0.0030445
Emmons	0.0047312670	0.0076916479	0.0050630180	0.0009093501	0.0035317
Foster	0.0051380957	0.0069376563	0.0053662199	0.0071142519	0.0061313
Golden Valley	0.0034836590	0.0060001275	0.0027790998	0.0031531844	0.0035327
Grand Forks	0.1051305619	0.0908398094	0.0956193390	0.1613390052	0.1252337
Grant	0.0027212319	0.0047646465	0.0031185736	0.0054946325	0.0040747
Griggs	0.0029020447	0.0050459472	0.0038403502	0.0006832970	0.0023228
Hettinger	0.0026790423	0.0052901553	0.0036034081	0.0026741059	0.0030306
Kidder	0.0031220335	0.0055906128	0.0027491041	0.0016555824	0.0027450
LaMoure	0.0055509515	0.0099690284	0.0075044298	0.0027486007	0.0050672
Logan	0.0025735682	0.0039051252	0.0027773188	0.0000000000	0.0016977
McHenry	0.0076031763	0.0120748957	0.0073646852	0.0070346195	0.0077991
McIntosh	0.0030798439	0.0055013446	0.0039427464	0.0082432332	0.0054736
McKenzie	0.0061506472	0.0094158457	0.0078819989	0.0047561066	0.0060925
Dakota Centr	0.0235237392	0.0333716476	0.0309246406	0.0093439578	0.0195767
Mercer	Part of Dakota Central District		0.0000000000	0.0000000000	0.0000000
Morton	0.0458752091	0.0353683553	0.0350884425	0.0327956865	0.0385140
Mountrail	0.0064550153	0.0088556869	0.0088138879	0.0078347963	0.0074829
Nelson	0.0035620112	0.0059960695	0.0048086599	0.0032623578	0.0038102
Oliver	Part of Dakota Central District		0.0000000000	0.0000000000	0.0000000
Pembina	0.0106016544	0.0166121984	0.0123629168	0.0041729923	0.0088074
Pierce	0.0058281977	0.0076281717	0.0052692345	0.0025058504	0.0046234
Lakes Distric	0.0214504196	0.0209865458	0.0211429460	0.0364818939	0.0273859
Ransom	0.0090888544	0.0092402232	0.0079789405	0.0042179461	0.0070446
Renville	0.0030376543	0.0055142349	0.0046099424	0.0007539386	0.0025291
Richland	0.0267964500	0.0281635082	0.0236064419	0.0195651560	0.0237216
Rolette	0.0065243268	0.0054124662	0.0143921782	0.0022862192	0.0055047
Sargent	0.0061416065	0.0085718557	0.0077111850	0.0016311789	0.0047374
Sheridan	Part of Dakota Central District		0.0000000000	0.0000000000	0.0000000
Sioux	0.0015429355	0.0011286048	0.0033132894	0.0006165086	0.0013080
Slope	Combined with Bowman		0.0000000000	0.0000000000	0.0000000
Stark	0.0358129793	0.0265941217	0.0338874390	0.0534577139	0.0417564
Steele	0.0024650805	0.0060647735	0.0034767971	0.0010609085	0.0023646
Stutsman	0.0291711242	0.0293110025	0.0324655684	0.0233579680	0.0271893
Towner	Part of Lakes District		0.0000000000	0.0000000000	0.0000000
Traill	0.0123917007	0.0146604321	0.0120790344	0.0211436748	0.0160881
Walsh	0.0173730920	0.0175398323	0.0164328162	0.0224460491	0.0193249
Ward	0.1091717269	0.0726120594	0.0925176355	0.0769633871	0.0909670
Wells	0.0051019332	0.0101339466	0.0075709340	0.0034331820	0.0051845
Williams	0.0329561378	0.0245067455	0.0345428284	0.0554754951	0.0412778
Total	1.0000000000	1.0000000000	1.0000000000	1.0000000000	1.0000000

**NORTH DAKOTA DEPARTMENT OF HUMAN SERVICES  
COUNTY BUDGET GUIDELINES  
CY 2011**

County	Foster Care IVE	Foster Care EA	Foster Care Regular	Sub-Adopt Federal Match	Sub-Adopt Regular Match	(Group/ RCCF/Rehab Services)	Therapeutic Services	ISED Out-of-Home Care	TOTAL DOLLARS	TOTAL IN-MILLS	
Adams	2,562	10,298	1,069	1,988	2,022	120	443	70	18,572	2.37	
Barnes	14,168	56,952	5,910	10,994	11,180	665	2,450	388	102,707	2.11	
Benson	3,588	14,421	1,496	2,784	2,831	168	620	98	26,006	1.67	
Billings	Combined below with Golden Valley					-	-	-	-	-	-
Bottineau	6,461	25,973	2,695	5,014	5,099	303	1,117	177	46,840	1.37	
Bowman	4,552	18,297	1,899	3,532	3,592	214	787	125	32,998	1.61	
Burke	1,683	6,764	702	1,306	1,328	79	291	46	12,198	1.30	
Burleigh	102,984	413,966	42,958	79,911	81,266	4,833	17,809	2,821	746,548	2.88	
Cass	221,187	889,103	92,264	171,631	174,541	10,379	38,249	6,059	1,603,413	3.45	
Cavalier	3,669	14,747	1,530	2,847	2,895	172	634	100	26,594	0.96	
Dickey	8,489	34,122	3,541	6,587	6,699	398	1,468	233	61,537	2.79	
Divide	2,239	9,001	934	1,738	1,767	105	387	61	16,233	1.58	
Dunn	2,694	10,828	1,124	2,090	2,126	126	466	74	19,527	1.38	
Eddy	2,706	10,879	1,129	2,100	2,136	127	468	74	19,619	2.81	
Emmons	3,140	12,620	1,310	2,436	2,477	147	543	86	22,758	1.55	
Foster	5,450	21,909	2,274	4,229	4,301	256	943	149	39,511	2.82	
G. Valley	3,140	12,624	1,310	2,437	2,478	147	543	86	22,765	1.86	
G. Forks	111,328	447,505	46,439	86,385	87,850	5,224	19,252	3,049	807,032	4.32	
Grant	3,622	14,560	1,511	2,811	2,858	170	626	99	26,258	2.83	
Griggs	2,065	8,300	861	1,602	1,629	97	357	57	14,968	1.49	
Hettinger	2,694	10,829	1,124	2,090	2,126	126	466	74	19,529	1.90	
Kidder	2,440	9,809	1,018	1,893	1,926	115	422	67	17,690	1.51	
LaMoure	4,505	18,107	1,879	3,495	3,555	211	779	123	32,653	1.63	
Logan	1,509	6,066	630	1,171	1,191	71	261	41	10,940	1.38	
Henry	6,933	27,869	2,892	5,380	5,471	325	1,199	190	50,259	2.13	
Antosh	4,866	19,559	2,030	3,776	3,840	228	841	133	35,273	3.27	
McKenzie	5,416	21,771	2,259	4,203	4,274	254	937	148	39,262	1.99	
McLean (Dak.Cntrl)	17,403	69,955	7,259	13,504	13,733	817	3,009	477	126,157	1.76	
Mercer (Dak.Cntrl)	Combined above with Mclean - Dakota Central					-	-	-	-	-	-
Morton	34,238	137,624	14,282	26,567	27,017	1,607	5,921	938	248,193	3.29	
Mountrail	6,652	26,739	2,775	5,162	5,249	312	1,150	182	48,221	2.34	
Nelson	3,387	13,615	1,413	2,628	2,673	159	586	93	24,554	1.83	
Oliver (Dak.Cntrl)	Combined above with Mclean - Dakota Central					-	-	-	-	-	-
Pembina	7,829	31,472	3,266	6,075	6,178	367	1,354	214	56,755	1.67	
Pierce	4,110	16,521	1,714	3,189	3,243	193	711	113	29,795	2.02	
Ramsey (Lakes)	24,345	97,860	10,155	18,891	19,211	1,142	4,210	667	176,481	5.78	
Ransom	6,262	25,173	2,612	4,859	4,942	294	1,083	172	45,398	2.27	
Renville	2,248	9,037	938	1,745	1,774	106	389	62	16,299	1.48	
Richland	21,088	84,766	8,796	16,363	16,640	990	3,647	578	152,868	2.73	
Rolette	4,893	19,670	2,041	3,797	3,861	230	846	134	35,473	3.37	
Sargent	4,211	16,928	1,757	3,268	3,323	198	728	115	30,529	1.70	
Sheridan (Dak.Cntrl)	Combined above with Mclean - Dakota Central					-	-	-	-	-	-
Sioux	1,163	4,674	485	902	918	55	201	32	8,430	3.61	
Slope	Combined above with Bowman					-	-	-	-	-	-
Stark	37,120	149,211	15,484	28,803	29,292	1,742	6,419	1,017	269,087	4.32	
Steele	2,102	8,450	877	1,631	1,659	99	364	58	15,239	1.05	
Stutsman	24,170	97,157	10,082	18,755	19,073	1,134	4,180	662	175,214	2.90	
Towner (Lakes)	Combined above with Ramsey as Lakes District					-	-	-	-	-	-
Trail	14,302	57,489	5,966	11,097	11,286	671	2,473	392	103,675	3.47	
Walsh	17,179	69,055	7,166	13,330	13,556	806	2,971	471	124,534	3.55	
Ward	80,866	325,058	33,732	62,748	63,812	3,795	13,984	2,215	586,210	3.66	
Wells	4,609	18,526	1,922	3,576	3,637	216	797	126	33,409	1.68	
Williams	36,694	147,500	15,306	28,473	28,956	1,722	6,345	1,004	266,001	4.37	
Total	\$ 888,963	\$ 3,573,360	\$ 370,815	\$ 689,793	\$ 701,491	\$ 41,715	\$ 153,726	\$ 24,350	\$ 6,444,213	3.03	

NOTE: The FMAP (Federal Matching Assistance Percentage) reflected above for federal fiscal year 2011 is 60.35%. The FMAP for budgeting purposes for federal fiscal year 2012 was estimated to be 56.96%. This is an estimate only as the final rate for 2012 has not yet been determined.

**TESTIMONY  
HUMAN SERVICE COMMITTEE  
HOUSE BILL 1333  
REPRESENTATIVE WEISZ, Chairman  
January 25, 2011**

Chairman Weisz and members of the House Human Services Committee, my name is Shari Doe. I am the Director of Burleigh County Social Services and the President of the ND Association of County Social Service Directors. I am here today to speak in support of HB 1333.

There are a couple of supporting arguments I'd like to make for shifting the placement costs of Foster Care and Subsidized Adoption from county property taxes to the State. They include:

**Disconnect between Cost and Activity:** The current funding structure involves maximizing federal funds when the cost of the child's placement is eligible for federal IV-E and splitting the remainder of ineligible costs at 75% State and 25% county. A formula that takes into consideration a county's caseload, population, poverty, and tax base is used to determine each county's share of the statewide total of that 25%. Counties can do an extraordinarily good job of child welfare prevention work to keep their county's foster care placements down and not realize a corresponding reduction in foster care costs. Further, counties have absolutely no control over the activities or costs associated with children under the custody of the Division of Juvenile Services or the Department of Human Services (children with parents whose parental rights have been terminated and are waiting for a permanent living arrangement) but are responsible for paying the bill. Counties also have no control of the rates paid to foster care homes/group homes, etc.

Additionally, when the Federal Medical Assistance Percentage (FMAP) goes down

we know that the impact to the state is dramatic - this dramatic impact will also hit the counties. These kinds of impacts are difficult to address within fixed property tax levies. In Burleigh County our bill for placement costs for Foster Care and Subsidized Adoption is estimated to be over \$700,000 in calendar year 2011.

**Child Welfare Services:** Counties have struggled the past couple of years with increasing case loads, increasing requirements, and more difficult cases. At a time when we would like to and **should** be keeping worker caseloads within a manageable range, we are not. I can't speak for other counties, but it seems all we do in my county is to "put out fires". Families "blow-up" and kids "blow out" - we work with mostly with what we refer to as the "deep end" cases, those cases in which children are at imminent risk.

Passage of this bill would take some of the pressure off county budgets and allow us to spend more of our resources on the prevention and preservation services that can actually help families. Keeping caseloads in line, using our prevention services to their best and highest use can be accomplished if we aren't always putting out those fires.

House Bill 1333 invests State dollars in the process of serving children and families. House Bill 1333 will assist counties in their responsibility of keeping children safe.

Chairman Weisz, thank you for the opportunity to speak on this bill and I'm happy to answer questions.

TESTIMONY  
HUMAN SERVICE COMMITTEE  
HOUSE BILL 1333  
REPRESENTATIVE WEISZ, CHAIRMAN  
January 25, 2011

Chairman Weisz and members of the House Human Service Committee, my name is Amy Fast. I am the Director of McKenzie County Social Services. I am here today in support of HB 1333.

This bill is about payment of placement costs of children in foster care and subsidized adoption. If this bill passes it would not change the counties responsibility for covering the costs for administration and staffing of the programs – only the placement costs.

Counties currently pay up to 25% of the non-federal share of the placement costs for Foster Care and Subsidized Adoption. Each county pays a share of that amount based on a formula that is applied state-wide. This bill would have the State assume the *county share* of the placement costs of children in Foster Care or Subsidized Adoption.

***Placement costs*** are the dollars expended to pay for the daily care of children; ***administrative costs*** pay for our staff expenses and salaries. Counties would continue to pay the administrative costs.

Philosophically one might ask when a child is in a placement of Foster Care or Subsidized Adoption, who really should pay for the child's daily physical and basic needs. This could be argued either way because both the state and the counties have a vested interest in Foster Care and Subsidized Adoption and work together on behalf of

the children and families “in the system”. I want to assure you however that counties are financially invested in the programs and will continue to be invested. We see the faces every day of the people we are serving, we increase our staff as the needs increase and also as the requirements of the job increase. We will continue to pay the staffing costs and related administrative costs.

In an effort to continue to serve the people in both foster care and subsidized adoption we ask that you pass this bill. Passage of the bill will assist in making it possible for counties to meet the ever increasing needs of children in foster care and the increase in program mandates. In addition it will give counties the ability to take efforts to prevent foster care placements and to make less of a demand on county tax dollars.

Chairman Weisz and members of the Committee, thank you for the opportunity to provide testimony on HB 1333. I would be happy to attempt to address any questions you may have.