

**2013 HOUSE HUMAN SERVICES**

**HB 1233**

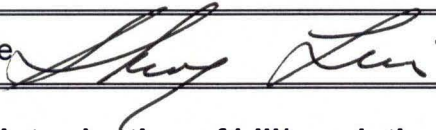
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1233  
February 5, 2013  
Recording # 18290

Conference Committee

Committee Clerk Signature



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

A BILL relating to foster care and subsidized adoption 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:

Attachments 1, 2, and 3

Chairman Weisz called the hearing to order on HB 1233.

**Representative Robin Weisz, District 33, ND Legislative Assembly:** Introduced and sponsored the bill. See attachment 1 for proposed amendment.

7:50

**Vice Chairman Hofstad:** You would consider the fiscal note should show the \$90 million to \$95 million range?

**Representative Weisz:** Even with that amendment for this biennium it wouldn't; because as you notice the administration hasn't been transferred yet, so that will take the 2 years. But it definitely will be a much higher fiscal note.

**Representative Porter:** Is there a component inside of this that would limit administrative expense or cap it for the 2 years we would be paying it but not controlling it? How do we control those costs?

**Representative Weisz:** That is one of the issues I'm working on in an amendment. Initially, we had looked at just transferring everything over immediately; but, it became obvious that it was too complicated. We would have to come with some methodology to ensure the administrative costs didn't go through the roof.

**Representative Porter:** How did we do this with child support?

**Representative Weisz:** We transitioned them all at once; but, it took time to do the transition. There were issues with benefits, benefit packages, some of the other pay scales; but, they all transferred to become state employees.

**Representative Laning:** Do we have any estimates as far as mill levy reductions or percentage of property tax reductions that this bill would impact?

**Representative Weisz:** Yes. Currently there is a 20 mil for social services and excess levies and the average is 18-21 mil statewide. Most counties are at that 20 mil. That specific levy would go away once this is all in place.

**Representative Fehr:** The divide between county and state; how that will affect that if we take over their employees?

**Representative Weisz:** I can refer to child support where the transition worked very well. The county workers will still be housed at the county.

15:21-18:50

**Representative Bill Devlin, District 23, ND Legislative Assembly:** Testified in support of HB1233.

19:00

**Representative Weisz:** As a former county commissioner, do you feel it does have an effect of taking away local control from the county perspective?

**Representative Devlin:** I am sure you'll probably get that argument. I don't think there is any local control on this issue.

**Terry Traynor: Assistant Director of ND Association of Counties:** See testimony attachment 2.

28:36

**Representative Weisz:** Can you cover the indigent offence from county's perspective?

**Terry Traynor:** When the state consolidated the court system, the criminal indigent defense commission to defend people facing criminal charges was transferred to the state. The civil indigent defense commission, for people involved in civil matters was left with the counties. It created a financial and legal issue. The two big areas that counties are involved in this are civil mental health commitments and the civil commitment of sexually dangerous individuals. The state's attorney represents the state and county and the county has to hire a lawyer for the defendant. The county bears the finance of hiring for both sides. There is a structure at the state level which is more appropriate.

32:26

**Steven Reiser, Director, Dakota Central Social Services:** See testimony attachment 3.

36:16

**Representative Porter:** My concern is on the administrative cost. How do we as a state if we are paying the bill for the program costs; how do we make sure the administrative costs don't go out of line?

**Steven Reiser:** That will be part of the study. We are continually monitoring caseload. You can control the hiring by the caseload. You can control the hiring of employees by the caseload.

**Representative Porter:** How do we make sure that we take over one side of this program that; that you on the other side aren't back filling it in so that we get the savings that we're projecting to get?

**Steven Reiser:** It calls for counties to make reports where they've lowered mil levies or where they lowered costs; and that would provide some accountability to the public and to the state to say this is where we've lowered the costs.

**Chairman Weisz:** Closed the hearing on HB1233.



# 2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1233  
February 11, 2013  
Job #18732

Conference Committee

Committee Clerk Signature

*Vicky Crabtree*

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

A bill relating to foster care and subsidized adoption costs.

## Minutes:

See Attachment #1

Chairman called the meeting to order on HB 1233. The amendments in front of you (See Attachment #1) makes sure that all program cost are taken over by the state including SPEDs, QSPs, etc. All grants costs will be paid for by the state. Section 2 will pay for the administration costs that the counties are currently on the hook for that two year transition period while the department studies the best way to make the transition. The increases are limited to what the legislature appropriates for salary increases to state employees. It requires that the department develops a process by which the department and a county will determine whether to fill a vacant position. This is an efficient step when looking at services and property tax relief.

Rep. Mooney: The day to day operation would remain in the local department's workload?

Chairman Weisz: For the two year study and they wouldn't have to become state employees, but odds are they will. We will fund 100% of those local costs of running the program while we spend two years in studying this.

Rep. Fehr: Everyone would be state employees that were social services county workers including the director after the two years?

Chairman Weisz: It is not a given they would become state employees. They might.

Rep. Fehr: I make a motion on the amendment.

Rep. Looyen: Second.

Chairman Weisz: This will have around a \$100 million fiscal note.

Rep. Oversen: We will pay for the cost of and administration of up until 2015 at which time we will bring forth another bill that will change the cost over permanently to the state, correct?

Chairman Weisz: That is correct.

VOICE VOTE: MOTION CARRIED

Rep. Mooney: I move a Do Pass as amended and re-referred to Appropriations.

Rep. Fehr: Second.

Rep. Damschen: Does the county social service board go away then?

Chairman Weisz: It won't at this point and time, but after the two year transition, the mil levy will go away and the board will go away. Unless we decide there is some purpose for them.

ROLL CALL VOTE: 13 y 0 n 0 absent

Bill Carrier: Rep. Hofstad

# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Human Services Committee Fort Union Room, State Capitol

HB 1233  
February 12, 2013  
Job #18810

Conference Committee

Committee Clerk Signature

*Vicky Crabtree*

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

A bill relating to foster care and subsidized adoption costs.

### Minutes:

See Attachments #1 and #2

Chairman Weisz: On HB 1233 the department decided the language wasn't quite correct on what we voted on so we need a motion to bring back 1233.

Rep. Fehr: I make that motion.

Rep. Silbernagel: Second.

VOICE VOTE: MOTION CARRIED

Chairman Weisz: The language was that the state was supposed to take over all the administration costs. The way the amendments were written, they didn't take over all the administrative costs. This insures all the administrative costs in social services in the county are taken care of. (See Attachment #1) That new language says, "Shall pay the local expenses of administration incurred by a county for all social services delivered by the county at the direction of the DHS under title 50." This will be ok. Julie will come up please. These amendments you have here today are they assuming the amendments adopted yesterday?

Julie: (Microphone not on.) 7:31 Title 50 has some county programs in there that the department doesn't pay. We didn't remove the study.

Chairman Weisz: We adopted an amendment that basically changed the language from a study to a plan. In other words there was going to be a transition here so we called it a plan.

Julie: I misunderstood what she was saying and I thought she was saying we would remove that section.

Chairman Weisz: No.

Julie: I wanted to clarify that we hadn't done that. These were meant to replace what you did yesterday not to be in addition to what you did yesterday.

Rep. Oversen: I move we reconsider the amendments we did yesterday.

Rep. Looyen: Second.

VOICE VOTE: MOTION CARRIED

Chairman Weisz: All those in favor of the amendment say I. All those opposed to the amendment say I.

VOICE VOTE: MOTION FAILED

Chairman Weisz: The new amendment is changing a study to a plan.

Rep. Mooney: I move the new amendment.

Rep. Silbernagel: Second.

VOICE VOTE: MOTION CARRIED

Rep. Fehr: I move a Do Pass as amended and re-referred to Appropriations.

Rep. Anderson: Second.

12 y 0 n 1 absent

MOTION CARRIED

Bill Carrier: Rep. Hofstad

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$(18,859,791)		\$(21,020,148)
<b>Expenditures</b>			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)
<b>Appropriations</b>			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
<b>Counties</b>		\$(19,815,374)	\$(21,020,148)
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

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

HB1233 provides for the state to take over the financial responsibility for family preservation services and the foster care & subsidized adoption programs. 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.*

HB1233 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 intends for the state to take over all costs for family preservation 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 family preservation services, 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 in 2013, identifying the reduction in county expenditures for the foster care, subsidized adoption, and other family preservation services including 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, 2014.

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 programs and foster care and subsidized adoption programs. This results in lost revenues from the county of \$19,221,094 for the 2013-2015 biennium and \$21,020,148 in the 2015-2017 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 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 \$19,815,374 for these grant costs in the 2013-2015 biennium and an anticipated increase of \$21,020,148 for the 2015-2017 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to study and develop a plan for restructuring the administration and funding of all state and county social services into a state administered and funded social services program. The decrease of other funds in the amount of \$18,859,791 includes the decrease of the county share of program costs for family preservation services, foster care, and subsidized adoption programs in the amount of \$19,221,094 offset by the federal fund increase of \$361,303 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 2013-2015 biennium, the Department's grant budget would be increased by \$594,280, with \$19,815,374 being a general fund increase and \$19,221,094 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund. For the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,020,148 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 01/22/2013

February 12, 2013

VR  
2/12/13  
1082

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1233

- Page 1, line 1, replace "sections" with "section"
- Page 1, line 1, remove ", 50-03-08, 50-06-20, 50-09-27, and"
- Page 1, line 2, remove "50-24.1-14"
- Page 1, line 2, remove "programs funded at state expense; to"
- Page 1, remove line 3
- Page 1, line 4, replace "subsidized adoption costs" with "the county social service board budget"
- Page 1, line 4, replace "a study of" with "department of human services payment for certain social service programs; to provide for the development of a plan for"
- Page 1, line 19, remove "pursuant to sections 3, 4, and 6 of this Act"
- Page 1, line 21, replace "sections 2 and 5" with "section 2"
- Page 2, remove lines 4 through 31
- Page 3, replace lines 1 through 30 with:

**"SECTION 2. DEPARTMENT OF HUMAN SERVICES TO PAY LOCAL EXPENSES OF ADMINISTRATION OF CERTAIN SOCIAL SERVICE PROGRAMS.** Notwithstanding sections 50-03-08, 50-06.2-05, 50-09-21.1, and 50-24.1-14, or any other provision in title 50 to the contrary, the department of human services shall pay the county share of, and the local expenses of administration incurred by, a county for the foster care program, including family preservation programs; subsidized adoption; and service payments for the elderly and disabled programs. Notwithstanding any provision in title 50 to the contrary, the department of human services also shall pay the local expenses of administration incurred by a county for all social services delivered by the county at the direction of the department of human services under title 50. The department shall pay the county share and local expenses of administration under this section during the 2013-15 biennium pending the outcome of the plan to be developed pursuant to section 3 of this Act. The department of human services shall develop a process by which the department and a county determine whether to fill a vacant county social service position that has responsibility for any portion of the programs delivered by the county at the direction of the department of human services under title 50. A county social service employee may not receive a salary increase in excess of the increase authorized by the legislative assembly for state employees."

- Page 4, line 1, replace "**STUDY -**" with "**DEVELOPMENT OF PLAN FOR**"
- Page 4, line 3, remove "study and"
- Page 4, line 6, after "programs" insert "by July 1, 2015"
- Page 4, line 9, after the period insert "Section 2 of this Act is effective through July 31, 2015, and after that date is ineffective."

Renumber accordingly



Date: 2-11-13  
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1233

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. Fehr Seconded By Rep. Looyesen

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. MOONEY		
VICE-CHAIRMAN HOFSTAD			REP. MUSCHA		
REP. ANDERSON			REP. OVERSEN		
REP. DAMSCHEN					
REP. FEHR					
REP. KIEFERT					
REP. LANING					
REP. LOOYSEN					
REP. PORTER					
REP. SILBERNAGEL					

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

Absent \_\_\_\_\_

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

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

13.0394.01xxx

*Voice Vote  
Motion Carried*

Date: 2-11-13  
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1233

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. Mooney Seconded By Rep. Fehr

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ	✓		REP. MOONEY	✓	
VICE-CHAIRMAN HOFSTAD	✓		REP. MUSCHA	✓	
REP. ANDERSON	✓		REP. OVERSEN	✓	
REP. DAMSCHEN	✓				
REP. FEHR	✓				
REP. KIEFERT	✓				
REP. LANING	✓				
REP. LOOYSEN	✓				
REP. PORTER	✓				
REP. SILBERNAGEL	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Rep. HOFSTAD

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

Date: 2-12-13  
Roll Call Vote #: 1

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1233

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. Fehr Seconded By Rep. Silbernagel

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. MOONEY		
VICE-CHAIRMAN HOFSTAD			REP. MUSCHA		
REP. ANDERSON			REP. OVERSEN		
REP. DAMSCHEN					
REP. FEHR					
REP. KIEFERT					
REP. LANING					
REP. LOOYSEN					
REP. PORTER					
REP. SILBERNAGEL					

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

Absent \_\_\_\_\_

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

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

*Voice  
Vote.  
Motion Carried*

Date: 2-12-13  
Roll Call Vote #: 2

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1233

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 amendments

Motion Made By Rep. Overesen Seconded By Rep. Looyesen

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. MOONEY		
VICE-CHAIRMAN HOFSTAD			REP. MUSCHA		
REP. ANDERSON			REP. OVERSEN		
REP. DAMSCHEN					
REP. FEHR					
REP. KIEFERT					
REP. LANING					
REP. LOOYSEN					
REP. PORTER					
REP. SILBERNAGEL					

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

Absent \_\_\_\_\_

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

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

*13, 0394.01/XX4*

*Motion Carried*  
*Voice vote*

Date: 2-12-13  
 Roll Call Vote #: 3

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1233**

House Human Services Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment *Reconsidered*

Rerefer to Appropriations  Reconsider

*Chairman Weisz called for a voice vote and there was no motion made.*

Motion Made By \_\_\_\_\_ Seconded By \_\_\_\_\_

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. MOONEY		
VICE-CHAIRMAN HOFSTAD			REP. MUSCHA		
REP. ANDERSON			REP. OVERSEN		
REP. DAMSCHEN					
REP. FEHR					
REP. KIEFERT					
REP. LANING					
REP. LOOYSEN					
REP. PORTER					
REP. SILBERNAGEL					

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

Absent \_\_\_\_\_

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

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

*13.0394.0/xxx  
 See attachment 1*

*voice vote  
 Motion Defeated*

Date: 2-12-13  
Roll Call Vote #: 4

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1233

House Human Services Committee

Check here for Conference Committee

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

Action Taken:  Do Pass  Do Not Pass  Amended  Adopt Amendment <sup>New</sup>  
 Rerefer to Appropriations  Reconsider

Motion Made By Rep. Mooney Seconded By Rep. Silbernagel

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ			REP. MOONEY		
VICE-CHAIRMAN HOFSTAD			REP. MUSCHA		
REP. ANDERSON			REP. OVERSEN		
REP. DAMSCHEN					
REP. FEHR					
REP. KIEFERT					
REP. LANING					
REP. LOOYSEN					
REP. PORTER					
REP. SILBERNAGEL					

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

Absent \_\_\_\_\_

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

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

13.0394.01XX (02/10/2013) adopt new amendment  
Voice  
Vote

Date: 2-12-13  
Roll Call Vote #: 5

2013 HOUSE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1233

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. Fehr Seconded By Rep. Anderson

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN WEISZ	✓	✓	REP. MOONEY	✓	✓
VICE-CHAIRMAN HOFSTAD	✓	✓	REP. MUSCHA	✓	✓
REP. ANDERSON	✓	✓	REP. OVERSEN	✓	
REP. DAMSCHEN	✓	✓			
REP. FEHR	✓	✓			
REP. KIEFERT	✓	✓			
REP. LANING	✓	✓			
REP. LOOYSEN	✓	✓			
REP. PORTER	✓	✓			
REP. SILBERNAGEL	✓	✓			

Total (Yes) 12 No 0

Absent \_\_\_\_\_

Floor Assignment Rep. Hofstad

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

**REPORT OF STANDING COMMITTEE**

**HB 1233: 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 1233 was placed on the Sixth order on the calendar.

Page 1, line 1, replace "sections" with "section"

Page 1, line 1, remove ", 50-03-08, 50-06-20, 50-09-27, and"

Page 1, line 2, remove "50-24.1-14"

Page 1, line 2, remove "programs funded at state expense; to"

Page 1, remove line 3

Page 1, line 4, replace "subsidized adoption costs" with "the county social service board budget"

Page 1, line 4, replace "a study of" with "department of human services payment for certain social service programs; to provide for the development of a plan for"

Page 1, line 19, remove "pursuant to sections 3, 4, and 6 of this Act"

Page 1, line 21, replace "sections 2 and 5" with "section 2"

Page 2, remove lines 4 through 31

Page 3, replace lines 1 through 30 with:

**"SECTION 2. DEPARTMENT OF HUMAN SERVICES TO PAY LOCAL EXPENSES OF ADMINISTRATION OF CERTAIN SOCIAL SERVICE PROGRAMS.** Notwithstanding sections 50-03-08, 50-06.2-05, 50-09-21.1, and 50-24.1-14, or any other provision in title 50 to the contrary, the department of human services shall pay the county share of, and the local expenses of administration incurred by, a county for the foster care program, including family preservation programs; subsidized adoption; and service payments for the elderly and disabled programs. Notwithstanding any provision in title 50 to the contrary, the department of human services also shall pay the local expenses of administration incurred by a county for all social services delivered by the county at the direction of the department of human services under title 50. The department shall pay the county share and local expenses of administration under this section during the 2013-15 biennium pending the outcome of the plan to be developed pursuant to section 3 of this Act. The department of human services shall develop a process by which the department and a county determine whether to fill a vacant county social service position that has responsibility for any portion of the programs delivered by the county at the direction of the department of human services under title 50. A county social service employee may not receive a salary increase in excess of the increase authorized by the legislative assembly for state employees."

Page 4, line 1, replace "**STUDY -**" with "**DEVELOPMENT OF PLAN FOR**"

Page 4, line 3, remove "study and"

Page 4, line 6, after "programs" insert "by July 1, 2015"

Page 4, line 9, after the period insert "Section 2 of this Act is effective through July 31, 2015, and after that date is ineffective."

ReNUMBER accordingly



**2013 HOUSE APPROPRIATIONS**

**HB 1233**

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Appropriations Committee  
Roughrider Room, State Capitol

HB 1233  
2/15/13  
Job 19071

Conference Committee

Committee Clerk Signature

*Meredith Traubert*

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

A BILL for an Act to amend and reenact section 11-23-01 of the North Dakota Century Code, relating to the county social service board budget; to provide for department of human services payment for certain social service programs; to provide for the development of a plan for 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."

**Rep. Robin Weisz, District 14:** Introduced the bill.

03:33

**Chairman Delzer:** How many FTEs did that add to the state?

**Rep. Weisz:** This would add 700-800. Child support was quite a bit less.

**Chairman Delzer:** Where does it say it does away with the 20 mills?

**Rep. Weisz:** It doesn't say in the bill, but that levy is specifically for social services, so if social services goes away, they can't use that levy to fund roads or law enforcement, etc.

**Chairman Delzer:** But they could use that levy to still fund what they call social services, over and above what the state mandates.

**Rep. Weisz:** That would be correct.

**Chairman Delzer:** Did you ask what they spend currently over and above what the state mandates?

**Rep. Weisz:** Statewide, roughly \$400,000. That would not be underneath this bill.

**Chairman Delzer:** You were here when the swap was done, because counties said we can control administration, but we can't control expenses. That has been a big boon for the counties; there certainly hasn't been any decrease in property tax because of that. Why did you not put the plan before taking over the costs? I don't know that we've studied setting up

a regional plan with this, but if this passes, we're taking everything over. I don't know if the counties will be very happy with that.

06:20

**Rep. Weisz:** That is correct. It is capped for those two years as far as increases that they would be able to do in the transition. We felt there were controls in there to ensure that during the transition a county can't say, we're going to hire people and have a heyday for two years because the state is going to write us a check.

**Rep. Skarphol:** I'm getting to the point of wondering if the ultimate property tax bill is just not to eliminate counties and townships, and just take it all over.

**Rep. Weisz:** My philosophy is local taxes should pay for local issues. What I have in front of you is not a local issue. It's not just saying get rid of counties, let them deal with their local roads and local law enforcement and local issues, but if it's state mandated, shouldn't the state then be responsible? That's the way the committee went.

**Chairman Delzer:** How did they come up with the \$102M?

**Rep. Weisz:** It's based on the program costs that we're not already funding, plus what the counties are paying now, the administrative costs throughout the state.

**Chairman Delzer:** Questions? Thank you.

# 2013 HOUSE STANDING COMMITTEE MINUTES

## House Appropriations Committee Roughrider Room, State Capitol

HB 1233  
2/26/13  
Job #19457

Conference Committee

Committee Clerk Signature

*Mary Brucher*

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

A Bill relating to the county social service board budget, programs funded at state expense, and county tax levy limitations; relating to foster care and subsidized adoption costs and a levy for county welfare.

### Minutes:

*Attached amendments 13.0394.03004*

**Chairman Delzer:** HB 1233 has a proposed amendment, .03004 handed out. The policy committee amended it so that it would replace all of the county social services with state funding. The proposed amendments take it back to the way it was introduced. The fiscal note on that is right around \$20 million. It says that the state will cover foster care and subsidized adoptions and also puts in a limit, reduces the mill levy for social services from 20 to 15 mills, and it puts a legislative management study looking at whether the state should take over funding of all social services in the future. The amendments take over foster care and subsidized adoptions. It is really controlled by the state and the federal government. Around 1999 or 2001 the adoption and safe families act increased the costs for foster care and subsidized adoptions. The \$20 million is what was referenced coming out of HB 1358 is how the state is paying for this \$20 million.

**Rep. Pollert:** Is there language in the bill that lowers mill levies on the county level and that we will see property tax relief off this?

**Chairman Delzer:** This is supposed to be direct property tax. If you look in section 2 on page 1 it says they are supposed to do it and if you look at section 6 page 3 it changes the 20 mills to 15 mills so it is true property tax relief. That doesn't necessarily mean they won't add mills somewhere else in their other county levies but this should be a direct tax relief.

**Rep. Glassheim:** Is that an average cost, 5 mills?

**Chairman Delzer:** There is a list, and some counties are higher or lower. There are four different categories where they can tax for county social services. A good share of them is at the 20 mills but this should be about right and I'm sure it will be looked at on the other side too.

**Rep. Brandenburg:** Could legislative reimbursement for education property tax be thought about to combine with these?

**Chairman Delzer:** On the tax statement?

**Rep. Brandenburg:** Once it leaves this room, nobody knows they got property tax credit other than the people that are here; it's not on the tax statement.

**Chairman Delzer:** I don't know how tough that would be to add to this amendment. We should probably just have language that they have to report out with their notice that the state took over subsidized adoption and foster care and it was a reduction of so many dollars for each county.

**Rep. Monson:** I think section 1 subsection 2 states it would be stated that way?

**Chairman Delzer:** Does it state it would show it on the tax sheet? Ok, yes it does.

**Rep. Brandenburg:** Good.

**Chairman Delzer:** Further discussion?

**Rep. Skarphol:** Made a motion to adopt the amendment .03004 to HB 1233.

**Rep. Grande:** Seconded.

**Chairman Delzer:** Discussion?

**VOICE VOTE: MOTION CARRIED.**

**Chairman Delzer:** We have the amended bill before us. What are your wishes?

**Rep. Skarphol:** Made a motion for a Do Pass as Amended.

**Rep. Brandenburg:** Seconded.

**ROLL CALL VOTE: 21 YES 1 NO 0 ABSENT**

**Rep. Bellew will carry this bill.**

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/13/2013**

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(21,574,664)		
Expenditures			\$102,512,371	\$(21,574,664)		
Appropriations			\$102,512,371	\$(21,574,664)		

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(101,873,674)	
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to reimburse county costs incurred for social service programs delivered by the county at the direction of the Department for 2013-2015 biennium. It also provides for the Department to develop a plan for the administration and funding of 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.*

HB1233 requires the state to reimburse all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for the 2013-2015 biennium. The Bill also requires the county social service boards to submit a budget to the Department of Human Services in 2013, identifying the reduction in county expenditures including how the reduction will be passed on to property taxpayers. Lastly the Bill provides for the Department of Human Services to develop a plan for restructuring the administration and funding of 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, 2014.

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 any costs related to social service programs. This results in lost revenues from the counties of \$21,935,967 for the 2013-2015 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 biennium related to the availability of federal funds to pay for a portion of the cost of the plan. The impact for the 2015-2017 biennium cannot be determined until a plan is adopted.

- 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 paying all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for 2013-2015. This would result in a General fund increase of \$101,873,674 in the 2013-2015 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to develop a plan for restructuring the administration and funding of social services into a state administered and funded social services program. The decrease of other funds in the amount of \$21,574,664 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled programs in the amount of \$21,935,967 offset by the federal fund increase of \$361,303 for a portion of the plan that can be funded with federal funds. There is no impact reflected in the fiscal note for 2015-2017 biennium because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

- 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 2013-2015 biennium, the Department's grant budget would be increased by \$79,937,707, with \$101,873,674 being a general fund increase and \$21,935,967 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund and \$361,303 is federal funds. The impact for the 2015-2017 biennium cannot be determined because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 02/14/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(18,859,791)		\$(21,020,148)
Expenditures			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)
Appropriations			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(19,815,374)	\$(21,020,148)
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to take over the financial responsibility for family preservation services and the foster care & subsidized adoption programs. 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.*

HB1233 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 intends for the state to take over all costs for family preservation 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 family preservation services, 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 in 2013, identifying the reduction in county expenditures for the foster care, subsidized adoption, and other family preservation services including 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, 2014.

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 programs and foster care and subsidized adoption programs. This results in lost revenues from the county of \$19,221,094 for the 2013-2015 biennium and \$21,020,148 in the 2015-2017 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 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 \$19,815,374 for these grant costs in the 2013-2015 biennium and an anticipated increase of \$21,020,148 for the 2015-2017 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to study and develop a plan for restructuring the administration and funding of all state and county social services into a state administered and funded social services program. The decrease of other funds in the amount of \$18,859,791 includes the decrease of the county share of program costs for family preservation services, foster care, and subsidized adoption programs in the amount of \$19,221,094 offset by the federal fund increase of \$361,303 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 2013-2015 biennium, the Department's grant budget would be increased by \$594,280, with \$19,815,374 being a general fund increase and \$19,221,094 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund. For the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,020,148 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 01/22/2013

VK  
2/26/13  
1 of 4

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1233

Page 1, line 1, after "A BILL" replace the remainder of the bill with "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 and subsection 34 of section 57-15-06.7 of the North Dakota Century Code, relating to the county social service board budget, programs funded at state expense, and county tax levy limitations; to repeal sections 50-06.2-05.1 and 50-09-21.1, subsection 26 of section 57-15-06.7, and section 57-15-57 of the North Dakota Century Code, relating to foster care and subsidized adoption costs and a levy for county welfare; to provide for a legislative management study; to provide an effective date; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**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.**

1. 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.
2. The departmental budget submitted by the county social service board in 2013 must identify the reduction in county funding derived from transferring foster care, service payments to the elderly and disabled, and subsidized adoption costs pursuant to sections 3, 4, and 7 of this Act and the county's share of medical assistance and other family preservation services pursuant to sections 2 and 5 of this Act from the county social service board to the department of human services beginning August 1, 2013. The amount reported must equal the full amount budgeted for these costs in the budget submitted by the county social service board and approved by the board of county commissioners in 2012. The budget must include a 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.

**SECTION 2. AMENDMENT.** Section 50-03-08 of the North Dakota Century Code is amended and reenacted as follows:

**50-03-08. Appropriation for county social service board administration and programs.**

The board of county commissioners of each county annually shall appropriate and make available to the human services fund an amount sufficient to pay:

- ~~1. The the~~ local expenses of administration of locally administered economic assistance programs;
- ~~2. That county's share of fifteen percent of the amount expended in this state, in excess of the amount provided by the federal government, for medical assistance in the form of payments for care furnished to recipients of therapeutic foster care services; and~~
- ~~3. That county's share of the cost of other family preservation services, including intensive in-home services, provided under title VI B, subpart 2, of the Social Security Act [Pub. L. 103-66, title XIII, 13711(a)(2); 107 Stat. 649 et seq.; 42 U.S.C. 629 et seq.], as amended, as may be agreed to by the department and the county social service board.~~

**SECTION 3. AMENDMENT.** Section 50-06-20 of the North Dakota Century Code is amended and reenacted as follows:

**50-06-20. Programs funded at state expense - Interpretation.**

- 1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
  - a. Except as provided in section 50-24.1-14, medical assistance program services provided under chapter 50-24.1;
  - b. ~~Benefits~~Energy assistance program benefits provided under subsection 19 of section 50-06-05.1;
  - c. Supplements provided under chapter 50-24.5 as basic care services;
  - d. ~~Services provided under chapter 50-09 as child care assistance;~~
  - e. ~~Services provided under chapter 50-09 as employment and training programs~~Those services, programs, and costs listed in section 50-09-27;
  - f.e. Welfare fraud detection programs;
  - g.f. Temporary assistance for needy families; and
  - h.g. Special projects approved by the department and agreed to by any affected county social service board.
- 2. The state shall bear the cost of amounts expended for service payments to the elderly and disabled.
- 3. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

**SECTION 4. AMENDMENT.** Section 50-09-27 of the North Dakota Century Code is amended and reenacted as follows:

**50-09-27. Programs funded at state expense - Interpretation.**

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
  - a. Services provided under ~~section 50-06-06.8~~ and this chapter as child care assistance;
  - b. Services provided under this chapter as employment and training programs; ~~and~~
  - c. Temporary assistance for needy families benefits provided under this chapter;
  - d. Foster care and subsidized adoption costs under this chapter.
2. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

**SECTION 5. AMENDMENT.** Section 50-24.1-14 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-14. Responsibility for expenditures - Exceptions.**

- ~~1.~~ Except as otherwise specifically provided in ~~subsection 2~~ and section 50-03-08, expenditures required under this chapter are the responsibility of the federal government or the state of North Dakota.
- ~~2.~~ ~~Each county shall reimburse the department of human services the amount required to be appropriated under subsection 3 of section 50-03-08.~~

**SECTION 6. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota Century Code is amended and reenacted as follows:

34. Counties levying an annual tax for human services purposes as provided in section 50-06.2-05 may levy a tax not exceeding twentyfive mills.

**SECTION 7. REPEAL.** Sections 50-06.2-05.1 and 50-09-21.1 of the North Dakota Century Code are repealed.

**SECTION 8. REPEAL.** Subsection 26 of section 57-15-06.7 of the North Dakota Century Code is repealed.

**SECTION 9. REPEAL.** Section 57-15-57 of the North Dakota Century Code is repealed.

**SECTION 10. LEGISLATIVE MANAGEMENT STUDY - ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying the restructuring of the administration and funding of all state and county social services programs. The study must address the feasibility and desirability of unifying all state and county social

services programs into state-administered and state-funded social services programs. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement those recommendations, to the sixty-fourth legislative assembly.

**SECTION 11. EFFECTIVE DATE.** Sections 6, 8, and 9 of this Act are effective for taxable years beginning after December 31, 2013.

**SECTION 12. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2013, and after that date is ineffective."

Renumber accordingly

Date: 2/26/13  
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1233**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number .03004

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

Motion Made By Rep. Skarphol Seconded By Rep. Grande

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer			Rep. Streyle		
Vice Chairman Kempenich			Rep. Thoreson		
Rep. Bellew			Rep. Wieland		
Rep. Brandenburg					
Rep. Dosch					
Rep. Grande			Rep. Boe		
Rep. Hawken			Rep. Glassheim		
Rep. Kreidt			Rep. Guggisberg		
Rep. Martinson			Rep. Holman		
Rep. Monson			Rep. Williams		
Rep. Nelson					
Rep. Pollert					
Rep. Sanford					
Rep. Skarphol					

Total Yes \_\_\_\_\_ No \_\_\_\_\_

Absent \_\_\_\_\_

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

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

*voice vote carries*

Date: 2/26/13  
 Roll Call Vote #: 2

**2013 HOUSE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1233**

House Appropriations Committee

Check here for Conference Committee

Legislative Council Amendment Number 13.0394.03004

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

Motion Made By Rep. Skarphol Seconded By Rep. Brandenburg

Representatives	Yes	No	Representatives	Yes	No
Chairman Delzer	X		Rep. Streyle	X	
Vice Chairman Kempenich	X		Rep. Thoreson	X	
Rep. Bellew	X		Rep. Wieland	X	
Rep. Brandenburg	X				
Rep. Dosch		X			
Rep. Grande	X		Rep. Boe	X	
Rep. Hawken	X		Rep. Glassheim	X	
Rep. Kreidt	X		Rep. Guggisberg	X	
Rep. Martinson	X		Rep. Holman	X	
Rep. Monson	X		Rep. Williams	X	
Rep. Nelson	X				
Rep. Pollert	X				
Rep. Sanford	X				
Rep. Skarphol	X				

Total Yes 21 No 1

Absent 0

Floor Assignment Rep. Bellew

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

**REPORT OF STANDING COMMITTEE**

**HB 1233, as engrossed: Appropriations Committee (Rep. Delzer, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (21 YEAS, 1 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1233 was placed on the Sixth order on the calendar.

Page 1, line 1, after "A BILL" replace the remainder of the bill with "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 and subsection 34 of section 57-15-06.7 of the North Dakota Century Code, relating to the county social service board budget, programs funded at state expense, and county tax levy limitations; to repeal sections 50-06.2-05.1 and 50-09-21.1, subsection 26 of section 57-15-06.7, and section 57-15-57 of the North Dakota Century Code, relating to foster care and subsidized adoption costs and a levy for county welfare; to provide for a legislative management study; to provide an effective date; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**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.**

1. 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.
2. The departmental budget submitted by the county social service board in 2013 must identify the reduction in county funding derived from transferring foster care, service payments to the elderly and disabled, and subsidized adoption costs pursuant to sections 3, 4, and 7 of this Act and the county's share of medical assistance and other family preservation services pursuant to sections 2 and 5 of this Act from the county social service board to the department of human services beginning August 1, 2013. The amount reported must equal the full amount budgeted for these costs in the budget submitted by the county social service board and approved by the board of county commissioners in 2012. The budget must include a 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.

**SECTION 2. AMENDMENT.** Section 50-03-08 of the North Dakota Century Code is amended and reenacted as follows:

**50-03-08. Appropriation for county social service board administration and programs.**

The board of county commissioners of each county annually shall appropriate and make available to the human services fund an amount sufficient to pay:

1. ~~The~~ the local expenses of administration of locally administered economic assistance programs;



- 2- That county's share of fifteen percent of the amount expended in this state, in excess of the amount provided by the federal government, for medical assistance in the form of payments for care furnished to recipients of therapeutic foster care services; and
- 3- That county's share of the cost of other family preservation services, including intensive in-home services, provided under title VI B, subpart 2, of the Social Security Act [Pub. L. 103-66, title XIII, 13711(a)(2); 107 Stat. 649 et seq.; 42 U.S.C. 629 et seq.], as amended, as may be agreed to by the department and the county social service board.

**SECTION 3. AMENDMENT.** Section 50-06-20 of the North Dakota Century Code is amended and reenacted as follows:

**50-06-20. Programs funded at state expense - Interpretation.**

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
  - a. Except as provided in section 50-24.1-14, medical assistance program services provided under chapter 50-24.1;
  - b. ~~Benefits~~Energy assistance program benefits provided under subsection 19 of section 50-06-05.1;
  - c. Supplements provided under chapter 50-24.5 as basic care services;
  - d. ~~Services provided under chapter 50-09 as child care assistance;~~
  - e. ~~Services provided under chapter 50-09 as employment and training programs~~Those services, programs, and costs listed in section 50-09-27;
  - f.e. Welfare fraud detection programs;
  - g.f. Temporary assistance for needy families; and
  - h.g. Special projects approved by the department and agreed to by any affected county social service board.
2. The state shall bear the cost of amounts expended for service payments to the elderly and disabled.
3. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

**SECTION 4. AMENDMENT.** Section 50-09-27 of the North Dakota Century Code is amended and reenacted as follows:

**50-09-27. Programs funded at state expense - Interpretation.**

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
  - a. Services provided under ~~section 50-06-06.8~~ and this chapter as child care assistance;
  - b. Services provided under this chapter as employment and training programs; ~~and~~

- c. Temporary assistance for needy families benefits provided under this chapter;
  - d. Foster care and subsidized adoption costs under this chapter.
2. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

**SECTION 5. AMENDMENT.** Section 50-24.1-14 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-14. Responsibility for expenditures - Exceptions.**

- 1- Except as otherwise specifically provided in ~~subsection 2 and~~ section 50-03-08, expenditures required under this chapter are the responsibility of the federal government or the state of North Dakota.
- 2- ~~Each county shall reimburse the department of human services the amount required to be appropriated under subsection 3 of section 50-03-08.~~

**SECTION 6. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota Century Code is amended and reenacted as follows:

34. Counties levying an annual tax for human services purposes as provided in section 50-06.2-05 may levy a tax not exceeding twentyfive mills.

**SECTION 7. REPEAL.** Sections 50-06.2-05.1 and 50-09-21.1 of the North Dakota Century Code are repealed.

**SECTION 8. REPEAL.** Subsection 26 of section 57-15-06.7 of the North Dakota Century Code is repealed.

**SECTION 9. REPEAL.** Section 57-15-57 of the North Dakota Century Code is repealed.

**SECTION 10. LEGISLATIVE MANAGEMENT STUDY - ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS.**

During the 2013-14 interim, the legislative management shall consider studying the restructuring of the administration and funding of all state and county social services programs. The study must address the feasibility and desirability of unifying all state and county social services programs into state-administered and state-funded social services programs. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement those recommendations, to the sixty-fourth legislative assembly.

**SECTION 11. EFFECTIVE DATE.** Sections 6, 8, and 9 of this Act are effective for taxable years beginning after December 31, 2013.

**SECTION 12. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2013, and after that date is ineffective."

Renumber accordingly

**2013 SENATE HUMAN SERVICES**

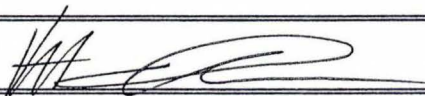
**HB 1233**

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Human Services Committee Red River Room, State Capitol

HB 1233  
3/12/13  
Job Number 19760

Conference Committee

Committee Clerk Signature 

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

Relating to the county social services board budget, programs funded at state expense; relating to foster care and subsidized adoption costs and a levy for county welfare; to provide for a legislative management study.

### Minutes:

Testimony attached.

**Chairwoman J. Lee** opened the testimony for HB 1233.

**Rep. Robin Wiesz, Dist. 14**, testified in favor of HB 1233. He explained the .03000 version. HB 1233 is intended to take over the costs of social services that are currently incurred by the counties because those services provided by the local counties are basically state mandated. The bill as it came out of House Human Services would take over the remaining program costs that the counties were picking up including administration costs. A transition period was also addressed in that version. Version .04000 doesn't have the administration costs. The state should be funding the costs of social services to the counties. These are not locally implemented programs. They are state programs run by the county. This was done with child support and it has been very successful, services have improved because of this.

**Sen. J. Lee** asked for fiscal note clarification.

(07:50) **Rep. Wiesz**: explained the Fiscal Note and said the final version does take over the program costs.

**Sen. Anderson** explained that it was his understanding that if the funding was in to take care of all the administrative costs and if Medicaid is expanded to 138% of poverty then all of those administrative costs would have been covered. With the .04000 version they won't be.

**Rep. Wiesz** responded that was correct. Any additional costs incurred by Medicaid expansion under .04000 the counties administration costs would increase and the counties would have to pay.

**Terry Traynor, Assistant Director of North Dakota Association of Counties**, testified in support of HB 1233. See attachment #1

**Sen. J. Lee** asked him to walk the committee through the bill.

(19:23) **Sen. Anderson**: Said a concern of his is that as these things are transitioned to state government the counties lose control. Will the county employees be county or state employees and how will their supervision happen in the future?

(19:57) **Mr. Traynor** explained the different sections of the bill. He said the points in question from Sen. Anderson would be addressed within the study. The county commissioners would like to see more property tax relief than the bill in front of the committee provides. They are divided in how far to go with that. There are concerns that if the counties are totally relieved of the financial cost, will the counties have a role?

**Sen. J Lee** asked for an explanation of benefits such as SPED for the benefit of those new to the discussion.

(26:50) **Mr. Traynor** talked about various programs including SPED and expansion of SPED which are income and physical need.

**Sen. J. Lee** pointed out that, personally, she doesn't favor counties losing local control of the programs.

**Mr. Traynor** said this is a huge policy decision with long range implications.

**Sen. Axness** asked for clarification on the expiration date of the reporting. Are we only asking for Aug through Sept. to be reported?

**Mr. Traynor** answered that was correct and explained their timeline.

**Sen. Dever** asked if he was part of the appropriation amendments.

**Mr. Traynor** replied that he was not. He did review with Sen. Wiesz to make sure grant costs were included.

**Steven J. Reiser, Director of Dakota Central Social Services**, testified in favor of HB 1233. See attachment #2

**Sen. J. Lee** asked if he had any observations on the differences between the bill version .03000 that came out of the House Policy committee compared to .04000 which came out of the House Appropriations Committee.

**Mr. Reiser** responded that the concern is offices being open, the local control. The state and the counties could work together to have quality services. The goal should be to eliminate the worries of the counties and still be able to provide a quality service.



**Sen. J. Lee** asked what he thought of the possibility of the 2 year transition planning process that was in .03000.

**Mr. Reiser** thought there's tremendous potential and would be a good opportunity to make things beneficial for everybody. (41:00) He explained his district, why they became a district and the benefits.

In answer to a question from Sen. Anderson, he also explained how their board works.

There was no opposing or neutral testimony.

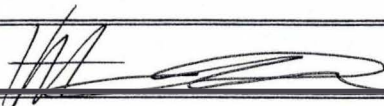
**Sen. J. Lee** closed the hearing on HB 1233.

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee  
Red River Room, State Capitol

HB 1233  
3-18-13  
Job Number 20103

Conference Committee

Committee Clerk Signature 

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

Relating to county social services board budget

**Minutes:**

**Chairman J. Lee** opened committee discussion on HB 1233 which would take county costs and move them into state funding. It would have a significant reduction in property taxes.

It would cover program costs only, no administrative work. There was a discussion about the fiscal note, and the differences between the different bill versions.

Members reviewed testimony provided previously and they talked about the study.

The connection to property tax was also discussed.

**Sen. Larsen** moved a **Do Pass and rerefer to Appropriations**.

Seconded by **Sen. Anderson**. **Roll call vote 5-0-0. Motion carried.**

Carrier is **Sen. J. Lee**.

# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee  
Red River Room, State Capitol

HB 1233  
3-19-13  
Job Number 20195

Conference Committee

Committee Clerk Signature



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

Relating to the county social services board budget

## Minutes:

Attachment

**Chairwoman J. Lee** brought the committee to order for committee work on HB 1233. She invited Terry Traynor to the podium.

**Terry Traynor** discussed HB 1233 and proposed amendments. See attachment #3. Page 2 of his testimony is an updated version of the table he provided with previous testimony

(3:10) Discussion on the amendments followed. If this bill passes with the amendment it would be a tremendous relief to county commissioners. There is a lot of support in moving in this direction. The amendment would increase the fiscal note. The amount a mill generates was addressed.

There was discussion on how the bill should be moved forward - whether they should return to the original, amend, whether it should be done in policy committee or in appropriations.

**Deb Mcdermott, Dept. of Human Services**, was recognized. (14:00) She discussed the original bill and Fiscal Note. She spoke specifically about the study. Discussion continued about mills and county budgets.

It was the consensus of the committee to leave as is.



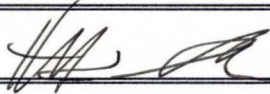
# 2013 SENATE STANDING COMMITTEE MINUTES

Senate Human Services Committee  
Red River Room, State Capitol

1233  
3-21-13  
20343 & 20342

Conference Committee

Committee Clerk Signature



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

Relating to the county social services board budget, programs funded at state expense; relating to foster care and subsidized adoption costs and a levy for county welfare; to provide for a legislative management study.

## Minutes:

**Chairwoman J. Lee** opens the Committee discussion for HB 1233

**Chairwoman J. Lee** discusses the proposed amendment. To HB 1233. Discusses that the HB 1233 is in appropriations and that the proposed amendment would be attached in Appropriations.

**Chairwoman J. Lee** discusses what the proposed amendment would do to HB 1233. The amendment would put HB 1233 as it left House Human Services Committee.

**Senator Anderson:** States that he is in favor of HB 1233 as it left House Human Services Committee.

**Senator Anderson** motions to adopt amendment. 0.04001

**Senator Larsen** seconds

**Senator Axness:** asks about conference committee.

**Senator Larsen:** Questions about the federal match.

**The amendment passes 4-0 left open for Senator Dever.**

Recording Number 20342

**Senator Dever** votes in favor on HB 20342

**The amendment passes 5-0-0**

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/27/2013**

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(19,947,758)		\$(21,790,994)
Expenditures			\$20,542,038	\$(19,947,758)	\$21,790,994	\$(21,790,994)
Appropriations			\$20,542,038	\$(19,947,758)	\$21,790,994	\$(21,790,994)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(20,542,038)	\$(21,790,994)
Cities			
School Districts			
Townships			

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

Re-engrossed HB1233 provides for the state to take over the financial responsibility for family preservation services, the foster care and subsidized adoption programs, and service payments to the elderly and disabled.

- 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.*

HB1233 requires the state to take over all costs, in excess of the amount provided by the federal government, for foster care, subsidized adoption programs, and service payments to the elderly and disabled. It is also presumed that the Bill intends for the state to take over all costs for family preservation 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 family preservation services, foster care, subsidized adoption programs, and service payments to the elderly and disabled. The Bill also requires the county social service boards submit a budget to the Department of Human Services in 2013 identifying the total savings to the county. In addition the maximum mill levy for human services was reduced from 20% to 15%. Lastly the Bill allows legislative management to consider studying the restructuring of the administration and funding of all state and county social service programs into a state administered and funded social service program. The findings, recommendations, and necessary legislative changes must be presented to the 64th legislative assembly.

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 programs, foster care and subsidized adoption programs, and service payments to the elderly and disabled. This results in lost revenues from the county of \$19,947,758 for the 2013-2015 biennium and \$21,790,994 in the 2015-2017 biennium.

- 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, and service payments to the elderly and disabled. 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, subsidy payments to adoptive parents of special needs children, and service payments for the elderly and disabled. This would result in a General fund increase of \$20,542,038 for these grant costs in the 2013-2015 biennium and an anticipated increase of \$21,790,994 for the 2015-2017 biennium. The decrease of other funds in the amount of \$19,947,758 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled.

- 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 2013-2015 biennium, the Department's grant budget would be increased by \$594,280, with \$20,542,038 being a general fund increase and \$19,947,758 being a decrease in special funds. The impact for the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,790,994 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 02/14/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/13/2013**

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(21,574,664)		
Expenditures			\$102,512,371	\$(21,574,664)		
Appropriations			\$102,512,371	\$(21,574,664)		

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(101,873,674)	
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to reimburse county costs incurred for social service programs delivered by the county at the direction of the Department for 2013-2015 biennium. It also provides for the Department to develop a plan for the administration and funding of 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.*

HB1233 requires the state to reimburse all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for the 2013-2015 biennium. The Bill also requires the county social service boards to submit a budget to the Department of Human Services in 2013, identifying the reduction in county expenditures including how the reduction will be passed on to property taxpayers. Lastly the Bill provides for the Department of Human Services to develop a plan for restructuring the administration and funding of 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, 2014.

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 any costs related to social service programs. This results in lost revenues from the counties of \$21,935,967 for the 2013-2015 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 biennium related to the availability of federal funds to pay for a portion of the cost of the plan. The impact for the 2015-2017 biennium cannot be determined until a plan is adopted.

- 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 paying all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for 2013-2015. This would result in a General fund increase of \$101,873,674 in the 2013-2015 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to develop a plan for restructuring the administration and funding of social services into a state administered and funded social services program. The decrease of other funds in the amount of \$21,574,664 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled programs in the amount of \$21,935,967 offset by the federal fund increase of \$361,303 for a portion of the plan that can be funded with federal funds. There is no impact reflected in the fiscal note for 2015-2017 biennium because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

- 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 2013-2015 biennium, the Department's grant budget would be increased by \$79,937,707, with \$101,873,674 being a general fund increase and \$21,935,967 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund and \$361,303 is federal funds. The impact for the 2015-2017 biennium cannot be determined because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 02/14/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(18,859,791)		\$(21,020,148)
Expenditures			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)
Appropriations			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(19,815,374)	\$(21,020,148)
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to take over the financial responsibility for family preservation services and the foster care & subsidized adoption programs. 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.*

HB1233 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 intends for the state to take over all costs for family preservation 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 family preservation services, 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 in 2013, identifying the reduction in county expenditures for the foster care, subsidized adoption, and other family preservation services including 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, 2014.

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 programs and foster care and subsidized adoption programs. This results in lost revenues from the county of \$19,221,094 for the 2013-2015 biennium and \$21,020,148 in the 2015-2017 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 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 \$19,815,374 for these grant costs in the 2013-2015 biennium and an anticipated increase of \$21,020,148 for the 2015-2017 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to study and develop a plan for restructuring the administration and funding of all state and county social services into a state administered and funded social services program. The decrease of other funds in the amount of \$18,859,791 includes the decrease of the county share of program costs for family preservation services, foster care, and subsidized adoption programs in the amount of \$19,221,094 offset by the federal fund increase of \$361,303 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 2013-2015 biennium, the Department's grant budget would be increased by \$594,280, with \$19,815,374 being a general fund increase and \$19,221,094 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund. For the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,020,148 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 01/22/2013

March 21, 2013

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1233

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 11-23-01 of the North Dakota Century Code, relating to the county social service board budget; to provide for department of human services payment for certain social service programs; to provide for the development of a plan for the administration and funding of state and county social services programs; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**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.**

1. 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.
2. The departmental budget submitted by the county social service board in 2013 must identify the reduction in county funding derived from transferring foster care and subsidized adoption costs and the county's share of medical assistance and other family preservation services pursuant to section 2 of this Act from the county social service board to the department of human services beginning August 1, 2013. The amount reported must equal the full amount budgeted for these costs in the budget submitted by the county social service board and approved by the board of county commissioners in 2012. The budget must include a 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.

**SECTION 2. DEPARTMENT OF HUMAN SERVICES TO PAY LOCAL EXPENSES OF ADMINISTRATION OF CERTAIN SOCIAL SERVICE PROGRAMS.**

Notwithstanding sections 50-03-08, 50-06.2-05, 50-09-21.1, and 50-24.1-14, or any other provision in title 50 to the contrary, the department of human services shall pay the county share of, and the local expenses of administration incurred by, a county for the foster care program, including family preservation programs; subsidized adoption; and service payments for the elderly and disabled programs. Notwithstanding any provision in title 50 to the contrary, the department of human services also shall pay the local expenses of administration incurred by a county for all social services delivered



by the county at the direction of the department of human services under title 50. The department shall pay the county share and local expenses of administration under this section during the 2013-15 biennium pending the outcome of the plan to be developed pursuant to section 3 of this Act. The department of human services shall develop a process by which the department and a county determine whether to fill a vacant county social service position that has responsibility for any portion of the programs delivered by the county at the direction of the department of human services under title 50. A county social service employee may not receive a salary increase in excess of the increase authorized by the legislative assembly for state employees.

**SECTION 3. DEVELOPMENT OF PLAN FOR ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS.** During the 2013-14 interim, the department of human services, in consultation with county representatives, shall develop a plan for restructuring the administration and funding of all state and county social services programs. The plan must provide for the unification of all state and county social services programs into state administered and funded social services programs by July 1, 2015. Before June 1, 2014, the department shall present its findings, the proposed plan, and any legislative changes necessary to implement that plan to the legislative management.

**SECTION 4. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2013, and after that date is ineffective. Section 2 of this Act is effective through July 31, 2015, and after that date is ineffective."

Renumber accordingly

Date: 3-18-  
 Roll Call Vote #:                     

2013 SENATE STANDING COMMITTEE  
 ROLL CALL VOTES  
 BILL/RESOLUTION NO. 1233

Senate 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 M Larsen Seconded By Sen Anderson

Senators	Yes	No	Senator	Yes	No
Chairman Judy Lee	✓		Senator Tyler Axness	✓	
Vice Chairman Oley Larsen	✓				
Senator Dick Dever	✓				
Senator Howard Anderson, Jr.	✓				

Total (Yes) 5 No 0

Absent \_\_\_\_\_

Floor Assignment Sen J. Lee

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

Date: 3-21  
Roll Call Vote #: \_\_\_\_\_

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES  
BILL/RESOLUTION NO. 1233

Senate Human Services Committee

Check here for Conference Committee

Legislative Council Amendment Number 0 04001

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

Motion Made By Anderson Seconded By Larsen

Senators	Yes	No	Senator	Yes	No
Chairman Judy Lee	✓		Senator Tyler Axness	✓	
Vice Chairman Oley Larsen	✓				
Senator Dick Dever	✓				
Senator Howard Anderson, Jr.	✓				

Total (Yes) 5 ~~4~~ No 0

Absent \_\_\_\_\_

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

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

**REPORT OF STANDING COMMITTEE**

**HB 1233, as reengrossed: Human Services Committee (Sen. J. Lee, Chairman)**  
recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee**  
(5 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). Reengrossed HB 1233 was  
rereferred to the **Appropriations Committee**.

**2013 SENATE APPROPRIATIONS**

**HB 1233**

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

HB 1233  
03-26-2013  
Job # 20456

Conference Committee

Committee Clerk Signature



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

A BILL re: the County social service board; county tax levy; foster care and subsidized adoption costs and a levy for county welfare; and a legislative management study.

### Minutes:

See attached testimony.

**Chairman Holmberg** called the committee to order on Tuesday, March 26, 2013 at 9:00 am In reference to HB 1233. All committee members were present. Vice Chairman Bowman is conducting the meeting in the temporary absence of Chairman Holmberg. Sheila M. Sandness from Legislative Council and Lori Laschkewitsch from OMB were present.

**Vice Chairman Grindberg** submitted form # 13.9507.02000 - Property Tax Revenue in Select cities. Testimony attached # 1.

**Terry Traynor, Assistant Director NDAC** introduced the bill and provided written Testimony attached # 2. His testimony recommends a Do Pass for HB 1233. He then explained the bill as it was before the changes were made and then the bill as they see it now before this committee. (6.54)

**Senator Warner:** Is this part of the revolutionary process where there is some roadmap work that we can see what's coming down the road and how it's supposed to evolve? Is his a one-time thing based on what's politically expedient? Is there long term vision involved here?

**Mr. Traynor:** (7.27) Both in the original bill and the various iterations there were proposals to study that. One called for a study, one for the development of a natural plan and roadmap going forward. From the county's perspective we see this as the grand cost as the most difficult to deal with because it's just a bill that comes every month that they have to pay. The federal reimbursement that we gave up in SWAP in 97, I we could restore that, that is what we see as the next phase. That leaves roughly \$40M a biennium of staff costs with the counties. The suggestion that came out of the House Human Services was take all that. The county commissioners are not opposed to 100% funding by the state. The plan that is proposed on where we go from there is concerning to some, but it does provide for county involvement in developing that plan, so we're hopeful that it would preserve the local



services, which is the biggest concern that county people have so that whatever we do we don't lose the local delivery of services in our rural counties.(8.49)

**Senator Warner** Do you anticipate some shifts between state and county employment of some employees and where does the supervisory, including hiring and firing decisions, at what level government does that remain?

**Mr. Traynor:** (9.28) The proposal that came out of the House Human Services would give the department oversight over decisions to replace or add to staff. If they are paying 100% of the bill I can see the appropriateness of that. But, at least in that plan, on the short term they were to remain county employees.

**Senator Judy Lee, District 44, Fargo** 12.46) testified in support of HB 1233 and submitted Testimony attached # 3 Proposed Amendments to Re-engrossed House Bill No. 1233. I have also included the fiscal note dated 2/13/13 Testimony attached # 4. This does have a sunset, we have a chance to revisit it, and it will be important that we consider it. (16.00).

**Kim Jacobson, Director of Traill County Social Services, and a member of the North Dakota County Social Service Directors Association (NDCSSDA)** in support of HB 1233 which includes a \$20M fiscal note and provided written Testimony attached # 5 in support of HB 1233. (21.26)

**Vice Chairman Bowman:** had questions regarding property taxes versus other taxes, and the ability to shift or reduce the cost, the dollars aren't any different, and commented there has not been any testimony that this will reduce or shift the costs. All this is going to do is shift the cost.

**Ms. Jacobson:** (22.26) I understand your thoughts and I think that could be one of the key elements that a study could address. If we looked at some property tax reduction upfront, and if prior the study we look at efficiencies, rather than just what the model was going to look at. But how can we really give good service, that would be paramount to a really good study. It involves the right players at the table and using the right facilitation in order to have that outcome.

**Bill Shalhoob, ND Chamber of Commerce:** My testimony is also a little dated since I did not have the amendments in there. The Chamber is supporting 1233 as a property tax relief vehicle and provided written Testimony attached # 6. It is true property tax relief. (25.13)

**Eric Gossman, ND Farm Bureau:** (25.22) We agree to this bill, especially, it is pure property tax relief. It would be an appropriate shift of responsibility, We would support the fiscal note as part of the package for property tax relief.

**Chairman Holmberg:** Terry, did you have any additional comments, had you seen the amendments? he confirmed he did. We will close the hearing on the bill. This will be part of the discussions concerning property taxes.

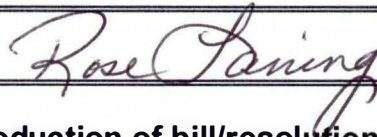
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

HB 1233 subcommittee  
March 27, 2013  
Job # 20576

Conference Committee

Committee Clerk Signature



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

A BILL relating to: the County social service board; county tax levy; foster care and subsidized adoption costs and a levy for county welfare; and a legislative management study.

### Minutes:

Legislative Council - Becky J. Keller  
OMB - Lori Laschkewitsch

**Senator Kilzer** opened the subcommittee hearing on HB 1012. Senators Lee, Erbele and Mathern were also present.

**Senator Mathern** summarized the bill. This bill began where the state would pay for programs like foster care. As it went through the House, they saw it as a way to decrease property taxes so they added a number of other programs that the state would take over paying for in total. This would permit the counties to reduce their property taxes in that same amount. We should find out from Department of Human Services the amount this will cost and if the fiscal note is correct.

**Senator Kilzer:** Gave some history of HB 1226 in 1997 - house swap. He asked the department to speak on this.

**Deb McDermott, CFO, Department of Human Services:** The programs they would pick up are all the foster care cost, all the adoption costs, and the family preservation costs. Those would be the basic grant cost and it would be the fiscal note for \$20M. The addition amendment brought by Senator Judy Lee is for the additional administrative costs.

**Senator Kilzer:** Are there other programs out there that we might see in a future bill. Is this a complete list?

**Deb McDermott:** The only other things that we would bill the counties for are for their share of the SNAP contract.

**Senator Kilzer:** I saw SPED listed someplace.



**Deb McDermott:** Yes, SPED was another one of the grant costs that would have been picked up in the \$20M. Foster care, adoption, SPED, family preservation services are all included.

**Senator Kilzer:** The counties pay 5% of SPED costs now. How about expanded SPED?

**Deb McDermott:** That's 100% state costs.

**Senator Gary Lee** asked if February 27<sup>th</sup> was the current fiscal note.

**Deb McDermott:** With Senator Judy Lee's amendment there would be an updated fiscal note if the amendment is approved. If approved that fiscal note will be \$102.5 million of general funds..

Discussion followed on the proposed fiscal note.

**Senator Kilzer** asked if the House has seen the \$102.5M figure.

**Deb McDermott:** She explained. (10:12)

**Senator Kilzer:** It still is at \$20M because the whole Senate has not passed it.

**Senator Mathern:** Our Senate Appropriation committee or the body of the Senate has not moved or adopted the amendment.

**Deb McDermott:** That is correct.

**Becky Keller, Legislative Council:** That is why she has brought the amendment to you for your consideration. When you are looking at this bill, you need to decide if you want the amendments on the bill.

Discussion followed on the fiscal notes. There were questions on what the mill would amount to if we just did the \$20M. There were questions on fair and equitable tradeoffs. There was concern of the efficiency of delivery and the centralization that will occur. The past testimony was for a \$20M appropriation.

**Senator Kilzer** said that with the \$102.5M we may need to have a visit with Senator Cook.

**Senator Mathern:** We should ask Senator Judy Lee to visit with us. We had short testimony with counties and social services and it's unclear. We should hear more detail.

**Senator Kilzer** we've had a thorough discussion here and we have two alternatives, either the \$20M or \$102M. If anyone has any pertinent information, they should let us know. We'll not make a decision today and talk to these people.

**Senator Kilzer** closed today's hearing on HB 1233.

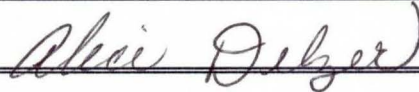
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

HB 1233 Subcommittee  
04-03-2013  
Job # 20837

Conference Committee

Committee Clerk Signature



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

A Subcommittee hearing regarding the County Social Service Board (DHS)

### Minutes:

Attached testimony:

**Chairman Kilzer:** called the subcommittee hearing together at 3:00 pm on Wednesday, April 03, 2013 in regards to HB 1233. Let the record show that all conferees are present: Senator Kilzer, Senator Gary Lee, Senator Erbele; and Senator Mathern.

Lori Laschkewitsch- OMB  
Allen H. Knudson, Legislative Council

**Senator Kilzer:** this is the bill that would transfer some of the social services from counties to state, there's two different versions. The most common question I get on this bill is the \$80M administrative cost, whether that is accurate. I would ask for Terry or Maggie to expand on that.

**Maggie Anderson:** Interim Director, DHS: there is an \$80M difference between the two versions.

**Deb McDermott,** Finance director with DHS, on the fiscal note dated 2-27 was for \$20M of general funds. That is the bill that came out of Senate Human Services. Senator Judy Lee came before the committee and offered an amendment to bring the fiscal note back up to the same amount which was \$102M and that was the fiscal note dated 2/13 and the difference between those two notes and versions of the bill is in the \$20M fiscal note that was for the state to take over the county's share of all the foster care grants, the adoption grants, the SPED grants payment and the family preservation cost. That was the \$20M dollar version. The \$102M is to take over all those same grants, the state to pay all the administrative costs the county social services board paid for. There was \$1M included in the fiscal note for a study on how we would restructure the whole service delivery system of Human Services. The latest fiscal note is for \$20,542,038.00 in general funds. The difference between the other two is the SPED grant payments. The original bill did not include SPED grant payments.

**Senator Mather:** point of clarification. The bill that we have before us, doesn't have the \$80 M the amendment was brought that was never adopted. We don't have the bill that has all these other services before us. This fiscal note has never been put on the bill.

**Terry Traynor**, Association of Counties the House Committee changed it to \$102M but then the House Appropriations brought it back to \$20M with SPED in there, that is the way the Senate policy committee passed it out.

**Senator Kilzer:** this \$80M was never put on by the House.

**Deb:** it was put on by House Human Services.

**Senator Kilzer:** I realize that SPED is not a big program, is that a realistic figure.

**Terry Traynor:** we requested a number of sessions to have this bill introduced with foster care and some adoption related programs and we were very much in favor of adding the SPED grant clause to that.

**Senator Kilzer:** were you in favor of the \$102M, did you testify for it?

**Terry:** we were surprised, we didn't have an opportunity to testify for that because it was put on after the hearing, we are in favor of that version as well.

**Senator Gary Lee:** the only thing it does it takes over the administrative costs. What else is included in that, in terms of administrative costs?

**Deb:** all the staffing at the county level, and the \$20M in grants, so basically the state would pick up all the costs currently incurred by the county social service board with probably the exception of general assistance.

**Senator Gary Lee:** it takes \$80M of overhead to accomplish a \$20M program?

**Terry:** they managed a much larger program; the rest of the program is federal and state funds for Medicaid, SNAP, and all the other programs

**Deb:** because the \$20M in grants is only the foster care and adoption programs and SPED programs, they also do the eligibility for all the economic programs and that is included in the administrative cost, like Medicaid, SNAP and child care.

**Senator Erbele:** the \$20M would reduce mill levies by 2 or 2.4 mills, is that right?

**Terry:** it was 2.38 based on the most recent guidelines and valuations, it varies quite a bit.

**Senator Erbele:** in dollars how does that affect Ramsey with the other issue that you have?

**Deb:** Terry's testimony, page 5, Ramsey County, it would be \$318,618/yr.

**Senator Kilzer:** Deb will tell us what the effects of the version of 1233 that we have now would have on Ramsey County

**Deb:** based on Terry's calculations and his testimony dated march 26, it would be \$254,885 left that they would have to pay for one year. This is the most recent information

**Terry:** that would reduce their cost by that much. The \$20M version of this bill would reduce everyone's cost. Everyone else would go down an average of 2.38 mills. Ramsey County would go down about twice that so the disparity that Ramsey County is experiencing compared to everyone else will get smaller but it wouldn't go away

**Senator Mathern:** I understand there was another version of this.

**Terry:** it was discussed in both policy committees that there was a way to move towards the goal of funding all of it but not to do it all in such a large step and that was \$20M in grants, and then to restore the federal reimbursement on the counties' staff costs, which we gave away to get out of Medicaid a number of years ago. It was about \$41M more, that would have been a \$61M version of this. Half of the staff costs and grant costs and move us that closer to a fully funded system.

**Senator Kilzer:** that goes back to SWAP, in 1996 and 1997.

**Terry:** it was discussed but never adopted by anyone.

**Senator Mathern:** Discussed the study the bill requests regarding transfer of county social services functions to the state. (recording segment: 14:54 to 16:44)

**Senator Kilzer:** are both sides happy with the SWAP. What problems have you had with SWAP?

**Deb McDermott, Terry Traynor and Mr. Hardy** provided information from the agency point of view and from the counties point of view (recording segment 17:04 to 22:29)

**Senator Mathern** suggested amending part of the bill regarding the study, how to manage local control or feedback

Discussion followed with **Senator Erbele, Senator Kilzer and Terry Traynor** regarding the sections to be amended and wording (segments 22:37 to 31:33)

**Senator Kilzer** we will have to bring this to a close. We will meet tomorrow or the next day.



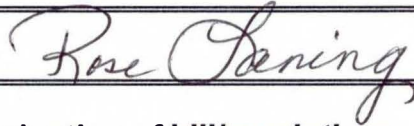
# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

HB 1233  
April 4, 2013  
Job # 20879

Conference Committee

Committee Clerk Signature



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

This is a Subcommittee hearing regarding the County Social Service Board (DHS).

### Minutes:

**Senator Kilzer** opened the subcommittee hearing on HB 1233. Senators Lee, Erbele, and Warner were present. **Senator Warner** is taking the place of **Senator Mathern**.

**Senator Kilzer:** We are discussing HB 1233 having to do with the transfer of some social service agency jobs from the county to the state.

**Senator Gary Lee:** Jobs in the sense of programs not FTE kind of jobs.

**Senator Kilzer:** It is services not jobs. Would there be some loss of jobs at the county level?

**Terry Traynor, ND Association of Counties:** I don't see where this would affect anything. It is just saying who is going to pay for those services that foster care families provide, that in home workers provide. It is just who is paying for those services and who is paying how much.

**Senator Kilzer:** So it means no more additional FTEs in Department of Human Services and no fewer employees at the county level. We are talking about the \$20M version of the bill not the \$1.2M version.

**Senator Gary Lee:** In terms of property tax this would be about \$2.4M. Is that correct?

**Terry Traynor:** That is our analysis based on the current year budget.

**Senator Erbele moved Do Pass on the re-engrossed HB 1233, .04000 version of bill.**

**Senator Gary Lee seconded.**

**Senator Kilzer:** If this turns out wonderful we'll do it more. It all started out with SWAP.

Senate Appropriations Committee

HB 1233

April 4, 2013

Page 2

**Terry Traynor:** I will redo the analysis of the Ramsey County situation and how it would affect that. I will get that information for you tomorrow.

Roll call vote:

Senator Kilzer - yes

Senator Erbele - yes

Senator Gary Lee - yes

Senator Warner - yes

A roll call vote: 4-0-0

**Senator Kilzer** adjourned.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

HB 1233  
04-05-2013  
Job # 20915

Conference Committee

Committee Clerk Signature



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

Relating to foster care and subsidized adoption costs and a levy for county welfare, to provide for a legislative management study; to provide and effective date; and to provide an expiration date (DO PASS)

### Minutes:

You may make reference to "attached testimony."

**Chairman Holmberg** called the committee to order on Friday, April 5, 2013. All committee members were present.

Becky J. Keller- Legislative Council  
Lori Laschkewitsch- OMB

**Senator Kilzer** This is the 04000 bill. The fiscal note is dated 2/27.

**Chairman Holmberg** This is a hoghouse?

**Senator Kilzer** It started out as the state taking over, all of social services for a price tag of \$102M and the one we're looking at now, is the state would take over four social service function with a price tag of \$20.5 M. A lot of people call it property tax relief because basically what it is. If you remember, the original SWAP program as part as the Clinton Welfare Reform back in 1996, there was some of this when the state took over Medicaid and then later food stamps and some of those things. Then later on, not to many years ago, the state took over child support enforcement. Now in this bill, the state would take over foster care, subsidized adoption programs, family preservation services and SPED (Services Provided to the Elderly and Disabled). This would not involve people in the county losing their jobs and adding more people in DHS. It would be the expenses would be taken over by the state. The policy committee did change that from \$102 M, taking over everything, to \$20 M taking over these four services. In subcommittee we heard from the Association of Counties, they're in favor of this although a few of the individual counties would have angst if they were taken over everything. Your committee voted 3- 0 for a do pass.

**Senator Kilzer** Moved a Do Pass. 2<sup>nd</sup> by Vice Chairman Bowman.

**Chairman Holmberg:** This is not an amendment. It is a bill. It was a hoghouse amendment in Human Services.

**Senator Mathern:** I have another version of this. This bill was changed by the House. Not changed by our policy committee. Our policy committee wanted to go to \$100 M, they came over to the Appropriations committee in the form of Senator Judy Lee, asking that we amend this bill to take it to \$102M. So it was the House that made the change to the \$20 M and our policy committee wanted us to go to \$102 M. It's been kind of confusing but that is the way I see the situation. Essentially, the House just began the discussion about is this a transfer of control and financing of the county social service offices from the county commissioners to the state DHS. Our policy committee said yes, you can go up to the \$100M, the counties came in and said, they supported that. There are some county directors who did not like it and some county commissioners who were concerned that if we fund it at the \$100 M level, they will lose control and they will lose services. I think the direction of DHS, are towards reducing administrative units. We right now have 3 units, the state, regional and county. We are moving towards reducing that. I suggested we beef up this study that is in here, so we understand the potential change here. I asked for amendments to be drafted in that regard and they are not down yet, but I wanted the committee to be aware that literally this is a change in the Administrative of Human Services in this state. The change that this bill requires is just a minor part. Our policy committee suggests we do a greater major part in change.

**Chairman Holmberg** When you look at this bill versus the ideas where the state would take over the entire costs, was there the discussion the county would lose their levy mills, the way this is written? There would be no guaranteed property tax relief it is just the state would pick up some of the costs of the social service program with a check. Is that?

**Becky J. Keller** I think there was discussion, on how much you could save on property tax, but I don't think there was discussion on actually limiting the counties. So, property tax on the face of it, but not for real.

**Chairman Holmberg** Not in its implementation.

**Senator Mathern** I would suggest we look at Section 6 of this bill which directs that the levy authority be changed from 20 mills to 15 mills. So, I believe there is in fact property tax change and direction.

**Becky J. Keller** That is what they could levy for, Human Services, it doesn't stop them then from changing the mill levy on something else.

**Vice Chairman Bowman** If you take little footsteps, like this bill does, it gives us time to adapt to a new change. When we did that before, we've see that was a benefit, kind of a savings and as you have these things put into place, and if the state is eventually going to take it all over and say all the property tax, it still costs the same amount of money, so you are saving your local property tax and increasing all of the local taxes, and it costs money to run these programs. Whether it comes from local, the only thing is with local, there are situations that are different in different areas in the state, always keep that in place, the local counties can make these changes if they have to.



**Senator Mathern** I support the bill. In terms of doing that one piece, I am telling the committee though, there is a lot of support out there for doing the \$100 M deal, and the counties want us to do much more. If you would be open to it, we could change the study, put into place this process a little bit at a time, we had the policy committee coming in change this \$100 M, so there has been confusion. I have a suggestion for an amendment that would address both sides of the issue but keep a set that is at the \$20 M dollar level.

**Senator Kilzer** This came through the Senate Human Services Committee. They did have the opportunity to change the bill. Our sub-committee agreed not to change the policy.

**Senator Robinson** Regarding those services that this bill would transfer to the state; family preservation, SPED, foster care and subsidize adoption, that's it.

**Senator Kilzer** SPED is the services provided to the elderly and disabled and that is a program that receives no federal funds, 95% are state, 5% is county funds. This mainly has to do with administration. There are no expanded county supports. These services are intended to keep people in their homes longer. No change in services, just in the expense.

**A Roll Call vote was taken. Yea: 13; Nay: 0; Absent: 0.**

**Chairman Holmberg:** This goes back to human service. **Senator Judy Lee will carry the bill.**

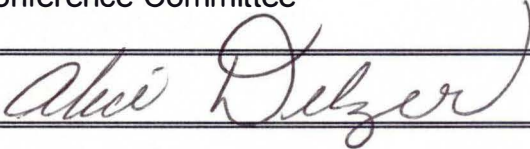
The hearing was closed on HB 1233.

# 2013 SENATE STANDING COMMITTEE MINUTES

## Senate Appropriations Committee Harvest Room, State Capitol

HB 1233  
04-12-2013  
Job # 21131

Conference Committee



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

A BILL regarding County Social Service Board; foster care and adoption costs and a legislative study (Discussion)

### Minutes:

attachment

**Chairman Holmberg** called the committee to order on Friday, April 12, 2013 at 9:20 am. All committee members were present.

Allen H. Knudson - Legislative Council  
Lori Laschkewitsch - OMB

**Chairman Holmberg:** We will hear from Senator Judy Lee regarding HB 1233.

**Senator Judy Lee,** District 13, Fargo, presented amendment # 13.0394.04003. See attachment # 1. She noted that the funding is not included in this bill. This would mandate that \$20M would come out of the department of Human Services budget. Although this may not be the final form of the amendment, they would like to amend the bill so it would go to conference committee. She explained that this was intended to be part of the tax restructuring. (1:09 to 3:00)

**Senator Mathern:** One thing that concerns me; I don't see a study any longer. I am concerned about the dramatic change this will have. I support the effort but there should be some process for continued discussion. It will change the HS budget for 100 years. (03:05 to 04:11)

**Senator Judy Lee** explained there is study language in there and it could be further refined in conference committee. The counties are in favor of this. They feel it will help to solve the disconnect. (04:13 to 05:28)

There was further discussion about the merits of the amendment. (05:30 to 06:20)

**Senator Kilzer:** My question would be about the public hearing. Was the only opportunity for the public to comment on this in front of the House policy committee?

**Senator Judy Lee** gave a history of the bill. The House policy committee fully funded it. The House Appropriations Committee reduced it to just the program part. Both ways were extensively discussed in Senate Human Services Committee. She feels this is a very important part of the tax restructuring that is being done. (06:48 to 08:43)

**Chairman Holmberg:** We have had a briefing. The committee won't take another vote; you can say on the floor that you have briefed the full appropriation committee about the necessity of this.

**Senator Mathern:** Why wouldn't we bring the bill back and us act on this and send the bill back?

**Chairman Holmberg:** Because they want to get to conference committee. And this bill has come back and forth between committees.

**Senator Judy Lee** wanted the committee to understand that the united vote in policy committee supports this amendment. She stated that she prepared the floor amendment because it seemed the easiest way to do it.

**Chairman Holmberg:** That is appreciated. There has been some discussion in the past regarding property tax relief. If this passed in the Senate then it clearly becomes one of the key players along with a couple other concepts. The challenge- and this is up to Allen H. Knudson- you will have a HS committee working on reductions in property tax as well as an education committee and a finance and tax committee. At the end of the day they will blend and we will pass it out.

The discussion was closed on HB 1233.

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/27/2013**

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(19,947,758)		\$(21,790,994)
Expenditures			\$20,542,038	\$(19,947,758)	\$21,790,994	\$(21,790,994)
Appropriations			\$20,542,038	\$(19,947,758)	\$21,790,994	\$(21,790,994)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(20,542,038)	\$(21,790,994)
Cities			
School Districts			
Townships			

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

Re-engrossed HB1233 provides for the state to take over the financial responsibility for family preservation services, the foster care and subsidized adoption programs, and service payments to the elderly and disabled.

- 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.*

HB1233 requires the state to take over all costs, in excess of the amount provided by the federal government, for foster care, subsidized adoption programs, and service payments to the elderly and disabled. It is also presumed that the Bill intends for the state to take over all costs for family preservation 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 family preservation services, foster care, subsidized adoption programs, and service payments to the elderly and disabled. The Bill also requires the county social service boards submit a budget to the Department of Human Services in 2013 identifying the total savings to the county. In addition the maximum mill levy for human services was reduced from 20% to 15%. Lastly the Bill allows legislative management to consider studying the restructuring of the administration and funding of all state and county social service programs into a state administered and funded social service program. The findings, recommendations, and necessary legislative changes must be presented to the 64th legislative assembly.

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 programs, foster care and subsidized adoption programs, and service payments to the elderly and disabled. This results in lost revenues from the county of \$19,947,758 for the 2013-2015 biennium and \$21,790,994 in the 2015-2017 biennium.

- 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, and service payments to the elderly and disabled. 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, subsidy payments to adoptive parents of special needs children, and service payments for the elderly and disabled. This would result in a General fund increase of \$20,542,038 for these grant costs in the 2013-2015 biennium and an anticipated increase of \$21,790,994 for the 2015-2017 biennium. The decrease of other funds in the amount of \$19,947,758 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled.

- 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 2013-2015 biennium, the Department's grant budget would be increased by \$594,280, with \$20,542,038 being a general fund increase and \$19,947,758 being a decrease in special funds. The impact for the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,790,994 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 02/14/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/13/2013**

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(21,574,664)		
Expenditures			\$102,512,371	\$(21,574,664)		
Appropriations			\$102,512,371	\$(21,574,664)		

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(101,873,674)	
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to reimburse county costs incurred for social service programs delivered by the county at the direction of the Department for 2013-2015 biennium. It also provides for the Department to develop a plan for the administration and funding of 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.*

HB1233 requires the state to reimburse all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for the 2013-2015 biennium. The Bill also requires the county social service boards to submit a budget to the Department of Human Services in 2013, identifying the reduction in county expenditures including how the reduction will be passed on to property taxpayers. Lastly the Bill provides for the Department of Human Services to develop a plan for restructuring the administration and funding of 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, 2014.

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 any costs related to social service programs. This results in lost revenues from the counties of \$21,935,967 for the 2013-2015 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 biennium related to the availability of federal funds to pay for a portion of the cost of the plan. The impact for the 2015-2017 biennium cannot be determined until a plan is adopted.

- 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 paying all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for 2013-2015. This would result in a General fund increase of \$101,873,674 in the 2013-2015 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to develop a plan for restructuring the administration and funding of social services into a state administered and funded social services program. The decrease of other funds in the amount of \$21,574,664 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled programs in the amount of \$21,935,967 offset by the federal fund increase of \$361,303 for a portion of the plan that can be funded with federal funds. There is no impact reflected in the fiscal note for 2015-2017 biennium because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

- 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 2013-2015 biennium, the Department's grant budget would be increased by \$79,937,707, with \$101,873,674 being a general fund increase and \$21,935,967 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund and \$361,303 is federal funds. The impact for the 2015-2017 biennium cannot be determined because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 02/14/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(18,859,791)		\$(21,020,148)
Expenditures			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)
Appropriations			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(19,815,374)	\$(21,020,148)
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to take over the financial responsibility for family preservation services and the foster care & subsidized adoption programs. 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.*

HB1233 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 intends for the state to take over all costs for family preservation 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 family preservation services, 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 in 2013, identifying the reduction in county expenditures for the foster care, subsidized adoption, and other family preservation services including 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, 2014.

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 programs and foster care and subsidized adoption programs. This results in lost revenues from the county of \$19,221,094 for the 2013-2015 biennium and \$21,020,148 in the 2015-2017 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 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 \$19,815,374 for these grant costs in the 2013-2015 biennium and an anticipated increase of \$21,020,148 for the 2015-2017 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to study and develop a plan for restructuring the administration and funding of all state and county social services into a state administered and funded social services program. The decrease of other funds in the amount of \$18,859,791 includes the decrease of the county share of program costs for family preservation services, foster care, and subsidized adoption programs in the amount of \$19,221,094 offset by the federal fund increase of \$361,303 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 2013-2015 biennium, the Department's grant budget would be increased by \$594,280, with \$19,815,374 being a general fund increase and \$19,221,094 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund. For the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,020,148 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 01/22/2013

Date: 4-5-13

Roll Call Vote # 1

2013 SENATE STANDING COMMITTEE  
ROLL CALL VOTES

BILL/RESOLUTION NO. 1233

Senate Appropriations Committee

Check here for Conference Committee

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

Action Taken  Adopt Amendment  Do Pass  
 Do Pass as Amended  Do Not Pass

Motion Made By Kilzer Seconded By Bowman

Senators	Yes	No	Senator	Yes	No
Chairman Ray Holmberg	✓		Senator Tim Mathern	✓	
Co-Vice Chairman Bill Bowman	✓		Senator David O'Connell	✓	
Co-Vice Chair Tony Grindberg	✓		Senator Larry Robinson	✓	
Senator Ralph Kilzer	✓		Senator John Warner	✓	
Senator Karen Krebsbach	✓				
Senator Robert Erbele	✓				
Senator Terry Wanzek	✓				
Senator Ron Carlisle	✓				
Senator Gary Lee	✓				

Total (Yes) 13 No 0

Absent 0

Floor Assignment Human Services J. Fee

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

**REPORT OF STANDING COMMITTEE**

**HB 1233, as reengrossed: Appropriations Committee (Sen. Holmberg, Chairman)**  
recommends **DO PASS** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
Reengrossed HB 1233 was placed on the Fourteenth order on the calendar.

**2013 CONFERENCE COMMITTEE**

**HB 1233**

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1233  
April 26, 2013  
JOB # 21558

Conference Committee

Committee Clerk Signature

*Carmen Hickle*

Minutes:

**Rep. Owens:** Called to order the Conference Committee on HB 1233.

**Sen. Oehlke:** Association of Counties said here is an option that would help out your counties and it could save them all 20 mills. The idea was to fund all of Social Services statewide and have more of a regional attitude. The idea was that it would not only be a good deal monetarily for counties and also be synchronized everything. Instead of having 47 different Social Service programs, they would be more fluid. As this was introduced in the session it came to the 20 million number, where it is sitting right now. It would handle the certain unfunded mandated type things that counties have to do. It had gotten endorsed to 100 million in committee, then it went to your Appropriations got reduced down to 20 million. We put back the 20 million in it.

**Rep. Weisz:** The 20 million took care of program cost, nothing to do with administration or anything else. Currently the counties share is 25% of foster care, they pay a portion of SPED, and they pay a portion of others. They are subject to the state mandate for those particular costs. If they have to send someone out of state for foster care the county has to pay the cost. That is the mandate the state puts on the counties. In 1997 the counties were required to pay 100% of the cost of the administration cost in exchange the state took over program costs on all of the areas except for what's in 1233. Those costs are 80 some million. It was amended down in Appropriations to cover the program costs.

**Rep. Owens:** I understand the history and the money. We have some House issues in here that I'm trying to figure out how to fix. Did anybody else have anything in particular they were looking at?

**Sen. Wanzek:** I like the idea and believe it could be true property tax relief if we go all the way. But I'm questioning at this eleventh hour if we are able to do it. Are we gaining true property relief by refunding the program costs and not removing the 20 mills?

**Rep. Weisz:** Language could have been in there to require a 5 mill reduction across the board for every county. You can lower the cap to 15 mills but counties are required to spend whatever it takes. If their costs are greater than the cost then whatever the cap is the following year they have to have excess mill levy which adds onto the cap. We can require

everyone to drop 5 mills, but as the state mandates these services, their costs are still going to go up, and that will go back to the tax payer.

**Rep. Owens:** The way I am reading 50-6.2-05 states may levy at tax not exceeding 20 mills? So your point is because of their requirement to fund the program they are forced to go to their excess mill levy? This is still restricted to 20 mills but they are forced to go outside of this and use that money for something else.

**Rep. Weisz:** Yes, in other words, currently you can take a county that's currently under 20 mills and they could add more staff or more costs and bring it up to 20 mills and not have to go to the vote. If they are at 15 mills they could go to 20 mills. If they are already at 20 it's not a matter at being capped at 20 they mandated to exceed the 20 mills because they have to perform the services so they can't say we are going to cut our staff 30% because they have to meet their case management ratios.

**Rep. Owens:** But my question is technically there not exceeding 20 mills here they are still doing 20 mills under this category? It's just that they are using money from their excess to compensate for what they need the additional funds for?

**Rep. Weisz:** Correct. Technically they don't exceed this cap, there is a separate section that allows the excess mill levy that is an end run around the cap.

**Rep. Owens:** I have some things I would like to research. Is there anything the committee members would like to bring up right now? If not we will adjourn and reschedule at our earliest convenience.

# 2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1233  
April 26, 20130  
Job #21569

Conference Committee

Committee Clerk Signature



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

A bill relating to foster care and subsidized adoption costs.

## Minutes:

See Attachment #1

Rep. Owens called to order the conference committee meeting on HB 1233.

Rep. Schmidt: I have an amendment to HB 1233. (See Attachment #1) This is hog housing the bill and turning it into a study.

Rep. Owens: Is that a motion?

Rep. Schmidt: Yes, Mr. Chairman, it is.

Rep. Owens: (Relinquished his Chair to Rep. Weisz) Second motion.

ROLL CALL VOTE: 2 y 4 n 0 absent

MOTION FAILED

Rep. Weisz relinquished his Chair back to Rep. Owens.

Sen. Wanzek: I move the House accede to the Senate amendments.

Sen. O'Connell: Second

ROLL CALL VOTE: 6 y 0 n 0 absent



# 2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1233  
April 29, 2013  
Job #21617

Conference Committee

Committee Clerk Signature

*Vicky Crabtree*

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

A bill relating to foster care and subsidized adoption costs.

## Minutes:

Rep. Owens called to order the conference committee meeting on HB 1233. Would the Senate like to reconsider the study?

Sen. J. Lee: I am not interested in reconsidering the study.

Sen. Wanzek: No.

Sen. Dotzenrod: I'll accede to the Senate majority.

Rep. Owens: Does any committee member have anything new in reference to 1233 as it sits before us? If there is nothing new and no suggestions I close the conference committee on 1233.



# 2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1233  
April 30, 2013  
Job #21636

Conference Committee

Committee Clerk Signature

*Wicky Crabtree*

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

A bill relating to foster care and subsidized adoption costs.

## Minutes:

Rep. Owens called to order the conference committee on HB 1233. Would the Senators like to reconsider the study?

Sen. J. Lee: No sir.

Sen. Wanzek: No.

Sen. Dozenrod: I will accede to the wishes of the Senate majority.

Rep. Owens: Does anyone have anything to add for this conference committee meeting? The next meeting will be in the morning.

Sen. Dozenrod: I don't know where we are going to find a solution. The way the bill is now has the DHS develop a plan and that plan will be given to the budget section, Legislative Management within the next year. I believe the Senate feels that those people in that department can do it better. If I understand that the House has a different view that they would like to have an interim study done in the standard way. Is that the difference here?

Rep. Owens: My understanding the study is necessary for what this entails for the state to take over; to include FTEs, benefits and any administrative pieces to be put together to reduce, that sort of thing.

Sen. J. Lee: The first step in the bill before us is to leave the administration under a transition plan. The people who should be planning the transition are the people who will be part of the transition. The DHS and the county representative equally involved would determine the transition plan. This has been done in child support where we took over the distribution and collection of child support. We also took over the courts. There is no need to have a study. We know what the deal is. The counties are forced to provide programs and we tell you what to do and you have to figure out how to pay for it. This is property tax reform as well as relief. That gives you a summary.

Rep. Weisz: I would agree there is absolutely nothing to study. What do we have to study if we go to 100%? When we decided to do child support we left it up to the players and they did it and it works very well. This bill has been in front of us in one form or another for the last three sessions and if you don't know what the bill is about by now you never will.

Sen. J. Lee: We are aware this is not reducing the cost, because we are moving the funding from the county to the state. But, we are removing the property tax burden to the residents of each county. People have said to me that they would like property tax relief.

Sen. Wanzek: From my point of view this appears to me to provide some property tax reform. This is a good clean way to provide property tax relief.

Sen. Dotzenrod: There probably isn't much difference between the House and Senate. The difference is in the process. Primarily Section 10 seems to me to be primarily what we are talking about. The bill identifies the DHS and the counties. It has to be done before September 1, 2014. You would have the legislature looking at it at this point and seeing what they have done. I don't see much difference between having a normal interim study having this process identified here.

Rep. Owens: The point of who is involved in developing the plan to me was very important too. The House has disagreed with what we did and sent us back down here. Do I know what the House wants? Not completely. I think there are a number of people in the House that agrees with some of the people sitting here and the Senate. We can dissolve tomorrow if need be. Any more comments? Seeing none the meeting is adjourned.

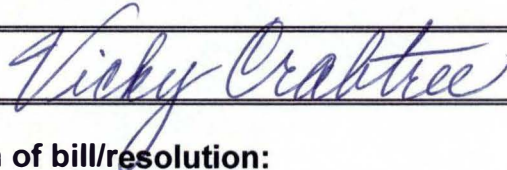
# 2013 HOUSE STANDING COMMITTEE MINUTES

House Human Services Committee  
Fort Union Room, State Capitol

HB 1233  
May 1, 2013  
Job #21653

Conference Committee

Committee Clerk Signature



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

A bill relating to foster care and subsidized adoption costs.

## Minutes:

Rep. Owens called to order the conference committee on HB 1233. Does anyone have any amendments or motion they would like to make?

Sen. J. Lee: I don't have a motion, but I brought treats today. I don't have any amendments.

Rep. Owens: Are there any other motions?

Rep. Schmidt: Since we can add nothing constructive to this bill I move we dissolve the committee.

Sen. J. Lee: Second.

Rep. Owens: Is there any discussion on the motion? Hearing none I'll ask the clerk to call roll for the motion to dissolve the conference committee.

ROLL CALL VOTE: 5 y 1 n 0 absent

MOTION CARRIED

**FISCAL NOTE**  
**Requested by Legislative Council**  
**04/19/2013**

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
<b>Revenues</b>				\$(19,586,455)		\$(21,790,994)
<b>Expenditures</b>			\$21,180,735	\$(19,586,455)	\$21,790,994	\$(21,790,994)
<b>Appropriations</b>					\$21,790,994	\$(21,790,994)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
<b>Counties</b>		\$(20,542,038)	\$(21,790,994)
<b>Cities</b>			
<b>School Districts</b>			
<b>Townships</b>			

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

Re-engrossed HB1233 provides for the state to take over the financial responsibility for family preservation services, the foster care and subsidized adoption programs, and service payments to the elderly and disabled.

- 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.*

HB1233 requires the state to take over all costs, in excess of the amount provided by the federal government, for foster care, subsidized adoption programs, and service payments to the elderly and disabled. It is also presumed that the Bill intends for the state to take over all costs for family preservation 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 family preservation services, foster care, subsidized adoption programs, and service payments to the elderly and disabled. The Bill also requires the county social service boards submit a budget to the Department of Human Services in 2013 identifying the total savings to the county. In addition the maximum mill levy for human services was reduced from 20% to 15%. Lastly the Bill requires the Department of Human Services and county representatives to develop a plan for the phased restructuring of the administration and funding of all state and county social service programs. The plan must provide for the phased unification of all state and county social services programs into a state-administered and state-funded social services program. The findings, proposed plan, and necessary legislative changes must be presented to legislative management by September 1, 2014.

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 programs, foster care and subsidized adoption programs, and service payments to the elderly and disabled. This results in lost revenues from the county of \$19,947,758, however the department will be able to access \$361,303 of federal funds for the costs of the plan for a net decrease in other funds for the 2013-2015 biennium of \$19,586,455 and \$21,790,994 in the 2015-2017 biennium.

- 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, and service payments to the elderly and disabled. 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, subsidy payments to adoptive parents of special needs children, and service payments for the elderly and disabled, this would result in a general fund grant increase of \$20,542,038. The department will need general funds of \$638,697 for the costs of the plan for a total general fund increase of \$21,180,735. For the 2015-2017 biennium the Department of Human Services will need a general fund appropriation increase of \$21,790,994 to cover the grant costs previously paid by the counties. The decrease of other funds in the amount of \$19,586,455 includes a decrease of 19,947,758 for the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled offset by \$361,303 of federal funds available for the costs of the plan.

- 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 2013-2015 biennium, the general fund appropriation needed by the Department of Human Services is included in this bill. For the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,790,994 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 04/22/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/27/2013**

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(19,947,758)		\$(21,790,994)
Expenditures			\$20,542,038	\$(19,947,758)	\$21,790,994	\$(21,790,994)
Appropriations			\$20,542,038	\$(19,947,758)	\$21,790,994	\$(21,790,994)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(20,542,038)	\$(21,790,994)
Cities			
School Districts			
Townships			

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

Re-engrossed HB1233 provides for the state to take over the financial responsibility for family preservation services, the foster care and subsidized adoption programs, and service payments to the elderly and disabled.

- 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.*

HB1233 requires the state to take over all costs, in excess of the amount provided by the federal government, for foster care, subsidized adoption programs, and service payments to the elderly and disabled. It is also presumed that the Bill intends for the state to take over all costs for family preservation 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 family preservation services, foster care, subsidized adoption programs, and service payments to the elderly and disabled. The Bill also requires the county social service boards submit a budget to the Department of Human Services in 2013 identifying the total savings to the county. In addition the maximum mill levy for human services was reduced from 20% to 15%. Lastly the Bill allows legislative management to consider studying the restructuring of the administration and funding of all state and county social service programs into a state administered and funded social service program. The findings, recommendations, and necessary legislative changes must be presented to the 64th legislative assembly.

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 programs, foster care and subsidized adoption programs, and service payments to the elderly and disabled. This results in lost revenues from the county of \$19,947,758 for the 2013-2015 biennium and \$21,790,994 in the 2015-2017 biennium.

- 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, and service payments to the elderly and disabled. 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, subsidy payments to adoptive parents of special needs children, and service payments for the elderly and disabled. This would result in a General fund increase of \$20,542,038 for these grant costs in the 2013-2015 biennium and an anticipated increase of \$21,790,994 for the 2015-2017 biennium. The decrease of other funds in the amount of \$19,947,758 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled.

- 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 2013-2015 biennium, the Department's grant budget would be increased by \$594,280, with \$20,542,038 being a general fund increase and \$19,947,758 being a decrease in special funds. The impact for the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,790,994 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 02/14/2013



**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/13/2013**

Amendment to: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(21,574,664)		
Expenditures			\$102,512,371	\$(21,574,664)		
Appropriations			\$102,512,371	\$(21,574,664)		

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(101,873,674)	
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to reimburse county costs incurred for social service programs delivered by the county at the direction of the Department for 2013-2015 biennium. It also provides for the Department to develop a plan for the administration and funding of 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.*

HB1233 requires the state to reimburse all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for the 2013-2015 biennium. The Bill also requires the county social service boards to submit a budget to the Department of Human Services in 2013, identifying the reduction in county expenditures including how the reduction will be passed on to property taxpayers. Lastly the Bill provides for the Department of Human Services to develop a plan for restructuring the administration and funding of 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, 2014.

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 any costs related to social service programs. This results in lost revenues from the counties of \$21,935,967 for the 2013-2015 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 biennium related to the availability of federal funds to pay for a portion of the cost of the plan. The impact for the 2015-2017 biennium cannot be determined until a plan is adopted.

- 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 paying all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for 2013-2015. This would result in a General fund increase of \$101,873,674 in the 2013-2015 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to develop a plan for restructuring the administration and funding of social services into a state administered and funded social services program. The decrease of other funds in the amount of \$21,574,664 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled programs in the amount of \$21,935,967 offset by the federal fund increase of \$361,303 for a portion of the plan that can be funded with federal funds. There is no impact reflected in the fiscal note for 2015-2017 biennium because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

- 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 2013-2015 biennium, the Department's grant budget would be increased by \$79,937,707, with \$101,873,674 being a general fund increase and \$21,935,967 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund and \$361,303 is federal funds. The impact for the 2015-2017 biennium cannot be determined because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 02/14/2013

**FISCAL NOTE**  
**Requested by Legislative Council**  
**01/15/2013**

Bill/Resolution No.: HB 1233

- 1 A. **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.*

	2011-2013 Biennium		2013-2015 Biennium		2015-2017 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				\$(18,859,791)		\$(21,020,148)
Expenditures			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)
Appropriations			\$20,454,071	\$(18,859,791)	\$21,020,148	\$(21,020,148)

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

	2011-2013 Biennium	2013-2015 Biennium	2015-2017 Biennium
Counties		\$(19,815,374)	\$(21,020,148)
Cities			
School Districts			
Townships			

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

HB1233 provides for the state to take over the financial responsibility for family preservation services and the foster care & subsidized adoption programs. 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.*

HB1233 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 intends for the state to take over all costs for family preservation 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 family preservation services, 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 in 2013, identifying the reduction in county expenditures for the foster care, subsidized adoption, and other family preservation services including 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, 2014.

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 programs and foster care and subsidized adoption programs. This results in lost revenues from the county of \$19,221,094 for the 2013-2015 biennium and \$21,020,148 in the 2015-2017 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 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 \$19,815,374 for these grant costs in the 2013-2015 biennium and an anticipated increase of \$21,020,148 for the 2015-2017 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to study and develop a plan for restructuring the administration and funding of all state and county social services into a state administered and funded social services program. The decrease of other funds in the amount of \$18,859,791 includes the decrease of the county share of program costs for family preservation services, foster care, and subsidized adoption programs in the amount of \$19,221,094 offset by the federal fund increase of \$361,303 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 2013-2015 biennium, the Department's grant budget would be increased by \$594,280, with \$19,815,374 being a general fund increase and \$19,221,094 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund. For the 2015-2017 biennium, the Department would need a general fund appropriation of \$21,020,148 to cover the grant costs previously paid by the counties, with a corresponding decrease in special funds of the same amount.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 01/22/2013

# 2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Human Services

Bill/Resolution No. 1233 as (re) engrossed

Date: 4-26-13

Roll Call Vote #: 1

**Action Taken**

- HOUSE accede to Senate amendments
- HOUSE accede to Senate amendments and further amend
- SENATE recede from Senate amendments
- SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) ---

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Schmidt Seconded by: Rep. Owens

Representatives				Senators			
	4-26	Yes	No		4-26	Yes	No
Owens		✓		J. Lee			✓
Schmidt		✓		Wanzek			✓
Weisz			✓	O'Connell			✓

Vote Count Yes: 2 No: 4 Absent: \_\_\_\_\_

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

Hoghouse bill and turn it into a Study

# 2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Human Services

Bill/Resolution No. 1233 as (re) engrossed

Date: 4-26-13

Roll Call Vote #: 2

**Action Taken**

- HOUSE accede to Senate amendments
- HOUSE accede to Senate amendments and further amend
- SENATE recede from Senate amendments
- SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s) 1757-1757

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) 1233 was placed on the Seventh order of business on the calendar

Motion Made by: Sen. Wanzek Seconded by: Sen. O'Connell

Representatives				Yes	No	Senators				Yes	No
<u>OWENS</u>				✓		<u>J. Lee</u>				✓	
<u>SCHMIDT</u>				✓		<u>WANZEK</u>				✓	
<u>WEISZ</u>				✓		<u>O'CONNELL</u>				✓	

Vote Count Yes: 6 No: 0 Absent: \_\_\_\_\_

House Carrier Rep. Owens Senate Carrier Sen. J. Lee

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment

# 2013 HOUSE CONFERENCE COMMITTEE ROLL CALL VOTES

Committee: House Human Services

Bill/Resolution No. 1233 as (re) engrossed

Date: 5-1-13

Roll Call Vote #: 1

**Action Taken**

- HOUSE accede to Senate amendments
- HOUSE accede to Senate amendments and further amend
- SENATE recede from Senate amendments
- SENATE recede from Senate amendments and amend as follows

House/Senate Amendments on HJ/SJ page(s)     --    

- Unable to agree, recommends that the committee be discharged and a new committee be appointed

((Re) Engrossed) \_\_\_\_\_ was placed on the Seventh order of business on the calendar

Motion Made by: Rep. Schmitt Seconded by: Sen. J. Lee

Representatives				Senators			
	Y	N	A		Y	N	A
<u>Owens</u>	✓			<u>J. Lee</u>	✓		
<u>Walters</u>	✓			<u>Zupizek</u>	✓		
<u>Schmitt</u>	✓			<u>Dolgenrod</u>	✓		

Vote Count      Yes: 5      No: 1      Absent: \_\_\_\_\_

House Carrier \_\_\_\_\_ Senate Carrier \_\_\_\_\_

LC Number \_\_\_\_\_ of amendment

LC Number \_\_\_\_\_ of engrossment

Emergency clause added or deleted

Statement of purpose of amendment Motion to dissolve the Conference Committee.



**REPORT OF CONFERENCE COMMITTEE**

**HB 1233, as reengrossed:** Your conference committee (Sens. J. Lee, Wanzek, O'Connell and Reps. Owens, Schmidt, Weisz) recommends that the **HOUSE ACCEDE** to the Senate amendments as printed on HJ page 1757 and place HB 1233 on the Seventh order.

Reengrossed HB 1233 was placed on the Seventh order of business on the calendar.

**REPORT OF CONFERENCE COMMITTEE**

**HB 1233, as reengrossed:** Your conference committee (Sens. J. Lee, Wanzek, Dotzenrod and Reps. Owens, Schmidt, Weisz), having been unable to agree, recommends that the committee be discharged and a new committee be appointed.

**2013 TESTIMONY**

**HB 1233**

13.0394.01001  
Title.

Prepared by the Legislative Council staff for  
Representative Weisz  
February 4, 2013

#1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1233

Page 1, line 4, replace "a study of" with "the development of a plan for"

Page 4, line 1, replace "**STUDY -**" with "**DEVELOPMENT OF PLAN FOR**"

Page 4, line 3, remove "study and"

Page 4, line 6, after "programs" insert "by July 1, 2015"

Renumber accordingly

#2

**Testimony To  
THE HOUSE HUMAN SERVICES COMMITTEE  
Prepared February 5, 2013 by  
Terry Traynor, Assistant Director  
North Dakota Association of Counties**

**REGARDING HOUSE BILL No. 1233**

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 CY2013, counties can expect to pay the Department \$7 million in total – an estimated average property tax impact of 2.9 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. This table uses the taxable value used to build CY2012 county budgets, skewing the mill values slightly.

Our Associations can support the language of Section 1 of the bill as a 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 as introduced.

## Foster Care County Share Fixed Percentage Formula - CY 2013

Basis For New CY 2013 Formula					CY 2013 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	
Adams	0.0029116744	0.0035558239	0.0035724922	0.0020158738	0.0026839
Barnes	0.0157645959	0.0231722473	0.0178448173	0.0175355437	0.0174218
Benson	0.0042852691	0.0075173417	0.0085796165	0.0023834981	0.0042772
Billings	0.0000000000	0.0000000000	0.0000000000	0.0000000000	0.0000000
Bottineau	0.0085041670	0.0160083696	0.0115608614	0.0038782342	0.0077099
Bowman	0.0057338920	0.0102227618	0.0062201427	0.0031577983	0.0052010
Burke	0.0028597317	0.0047248812	0.0036181920	0.0004457276	0.0021565
Burleigh	0.1313860609	0.1179032703	0.1209020879	0.1143553917	0.1221771
Cass	0.2355685989	0.2107479274	0.2295834440	0.2564078394	0.2408237
Cavalier	0.0050672946	0.0128137367	0.0082242207	0.0017950299	0.0048487
Dickey	0.0085589953	0.0100448082	0.0088199581	0.0046660005	0.0071765
Divide	0.0024211049	0.0052650738	0.0039057029	0.0026986046	0.0029650
Dunn	0.0041640695	0.0069058372	0.0046792136	0.0015310946	0.0034366
Eddy	0.0031685020	0.0033088237	0.0031933177	0.0031281729	0.0031689
Emmons	0.0049258951	0.0069786766	0.0053978281	0.0002908676	0.0033244
Foster	0.0049662950	0.0064892890	0.0053306388	0.0058308174	0.0055008
Golden Valley	0.0035580719	0.0058736141	0.0024288592	0.0035537014	0.0036750
Grand Forks	0.0958168848	0.0848403567	0.0911471169	0.1534811192	0.1173179
Grant	0.0028539603	0.0044203993	0.0036550665	0.0059371995	0.0043240
Griggs	0.0029895884	0.0050709190	0.0038501259	0.0010328492	0.0025011
Hettinger	0.0031483021	0.0052063344	0.0040348873	0.0028830901	0.0033367
Kidder	0.0034368724	0.0053642490	0.0029181306	0.0000107729	0.0022073
LaMoure	0.0058666343	0.0094349019	0.0076736123	0.0034675184	0.0054445
Logan	0.0028164462	0.0037559889	0.0029062659	0.0000000000	0.0017928
McHenry	0.0080713115	0.0112310797	0.0075504334	0.0043468542	0.0068454
McIntosh	0.0034311010	0.0051221400	0.0040319675	0.0046754268	0.0041580
McKenzie	0.0076557703	0.0099184637	0.0098080393	0.0074804136	0.0080271
Dakota Central	0.0250767597	0.0337405365	0.0273161917	0.0089253251	0.0197065
Mercer	0.0000000000	0.0000000000	0.0000000000	0.0012186812	0.0004875
Morton	0.0465233049	0.0349930900	0.0348348999	0.0442616946	0.0432968
Mountrail	0.0068160307	0.0147173096	0.0115852409	0.0078843963	0.0085104
Nelson	0.0037283284	0.0070753885	0.0054694493	0.0016832614	0.0034191
Oliver	0.0000000000	0.0000000000	0.0000000000	0.0010166899	0.0004067
Pembina	0.0110435857	0.0167127441	0.0128723348	0.0080971605	0.0106148
Pierce	0.0063225754	0.0073573804	0.0056801925	0.0018354282	0.0045670
Lakes District	0.0206789482	0.0202262383	0.0200904410	0.0415738629	0.0289328
Ransom	0.0089197082	0.0096505094	0.0076496021	0.0020858975	0.0061323
Renville	0.0035580719	0.0056195591	0.0048301233	0.0008483637	0.0028075
Richland	0.0256741002	0.0252463995	0.0231875640	0.0165390530	0.0217287
Rolette	0.0055463213	0.0049801051	0.0142858451	0.0046390684	0.0060008
Sargent	0.0057656347	0.0087104294	0.0073463142	0.0026178081	0.0049591
Sheridan	0.0000000000	0.0000000000	0.0000000000	0.0000000000	0.0000000
Sioux	0.0015496226	0.0010819392	0.0033439998	0.0016671021	0.0017293
Slope	0.0000000000	0.0000000000	0.0000000000	0.0000000000	0.0000000
Stark	0.0370870559	0.0299010458	0.0372066190	0.0437149713	0.0390316
Steele	0.0026952467	0.0080922703	0.0035897922	0.0012159880	0.0027327
Stutsman	0.0300921116	0.0278330561	0.0310718834	0.0288659127	0.0294737
Towner	0.0000000000	0.0000000000	0.0000000000	0.0001238880	0.0000496
Traill	0.0126134081	0.0138053381	0.0119413452	0.0201681645	0.0156873
Walsh	0.0174585036	0.0166165918	0.0159359179	0.0087516126	0.0137393
Ward	0.1061390447	0.0780136861	0.0938566878	0.0826427473	0.0926998
Wells	0.0053616363	0.0093922714	0.0079173391	0.0028009469	0.0049960
Williams	0.0374189117	0.0303367960	0.0385511783	0.0598325357	0.0457889
<b>Total</b>	<b>1.0000000000</b>	<b>1.0000000000</b>	<b>1.0000000000</b>	<b>1.0000000000</b>	<b>1.0000000</b>



# Estimated HB 1233 Impact in Dollars & Mills by Human Service Agency

## Compiled from the DHS County Budget Guidelines - CY2013

County	Foster Care IV-E	Foster Care EA	Foster Care Regular	Sub-Adopt. Fed. Match County Share	Sub-Adopt. Reg. Match County Share	(Group/RCCF Rehab Services)	Therapeutic Services	SED Out-of-Home Care	TOTAL	Total in Mills
Adams	2,336	11,198	1,072	2,777	1,951	125	435	170	20,063	2.38
Barnes	13,634	65,358	6,255	18,024	12,667	730	2,540	990	120,198	2.13
Benson	3,281	15,728	1,505	4,425	3,110	176	611	238	29,074	1.10
Billings	Combined with Golden Valley									
Bottineau	6,026	28,886	2,765	7,976	5,606	323	1,122	438	53,142	1.37
Bowman/Slope	4,440	21,284	2,037	5,381	3,782	238	827	322	38,311	1.92
Burke	1,622	7,777	744	2,231	1,568	87	302	118	14,449	1.19
Burleigh	93,348	447,491	42,828	126,398	88,832	4,996	17,388	6,780	828,060	2.96
Cass	195,949	939,343	89,902	249,143	175,099	10,488	36,499	14,232	1,710,655	3.44
Cavalier	3,648	17,490	1,674	5,016	3,525	195	680	265	32,493	1.08
Dickey	6,823	32,710	3,131	7,424	5,218	365	1,271	496	57,438	2.43
Divide	2,106	10,097	966	3,067	2,156	113	392	153	19,051	1.40
Dunn	2,577	12,351	1,182	3,555	2,499	138	480	187	22,969	1.26
Eddy	2,669	12,795	1,225	3,278	2,304	143	497	194	23,105	2.83
Emmons	2,699	12,937	1,238	3,439	2,417	144	503	196	23,572	1.38
Foster	4,985	23,896	2,287	5,691	4,000	267	929	362	42,417	2.73
G. Valley/Billings	2,834	13,585	1,300	3,802	2,672	152	528	206	25,079	1.75
G. Forks	98,556	472,458	45,217	121,371	85,299	5,275	18,358	7,158	853,692	4.26
Grant	3,515	16,848	1,612	4,473	3,144	188	655	255	30,690	2.79
Griggs	1,864	8,936	855	2,588	1,818	100	347	135	16,643	1.31
Hettinger	2,485	11,912	1,140	3,452	2,426	133	463	180	22,191	1.53
Kidder	1,801	8,635	826	2,284	1,605	96	335	131	15,713	1.24
LaMoure	4,253	20,389	1,951	5,633	3,959	228	792	309	37,514	1.65
Logan	1,391	6,666	638	1,855	1,304	74	259	101	12,287	1.34
McHenry	5,855	28,066	2,686	7,082	4,977	313	1,091	425	50,494	1.87
McIntosh	3,866	18,533	1,774	4,302	3,023	207	720	281	32,705	2.58
McKenzie	5,204	24,948	2,388	8,304	5,836	279	969	378	48,307	1.80
McLean/Dak. Cntrl	16,245	77,878	7,453	21,312	14,978	870	3,026	1,180	142,943	1.71
Mercer	Combined with McLean/Dakota Central									
Morton	32,940	157,907	15,113	44,793	31,480	1,763	6,136	2,392	292,523	3.47
Mountrail	6,094	29,216	2,796	8,804	6,188	326	1,135	443	55,002	1.24
Nelson	2,682	12,857	1,230	3,537	2,486	144	500	195	23,631	1.29
Oliver	Combined with McLean/Dakota Central									
Pembina	7,844	37,603	3,599	10,981	7,718	420	1,461	570	70,196	1.72
Pierce	3,417	16,379	1,568	4,725	3,321	183	636	248	30,476	1.70
Ramsey/Lakes	21,846	104,724	10,023	29,983	21,072	1,169	4,069	1,587	194,472	3.99
Ransom	5,324	25,520	2,442	6,344	4,459	285	992	387	45,753	1.91
Renville	2,089	10,014	958	2,904	2,041	112	389	152	18,659	1.29
Richland	17,650	84,613	8,098	22,479	15,798	945	3,288	1,282	154,153	2.58
Rolette	4,530	21,715	2,078	6,208	4,363	242	844	329	40,310	3.32
Sargent	3,767	18,059	1,728	5,130	3,606	202	702	274	33,468	1.56
Sheridan	Combined with McLean/Dakota Central									
Sioux	1,254	6,013	575	1,789	1,257	67	234	91	11,281	4.40
Slope	Combined with Bowman									
Stark	32,322	154,945	14,829	40,380	28,379	1,730	6,020	2,348	280,953	3.72
Steele	2,084	9,991	956	2,827	1,987	112	388	151	18,496	0.86
Stutsman	22,692	108,781	10,411	30,492	21,430	1,215	4,227	1,648	200,896	3.01
Towner	Combined with Ramsey/Lakes District									
Trail	12,009	57,568	5,510	16,229	11,406	643	2,237	872	106,473	3.28
Walsh	13,174	63,154	6,044	14,214	9,990	705	2,454	957	110,692	2.76
Ward	71,781	344,103	32,933	95,902	67,400	3,842	13,370	5,213	634,544	3.35
Wells	4,350	20,855	1,996	5,169	3,632	233	810	316	37,361	1.63
Williams	35,724	171,254	16,390	47,371	33,292	1,909	6,652	2,593	315,186	4.04
<b>Total</b>	<b>\$797,582</b>	<b>\$3,823,464</b>	<b>\$365,932</b>	<b>\$ 1,034,544</b>	<b>\$ 727,080</b>	<b>\$ 42,690</b>	<b>\$ 148,563</b>	<b>\$ 57,928</b>	<b>\$6,997,783</b>	<b>2.88</b>

**NOTE:** The FMAP (Federal Matching Assistance Percentage) effective October 1, 2011 for federal fiscal year 2012 is 55.40%. The FMAP for budgeting purposes for federal fiscal year 2013 was estimated to be 55.4%. This is an estimate only as the final rate for 2013 has not yet been determined.



#3

TESTIMONY  
HUMAN SERVICE COMMITTEE  
HOUSE BILL 1233  
REPRESENTATIVE WEISZ, CHAIRMAN

Chairman Weisz and members of the House Human Service Committee, my name is Steven Reiser. I am the Director of Dakota Central Social Services and I am also a member of the ND Association of County Social Service Directors. I am here today in support of HB 1233.

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 payment responsibility for administration or staffing of the programs, but rather just the placement costs.

Counties currently pay up to 25% of the non-federal share of the placement costs for Foster Care, Subsidized Adoption, Medical Assistance costs of foster care placements and the costs for seriously emotionally disturbed children. Each county pays a share of that amount determined by a formula which is based on population of children, number of days children in foster care, property valuation and per capita income. This bill would have the State take over the present county share of the program costs of these programs. Counties would continue to pay the costs of administering the program for the State. Placement costs are the dollars expended to pay for the daily care of children, whereas county administrative costs pay for our staff expenses and salaries.

According to DHS last fiscal year's counties paid 5.1 million dollars in foster care costs, 1.3 million dollars in subsidizes adoption costs, \$176,000 in Medical assistance costs and \$100,000 in SED costs. Totally the cost was approximately 6.6 million dollars. For Dakota Central Social Service the total expended for these programs was \$158,821.

Chairman Weisz and members of the Committee, thank you for the opportunity to provide testimony on HB 1233. I would be happy to attempt to address any questions you may have.

#1

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1233

Page 1, line 1, replace "sections" with "section"

Page 1, line 1, remove ", 50-03-08, 50-06-20, 50-09-27, and"

Page 1, line 2, remove "50-24.1-14"

Page 1, line 2, remove "; to"

Page 1, remove line 3

Page 1, line 4, remove "subsidized adoption costs"

Page 1, line 4, after "for" insert "payment by the department of human services for certain social service programs and to provide for"

Page 2, remove lines 4 through 31

Page 3, replace lines 1 through 30 with:

**"SECTION 2. DEPARTMENT OF HUMAN SERVICES TO PAY LOCAL EXPENSES OF ADMINISTRATION OF CERTAIN SOCIAL SERVICE PROGRAMS.** Notwithstanding sections 50-03-08, 50-06.2-05.1, 50-09-21.1, and 50-24.1-14, or any other provision in title 50 to the contrary, the department of human services shall pay the county share of, and the local expenses of administration incurred by, a county for the foster care, subsidized adoption, and service payments for the elderly and disabled programs. The foster care program includes family preservation programs. The department shall pay the county share and local expenses of administration under this section during the 2013 – 2015 biennium, pending the outcome of the study to be performed pursuant to section 3 of this Act. The department of human services shall develop a process by which the department and a county will determine whether to fill a vacant county social service position that has responsibility for any portion of the programs identified in this section. No county social service employee may receive a salary increase in excess of the increase authorized by the legislative assembly for state employees."

Page 4, after line 9, insert:

**"SECTION 5. EXPIRATION DATE.** Section 2 of this Act is effective through July 31, 2015, and after that date is ineffective."

ReNUMBER accordingly

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1233

Page 1, line 1, replace "sections" with "section"

Page 1, line 1, remove ", 50-03-08, 50-06-20, 50-09-27, and"

Page 1, line 2, remove "50-24.1-14"

Page 1, line 2, remove "; to"

Page 1, remove line 3

Page 1, line 4, remove "subsidized adoption costs"

Page 1, line 4, after "for" insert "payment by the department of human services for certain social service programs and to provide for"

Page 2, remove lines 4 through 31

Page 3, replace lines 1 through 30 with:

**"SECTION 2. DEPARTMENT OF HUMAN SERVICES TO PAY LOCAL EXPENSES OF ADMINISTRATION OF CERTAIN SOCIAL SERVICE PROGRAMS.**

Notwithstanding sections 50-03-08, 50-06.2-05.1, 50-09-21.1, and 50-24.1-14, or any other provision in title 50 to the contrary, the department of human services shall pay the county share of a county for the foster care, subsidized adoption, and service payments for the elderly and disabled programs. The foster care program includes family preservation programs. Notwithstanding any provision in title 50 to the contrary, the department of human services also shall pay the local expenses of administration incurred by a county for all social services delivered by the county at the direction of the department of human services under title 50. The department shall pay the county share and local expenses of administration under this section during the 2013 – 2015 biennium, pending the outcome of the study to be performed pursuant to section 3 of this Act. The department of human services shall develop a process by which the department and a county will determine whether to fill a vacant county social service position that has responsibility for any portion of the programs delivered by the county at the direction of the department of human services under title 50. No county social service employee may receive a salary increase in excess of the increase authorized by the legislative assembly for state employees."

Page 4, after line 9, insert:

**"SECTION 5. EXPIRATION DATE.** Section 2 of this Act is effective through July 31, 2015, and after that date is ineffective."

Renumber accordingly

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1233

Page 1, line 1, after "A BILL" replace the remainder of the bill with "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 and subsection 34 of section 57-15-06.7 of the North Dakota Century Code, relating to the county social service board budget, programs funded at state expense, and county tax levy limitations; to repeal sections 50-06.2-05.1 and 50-09-21.1, subsection 26 of section 57-15-06.7, and section 57-15-57 of the North Dakota Century Code, relating to foster care and subsidized adoption costs and a levy for county welfare; to provide for a legislative management study; to provide an effective date; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**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.**

1. 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.
2. The departmental budget submitted by the county social service board in 2013 must identify the reduction in county funding derived from transferring foster care, service payments to the elderly and disabled, and subsidized adoption costs pursuant to sections 3, 4, and 7 of this Act and the county's share of medical assistance and other family preservation services pursuant to sections 2 and 5 of this Act from the county social service board to the department of human services beginning August 1, 2013. The amount reported must equal the full amount budgeted for these costs in the budget submitted by the county social service board and approved by the board of county commissioners in 2012. The budget must include a 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.

**SECTION 2. AMENDMENT.** Section 50-03-08 of the North Dakota Century Code is amended and reenacted as follows:

**50-03-08. Appropriation for county social service board administration and programs.**

The board of county commissioners of each county annually shall appropriate and make available to the human services fund an amount sufficient to pay:

1. ~~The~~ the local expenses of administration of locally administered economic assistance programs;
2. ~~That county's share of fifteen percent of the amount expended in this state, in excess of the amount provided by the federal government, for medical assistance in the form of payments for care furnished to recipients of therapeutic foster care services; and~~
3. ~~That county's share of the cost of other family preservation services, including intensive in-home services, provided under title VI-B, subpart 2, of the Social Security Act [Pub. L. 103-66, title XIII, 13711(a)(2); 107 Stat. 649 et seq.; 42 U.S.C. 629 et seq.], as amended, as may be agreed to by the department and the county social service board.~~

**SECTION 3. AMENDMENT.** Section 50-06-20 of the North Dakota Century Code is amended and reenacted as follows:

**50-06-20. Programs funded at state expense - Interpretation.**

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
  - a. Except as provided in section 50-24.1-14, medical assistance program services provided under chapter 50-24.1;
  - b. ~~Benefits~~Energy assistance program benefits provided under subsection 19 of section 50-06-05.1;
  - c. Supplements provided under chapter 50-24.5 as basic care services;
  - d. ~~Services provided under chapter 50-09 as child care assistance;~~
  - e. ~~Services provided under chapter 50-09 as employment and training programs~~Those services, programs, and costs listed in section 50-09-27;
  - f.e. Welfare fraud detection programs;
  - g.f. Temporary assistance for needy families; and
  - h.g. Special projects approved by the department and agreed to by any affected county social service board.
2. The state shall bear the cost of amounts expended for service payments to the elderly and disabled.
3. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.



**SECTION 4. AMENDMENT.** Section 50-09-27 of the North Dakota Century Code is amended and reenacted as follows:

**50-09-27. Programs funded at state expense - Interpretation.**

1. The state shall bear the cost, in excess of the amount provided by the federal government, of:
  - a. Services provided under ~~section 50-06-06.8~~ and this chapter as child care assistance;
  - b. Services provided under this chapter as employment and training programs; ~~and~~
  - c. Temporary assistance for needy families benefits provided under this chapter;
  - d. Foster care and subsidized adoption costs under this chapter.
2. This section does not grant any recipient of services, benefits, or supplements identified in subsection 1, any service, benefit, or supplement that a recipient could not claim in the absence of this section.

**SECTION 5. AMENDMENT.** Section 50-24.1-14 of the North Dakota Century Code is amended and reenacted as follows:

**50-24.1-14. Responsibility for expenditures - Exceptions.**

1. Except as otherwise specifically provided in ~~subsection 2~~ and section 50-03-08, expenditures required under this chapter are the responsibility of the federal government or the state of North Dakota.
2. ~~Each county shall reimburse the department of human services the amount required to be appropriated under subsection 3 of section 50-03-08.~~

**SECTION 6. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota Century Code is amended and reenacted as follows:

34. Counties levying an annual tax for human services purposes as provided in section 50-06.2-05 may levy a tax not exceeding ~~twenty~~twenty-five mills.

**SECTION 7. REPEAL.** Sections 50-06.2-05.1 and 50-09-21.1 of the North Dakota Century Code are repealed.

**SECTION 8. REPEAL.** Subsection 26 of section 57-15-06.7 of the North Dakota Century Code is repealed.

**SECTION 9. REPEAL.** Section 57-15-57 of the North Dakota Century Code is repealed.

**SECTION 10. LEGISLATIVE MANAGEMENT STUDY - ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS.** During the 2013-14 interim, the legislative management shall consider studying the restructuring of the administration and funding of all state and county social services programs. The study must address the feasibility and desirability of unifying all state and county social

services programs into state-administered and state-funded social services programs. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement those recommendations, to the sixty-fourth legislative assembly.

**SECTION 11. EFFECTIVE DATE.** Sections 6, 8, and 9 of this Act are effective for taxable years beginning after December 31, 2013.

**SECTION 12. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2013, and after that date is ineffective."

Renumber accordingly

Testimony To

**THE SENATE HUMAN SERVICES COMMITTEE**

Prepared Tuesday, March 12, 2013 by

Terry Traynor, Assistant Director

North Dakota Association of Counties

**REGARDING REENGROSSED HOUSE BILL No. 1233**

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

While HB1233 was amended to include state assumption of the 5% "county share" of the Service Payments to the Elderly and Disabled (SPED), this is only \$298,000 of the county costs addressed by this bill. As introduced this session, and in prior sessions, this bill focuses on child welfare grant and service costs associated with Foster Care and its related programs. We believe this proposal to shift the burden of these costs from property tax is wise policy from multiple perspectives.

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; while 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. This formula is described in NDCC 50-09-21.1 (on Page 4 of this testimony) which is repealed by section 7 of the bill.

The costs addressed by the bill are projected annually in budget instructions received by the counties from DHS each summer. The most recent projections have been reproduced in the second table (page 5). This shows each county (or multi-county) unit's expected costs for the current calendar year in each category covered by the bill. 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. This table uses the 2012 taxable value used to build CY2013 county budgets to keep the costs and revenues in the same budget year. For CY2013, an average property tax impact of 2.9 mills is estimated.

We recognize that many legislators view this proposal as more of a straight forward property tax relief measure, rather than as a policy decision that places costs with the entity having greater control and responsibility. We appreciate that view as well. As the final table (page 6) indicates, the cost of county social services is, and has been for quite some time, the single largest property tax cost for county government. And while counties would argue that they have limited control over the administrative costs driven by staffing, payroll, and benefits (also dictated to some degree by federal and state policy), each county's grant costs addressed in this bill are completely beyond the control of county boards.

Our Associations can therefore support the language of Sections 1 and 6 of the bill, as well as the repeal of an unused, and largely unusable, levy authority in sections 8 and 9.

Chairman Lee and committee members, the North Dakota Association of Counties and the North Dakota County Commissioners Association, request a "Do Pass" recommendation on Engrossed House Bill 1233.

**SECTIONS REPEALED BY REENGROSSED HOUSE BILL 1233**

**50-06.2-05.1. County share of service payments to elderly and disabled.** Each county in this state shall reimburse the department of human services for amounts expended for service payments to the elderly and disabled in that county in excess of the amount provided by the federal government, in the amount of five percent.

(Repealed by Sec. 7, HB1233)

~~~~~ /// ~~~~~

**50-09-21.1. County share of foster care costs.**

1. For all periods after January 1, 1998, each county shall reimburse the state agency, upon claim being made therefor by the state agency, for that county's share of one-fourth of the amount expended in the state in excess of any amount provided by the federal government under title IV-E for payments on behalf of children approved and granted foster care for children or subsidized adoption, without regard to that child's eligibility for benefits under title IV-E.
2. Each county's share of all counties' shares must be calculated under a formula established by the state agency through consultation with county representatives. The formula must:
  - a. Include consideration of the most recent census data or official census estimates of the number of youth in each county;
  - b. Include consideration of recent expenditures for foster care for youth from each county; and
  - c. Be established by policy, and not by rule.

(Repealed by Sec. 7, HB1233)

~~~~~ /// ~~~~~

**57-15-06.7. Additional levies -- Exceptions to tax levy limitations in counties.** The tax levy limitations specified in section 57-15-06 do not apply to the following mill levies, which are expressed in mills per dollar of taxable valuation of property in the county:

.....

26. A county levying a tax for county welfare in accordance with section 57-15-57 may levy a tax not exceeding two mills.

(Repealed by Sec. 8, HB1233)

~~~~~ /// ~~~~~

**57-15-57. Levy for county welfare.** The board of county commissioners, when authorized by sixty percent of the qualified electors voting on the question in a regular election or special election called by the county commissioners, may levy an annual tax not exceeding the limitation in subsection 26 of section 57-15-06.7 for county welfare purposes. The proceeds of this levy must be used solely and exclusively for county welfare purposes, as determined by the county social service board. The levy may be discontinued at the discretion of the county commissioners or, upon petition of five percent of the qualified electors of such county, the question of discontinuance of the levy must be submitted to the qualified electors of the county at any regular or special election and, upon a favorable vote of sixty percent of the qualified electors voting, the levy must be discontinued.

(Repealed by Sec. 9, HB1233)



## Foster Care County Share Fixed Percentage Formula - CY 2013

| <b>Basis For New CY 2013 Formula</b> |                                                |                                                  |                                                     |                                                                                           | <b>CY 2013<br/>Formula</b> |
|--------------------------------------|------------------------------------------------|--------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------------------------------------------|----------------------------|
| <b>Weight</b>                        | <b>40%</b>                                     | <b>10%</b>                                       | <b>10%</b>                                          | <b>40%</b>                                                                                |                            |
|                                      | <b>Persons Under<br/>15<br/>3-Year Average</b> | <b>Property<br/>Valuation<br/>3-Year Average</b> | <b>Total Personal<br/>Income<br/>3-Year Average</b> | <b>Children DAYS<br/>by County of<br/>Financial<br/>Responsibility<br/>3-Year Average</b> |                            |
| <b>Adams</b>                         | 0.0029116744                                   | 0.0035558239                                     | 0.0035724922                                        | 0.0020158738                                                                              | <b>0.0026839</b>           |
| <b>Barnes</b>                        | 0.0157645959                                   | 0.0231722473                                     | 0.0178448173                                        | 0.0175355437                                                                              | <b>0.0174218</b>           |
| <b>Benson</b>                        | 0.0042852691                                   | 0.0075173417                                     | 0.0085796165                                        | 0.0023834981                                                                              | <b>0.0042772</b>           |
| <b>Billings</b>                      | 0.0000000000                                   | 0.0000000000                                     | 0.0000000000                                        | 0.0000000000                                                                              | <b>0.0000000</b>           |
| <b>Bottineau</b>                     | 0.0085041670                                   | 0.0160083696                                     | 0.0115608614                                        | 0.0038782342                                                                              | <b>0.0077099</b>           |
| <b>Bowman</b>                        | 0.0057338920                                   | 0.0102227618                                     | 0.0062201427                                        | 0.0031577983                                                                              | <b>0.0052010</b>           |
| <b>Burke</b>                         | 0.0028597317                                   | 0.0047248812                                     | 0.0036181920                                        | 0.0004457276                                                                              | <b>0.0021565</b>           |
| <b>Burleigh</b>                      | 0.1313860609                                   | 0.1179032703                                     | 0.1209020879                                        | 0.1143553917                                                                              | <b>0.1221771</b>           |
| <b>Cass</b>                          | 0.2355685989                                   | 0.2107479274                                     | 0.2295834440                                        | 0.2564078394                                                                              | <b>0.2408237</b>           |
| <b>Cavalier</b>                      | 0.0050672946                                   | 0.0128137367                                     | 0.0082242207                                        | 0.0017950299                                                                              | <b>0.0048487</b>           |
| <b>Dickey</b>                        | 0.0085589953                                   | 0.0100448082                                     | 0.0088199581                                        | 0.0046660005                                                                              | <b>0.0071765</b>           |
| <b>Divide</b>                        | 0.0024211049                                   | 0.0052650738                                     | 0.0039057029                                        | 0.0026986046                                                                              | <b>0.0029650</b>           |
| <b>Dunn</b>                          | 0.0041640695                                   | 0.0069058372                                     | 0.0046792136                                        | 0.0015310946                                                                              | <b>0.0034366</b>           |
| <b>Eddy</b>                          | 0.0031685020                                   | 0.0033088237                                     | 0.0031933177                                        | 0.0031281729                                                                              | <b>0.0031689</b>           |
| <b>Emmons</b>                        | 0.0049258951                                   | 0.0069786766                                     | 0.0053978281                                        | 0.0002908676                                                                              | <b>0.0033244</b>           |
| <b>Foster</b>                        | 0.0049662950                                   | 0.0064892890                                     | 0.0053306388                                        | 0.0058308174                                                                              | <b>0.0055008</b>           |
| <b>Golden Valley</b>                 | 0.0035580719                                   | 0.0058736141                                     | 0.0024288592                                        | 0.0035537014                                                                              | <b>0.0036750</b>           |
| <b>Grand Forks</b>                   | 0.0958168848                                   | 0.0848403567                                     | 0.0911471169                                        | 0.1534811192                                                                              | <b>0.1173179</b>           |
| <b>Grant</b>                         | 0.0028539603                                   | 0.0044203993                                     | 0.0036550665                                        | 0.0059371995                                                                              | <b>0.0043240</b>           |
| <b>Griggs</b>                        | 0.0029895884                                   | 0.0050709190                                     | 0.0038501259                                        | 0.0010328492                                                                              | <b>0.0025011</b>           |
| <b>Hettinger</b>                     | 0.0031483021                                   | 0.0052063344                                     | 0.0040348873                                        | 0.0028830901                                                                              | <b>0.0033367</b>           |
| <b>Kidder</b>                        | 0.0034368724                                   | 0.0053642490                                     | 0.0029181306                                        | 0.0000107729                                                                              | <b>0.0022073</b>           |
| <b>LaMoure</b>                       | 0.0058666343                                   | 0.0094349019                                     | 0.0076736123                                        | 0.0034675184                                                                              | <b>0.0054445</b>           |
| <b>Logan</b>                         | 0.0028164462                                   | 0.0037559889                                     | 0.0029062659                                        | 0.0000000000                                                                              | <b>0.0017928</b>           |
| <b>McHenry</b>                       | 0.0080713115                                   | 0.0112310797                                     | 0.0075504334                                        | 0.0043468542                                                                              | <b>0.0068454</b>           |
| <b>McIntosh</b>                      | 0.0034311010                                   | 0.0051221400                                     | 0.0040319675                                        | 0.0046754268                                                                              | <b>0.0041580</b>           |
| <b>McKenzie</b>                      | 0.0076557703                                   | 0.0099184637                                     | 0.0098080393                                        | 0.0074804136                                                                              | <b>0.0080271</b>           |
| <b>Dakota Central</b>                | 0.0250767597                                   | 0.0337405365                                     | 0.0273161917                                        | 0.0089253251                                                                              | <b>0.0197065</b>           |
| <b>Mercer</b>                        | 0.0000000000                                   | 0.0000000000                                     | 0.0000000000                                        | 0.0012186812                                                                              | <b>0.0004875</b>           |
| <b>Morton</b>                        | 0.0465233049                                   | 0.0349930900                                     | 0.0348348999                                        | 0.0442616946                                                                              | <b>0.0432968</b>           |
| <b>Mountrail</b>                     | 0.0068160307                                   | 0.0147173096                                     | 0.0115852409                                        | 0.0078843963                                                                              | <b>0.0085104</b>           |
| <b>Nelson</b>                        | 0.0037283284                                   | 0.0070753885                                     | 0.0054694493                                        | 0.0016832614                                                                              | <b>0.0034191</b>           |
| <b>Oliver</b>                        | 0.0000000000                                   | 0.0000000000                                     | 0.0000000000                                        | 0.0010166899                                                                              | <b>0.0004067</b>           |
| <b>Pembina</b>                       | 0.0110435857                                   | 0.0167127441                                     | 0.0128723348                                        | 0.0080971605                                                                              | <b>0.0106148</b>           |
| <b>Pierce</b>                        | 0.0063225754                                   | 0.0073573804                                     | 0.0056801925                                        | 0.0018354282                                                                              | <b>0.0045670</b>           |
| <b>Lakes District</b>                | 0.0206789482                                   | 0.0202262383                                     | 0.0200904410                                        | 0.0415738629                                                                              | <b>0.0289328</b>           |
| <b>Ransom</b>                        | 0.0089197082                                   | 0.0096505094                                     | 0.0076496021                                        | 0.0020858975                                                                              | <b>0.0061323</b>           |
| <b>Renville</b>                      | 0.0035580719                                   | 0.0056195591                                     | 0.0048301233                                        | 0.0008483637                                                                              | <b>0.0028075</b>           |
| <b>Richland</b>                      | 0.0256741002                                   | 0.0252463995                                     | 0.0231875640                                        | 0.0165390530                                                                              | <b>0.0217287</b>           |
| <b>Rolette</b>                       | 0.0055463213                                   | 0.0049801051                                     | 0.0142858451                                        | 0.0046390684                                                                              | <b>0.0060008</b>           |
| <b>Sargent</b>                       | 0.0057656347                                   | 0.0087104294                                     | 0.0073463142                                        | 0.0026178081                                                                              | <b>0.0049591</b>           |
| <b>Sheridan</b>                      | 0.0000000000                                   | 0.0000000000                                     | 0.0000000000                                        | 0.0000000000                                                                              | <b>0.0000000</b>           |
| <b>Sioux</b>                         | 0.0015496226                                   | 0.0010819392                                     | 0.0033439998                                        | 0.0016671021                                                                              | <b>0.0017293</b>           |
| <b>Slope</b>                         | 0.0000000000                                   | 0.0000000000                                     | 0.0000000000                                        | 0.0000000000                                                                              | <b>0.0000000</b>           |
| <b>Stark</b>                         | 0.0370870559                                   | 0.0299010458                                     | 0.0372066190                                        | 0.0437149713                                                                              | <b>0.0390316</b>           |
| <b>Steele</b>                        | 0.0026952467                                   | 0.0080922703                                     | 0.0035897922                                        | 0.0012159880                                                                              | <b>0.0027327</b>           |
| <b>Stutsman</b>                      | 0.0300921116                                   | 0.0278330561                                     | 0.0310718834                                        | 0.0288659127                                                                              | <b>0.0294737</b>           |
| <b>Towner</b>                        | 0.0000000000                                   | 0.0000000000                                     | 0.0000000000                                        | 0.0001238880                                                                              | <b>0.0000496</b>           |
| <b>Traill</b>                        | 0.0126134081                                   | 0.0138053381                                     | 0.0119413452                                        | 0.0201681645                                                                              | <b>0.0156873</b>           |
| <b>Walsh</b>                         | 0.0174585036                                   | 0.0166165918                                     | 0.0159359179                                        | 0.0087516126                                                                              | <b>0.0137393</b>           |
| <b>Ward</b>                          | 0.1061390447                                   | 0.0780136861                                     | 0.0938566878                                        | 0.0826427473                                                                              | <b>0.0926998</b>           |
| <b>Wells</b>                         | 0.0053616363                                   | 0.0093922714                                     | 0.0079173391                                        | 0.0028009469                                                                              | <b>0.0049960</b>           |
| <b>Williams</b>                      | 0.0374189117                                   | 0.0303367960                                     | 0.0385511783                                        | 0.0598325357                                                                              | <b>0.0457889</b>           |
| <b>Total</b>                         | <b>1.0000000000</b>                            | <b>1.0000000000</b>                              | <b>1.0000000000</b>                                 | <b>1.0000000000</b>                                                                       | <b>1.0000000</b>           |

**Estimated HB 1233 Impact in Dollars & Mills by Human Service Agency  
Compiled from the DHS County Budget Guidelines - CY2013**

| County             | Foster Care Maintenance     | Subsidized Adoption | FC Medical     | In-Home Services | SPED           | TOTAL             | Total in Mills * |  |
|--------------------|-----------------------------|---------------------|----------------|------------------|----------------|-------------------|------------------|--|
| Adams              | 15,298                      | 4,728               | 707            | 5,758            | 6,822          | 33,313            | 3.36             |  |
| Barnes             | 99,301                      | 30,691              | 4,591          | 119,307          | 3,493          | 257,383           | 4.17             |  |
| Benson             | 24,379                      | 7,535               | 1,126          | -                | 7,849          | 40,889            | 1.26             |  |
| Billings           | Combined with Golden Valley |                     |                |                  |                |                   |                  |  |
| Bottineau          | 43,945                      | 13,582              | 2,032          | 89,538           | 3,442          | 152,539           | 3.21             |  |
| Bowman/Slope       | 29,645                      | 9,163               | 1,370          | -                | 304            | 40,481            | 1.74             |  |
| Burke              | 12,292                      | 3,799               | 568            | 5,000            | 459            | 22,118            | 1.32             |  |
| Burleigh           | 696,387                     | 215,230             | 32,193         | 472,988          | 20,178         | 1,436,976         | 4.78             |  |
| Cass               | 1,372,652                   | 424,242             | 63,454         | 1,194,409        | 32,029         | 3,086,786         | 5.92             |  |
| Cavalier           | 27,637                      | 8,541               | 1,277          | 163,871          | 2,981          | 204,307           | 5.72             |  |
| Dickey             | 40,905                      | 12,642              | 1,890          | 151,013          | 3,454          | 209,903           | 7.87             |  |
| Divide             | 16,900                      | 5,223               | 781            | 13,000           | 546            | 36,450            | 1.87             |  |
| Dunn               | 19,588                      | 6,054               | 906            | -                | 707            | 27,255            | 1.11             |  |
| Eddy               | 18,062                      | 5,582               | 836            | 26,784           | 735            | 51,999            | 5.08             |  |
| Emmons             | 18,948                      | 5,856               | 876            | -                | 3,761          | 29,442            | 1.44             |  |
| Foster             | 31,354                      | 9,691               | 1,449          | 2,629            | 191            | 45,313            | 2.69             |  |
| G. Valley/Billings | 20,947                      | 6,474               | 968            | 10,300           | 775            | 39,464            | 2.32             |  |
| G. Forks           | 668,691                     | 206,670             | 30,911         | 308,676          | 30,535         | 1,245,483         | 5.87             |  |
| Grant              | 24,646                      | 7,617               | 1,139          | 4,182            | 751            | 38,335            | 2.83             |  |
| Griggs             | 14,256                      | 4,406               | 659            | 35,606           | 296            | 55,223            | 3.68             |  |
| Hettinger          | 19,019                      | 5,878               | 879            | 3,000            | 1,098          | 29,874            | 1.60             |  |
| Kidder             | 12,581                      | 3,889               | 582            | 2,614            | -              | 19,666            | 1.44             |  |
| LaMoure            | 31,033                      | 9,592               | 1,435          | -                | 1,571          | 43,631            | 1.60             |  |
| Logan              | 10,219                      | 3,159               | 472            | 1,250            | 174            | 15,273            | 1.39             |  |
| McHenry            | 39,018                      | 12,059              | 1,804          | 12,923           | 1,642          | 67,446            | 2.16             |  |
| McIntosh           | 23,700                      | 7,325               | 1,095          | 9,900            | 856            | 42,876            | 3.11             |  |
| McKenzie           | 45,753                      | 14,140              | 2,115          | 30,000           | 530            | 92,538            | 1.99             |  |
| McLean/Dak. Crnr   | 117,420                     | 36,290              | 5,430          | 21,909           | 9,534          | 190,584           | 1.97             |  |
| Mercer             | Part of Dakota Central      |                     |                |                  |                |                   |                  |  |
| Morton             | 246,784                     | 76,273              | 11,408         | 149,777          | 7,233          | 491,475           | 5.39             |  |
| Mountrail          | 48,508                      | 14,992              | 2,242          | 50,732           | 12,604         | 129,078           | 2.22             |  |
| Nelson             | 19,488                      | 6,023               | 900            | -                | 2,220          | 28,631            | 1.44             |  |
| Oliver             | Part of Dakota Central      |                     |                |                  |                |                   |                  |  |
| Pembina            | 60,502                      | 18,699              | 2,797          | 100,000          | 4,429          | 186,427           | 4.01             |  |
| Pierce             | 26,031                      | 8,046               | 1,203          | 17,168           | 9,598          | 62,046            | 2.80             |  |
| Ramsey/Lakes       | 165,195                     | 51,055              | 7,626          | 70,815           | 23,928         | 318,618           | 5.53             |  |
| Ransom             | 34,953                      | 10,803              | 1,627          | -                | 2,026          | 49,409            | 1.85             |  |
| Renville           | 16,002                      | 4,945               | 739            | 5,000            | 1,106          | 27,792            | 1.51             |  |
| Richland           | 123,850                     | 38,277              | 5,725          | 157,586          | 8,475          | 333,912           | 5.07             |  |
| Rolette            | 34,203                      | 10,571              | 1,582          | 30,000           | 39,472         | 115,828           | 7.83             |  |
| Sargent            | 28,266                      | 8,736               | 1,307          | 90,124           | 1,107          | 129,540           | 5.04             |  |
| Sheridan           | Part of Dakota Central      |                     |                |                  |                |                   |                  |  |
| Sioux              | 9,857                       | 3,046               | 456            | -                | 1,630          | 14,989            | 4.70             |  |
| Slope              | Combined with Bowman        |                     |                |                  |                |                   |                  |  |
| Stark              | 222,473                     | 68,759              | 10,283         | 485,433          | 15,484         | 802,432           | 8.65             |  |
| Steele             | 15,576                      | 4,814               | 719            | -                | -              | 21,109            | 0.83             |  |
| Stutsman           | 167,995                     | 51,922              | 7,766          | 104,390          | 1,897          | 333,970           | 4.59             |  |
| Towner             | Part of Lakes District      |                     |                |                  |                |                   |                  |  |
| Trail              | 89,415                      | 27,635              | 4,134          | 106,849          | 4,145          | 232,178           | 6.18             |  |
| Walsh              | 78,312                      | 24,204              | 3,621          | 139,159          | 6,709          | 252,005           | 5.88             |  |
| Ward               | 528,372                     | 163,302             | 24,425         | 207,987          | 14,400         | 938,486           | 4.17             |  |
| Wells              | 28,476                      | 8,801               | 1,317          | 2,629            | 2,211          | 43,435            | 1.57             |  |
| Williams           | 260,988                     | 80,663              | 12,063         | 285,404          | 4,444          | 643,563           | 8.24             |  |
| <b>Total</b>       | <b>5,699,820</b>            | <b>1,761,624</b>    | <b>263,485</b> | <b>4,687,710</b> | <b>297,830</b> | <b>12,710,468</b> | <b>3.60</b>      |  |

*NOTE: The FMAP (Federal Matching Assistance Percentage) effective October 1, 2012 for federal fiscal year 2013 is 52.27%. The FMAP for budgeting purposes for federal fiscal year 2014 was estimated to be 50.0%. This is an estimate only as the final rate for 2014 has not yet been determined.*

\* Taxable value for CY2013 budgets was used, except for William Co. which is the value for the previous year.



# 2011 County Property Tax Revenue (Statewide Total - \$214 Million)

| Use of Revenue by Category                      | Total Dollars | Avg. Mills | % of Co. Prop. Tax |
|-------------------------------------------------|---------------|------------|--------------------|
| Social Services                                 | \$ 43,346,672 | 18.94      | 20.1%              |
| Sheriff & County Corrections                    | \$ 41,419,507 | 18.09      | 19.2%              |
| Roads (Including Emerg. Levy & Unorg.Twp.Rd.)   | \$ 38,178,896 | 16.68      | 17.7%              |
| Central Services (Bldg, Util. HR, Admin, Other) | \$ 13,026,598 | 5.69       | 6.1%               |
| Water Resource Districts                        | \$ 8,350,360  | 3.65       | 3.9%               |
| State's Attorney/Prosecution                    | \$ 6,493,840  | 2.84       | 3.0%               |
| Auditor/Finance/Elections                       | \$ 6,404,146  | 2.80       | 3.0%               |
| Information Technology (all Dept.)              | \$ 5,869,368  | 2.56       | 2.7%               |
| Recorder/Clerk                                  | \$ 4,807,594  | 2.10       | 2.2%               |
| Public Health                                   | \$ 4,685,651  | 2.05       | 2.2%               |
| Treasurer (Tax/revenue collection, invest)      | \$ 4,287,369  | 1.87       | 2.0%               |
| Weed Control                                    | \$ 4,216,629  | 1.84       | 2.0%               |
| County Commission                               | \$ 3,950,960  | 1.73       | 1.8%               |
| Extension Service                               | \$ 3,570,996  | 1.56       | 1.7%               |
| Tax Director (Assessment)                       | \$ 3,067,532  | 1.34       | 1.4%               |
| Indigent Representation *                       | \$ 2,720,249  | 1.19       | 1.3%               |
| Senior Services (Transit, Meals, etc.)          | \$ 2,702,345  | 1.18       | 1.3%               |
| County Library                                  | \$ 2,623,625  | 1.15       | 1.2%               |
| Job Development & Planning                      | \$ 2,476,058  | 1.08       | 1.2%               |
| Emergency Management                            | \$ 2,343,170  | 1.02       | 1.1%               |
| Emerg. Medical Services                         | \$ 2,116,777  | 0.92       | 1.0%               |
| County/Multi-County Fairs                       | \$ 1,418,676  | 0.62       | 0.7%               |
| Veteran's Services                              | \$ 1,370,386  | 0.60       | 0.6%               |
| County Parks                                    | \$ 1,315,828  | 0.57       | 0.6%               |
| County Superintendent of Schools                | \$ 1,219,837  | 0.53       | 0.6%               |
| Historical Society                              | \$ 402,651    | 0.18       | 0.2%               |
| Public Notice/Publication                       | \$ 314,424    | 0.14       | 0.1%               |
| Abandoned Cemetery                              | \$ 15,424     | 0.01       | 0.0%               |
| <b>Levies not as widely used</b>                |               |            |                    |
| County Airport (23 Counties)                    | \$ 1,110,480  |            | 0.5%               |
| Vector Control (5 Counties)                     | \$ 588,575    |            | 0.3%               |
| Weather Modification (5 Counties)               | \$ 456,923    |            | 0.2%               |
| Specials Paid to Cities (7 Counties)            | \$ 174,372    |            | 0.1%               |
| County Hospitals (2 Counties)                   | \$ 131,005    |            | 0.1%               |

\* Indigent Representation includes civil indigent defense for mental health and sexually dangerous individual commitments, guardian ad litem in private civil cases, and public administrators assigned by state district court.

North Dakota Senate Human Services Committee

March 12, 2013

House Bill 1233

By Steven J. Reiser, Director – Dakota Central Social Services

Chairman Lee and members of the Senate Human Services Committee, my name is Steven J. Reiser, Director of Dakota Central Social Services and member of the North Dakota County Social Service Director’s Association. I speak in support of House Bill 1233.

As County Social Service Agencies, we act as designee of the ND Department of Human Services. In this role, counties act as “worker bees” performing the role of providing direct service to the citizens of North Dakota. As a partner in providing human services in our state, counties face many challenges. Examples include changes in federal regulations, federal funding, state policy, state funding, and the ripple impact upon the local level. The complexity grows with requirements to meet local need, provide quality and appropriate service, and operate in the best interests of our taxpayers.

HB 1233 will assist counties with transferring the program cost of foster care, subsidized adoption, SPED, family preservation, and foster care medical assistance costs. While counties are the worker bees providing case management, we are impacted by decisions of the federal and state government for administering these programs. Under HB 1233, counties will continue to fund the personnel costs and site operational costs of administering these programs and will continue to have an active investment and responsibility in the programs. The state would provide fiscal appropriations to ensure the program costs are funded. Therefore, HB 1233 helps to ensure sound quality services to North Dakota citizens through our continued partnership.

I have attached a chart that shows Counties expenditures and reimbursements for the last state fiscal year. Column D shows what percent of total expenditures come from non-county sources. You can see how the counties that you represent are faring. The total percent is 30% but the range is from 99% in Benson county to 7% in McHenry county.

While I am in support of HB 1233, I am concerned about Section 6: the reduction within the human service fund to 15 mills. With HB 1233 there would be funds transferred therefore, a reduction in mills may seem logical. However, the amount of property tax savings made in HB 1233 does not equate to the valuation of the 5 mill reduction. For example, at Dakota Central savings will be approximately \$180,000 to \$200,000 and the value of five mills is approximately \$485,000.

I urge you to give House Bill 1233 a “Do Pass”. It provides important property tax reductions for human service programming, allows local responsiveness and commitment, and continues the state and county partnership. Furthermore, it allows services to be provided locally, closest to the people in need. However, I respectfully request that the committee consider amending HB 1233 Section 6 to get the reimbursement to be more in line with the expected mill levy reduction.

Chairman Lee and members of the Committee, thank you for the opportunity to provide testimony on HB 1233 and I would be happy to address any questions.

# County Social Service Board Expenditures, Reimbursements and Other Revenues

For State fiscal year July 1, 2011, through June 30, 2012

Prepared by the Department of Human Services in collaboration with the counties

| Total expenditures - Total reimbursements and other revenues |                                         |                   |                                                         |                    | Total Administrative Expenditures & Reimbursements for Child Welfare & Aging Services |                                          |                                                        |                                             |                                                            | Admin Exp & Reimb + CWCA & Value of Space for CW & Aging |                   |            |
|--------------------------------------------------------------|-----------------------------------------|-------------------|---------------------------------------------------------|--------------------|---------------------------------------------------------------------------------------|------------------------------------------|--------------------------------------------------------|---------------------------------------------|------------------------------------------------------------|----------------------------------------------------------|-------------------|------------|
| Total Expenditures                                           | Total reimbursements and other revenues | Net County cost   | Total reimbursements as a percent of total expenditures | Total Expenditures | Deduct costs not associated with Child Welfare & Aging Services #                     | Total Child Welfare & Aging Expenditures | Child Welfare & Aging Administrative Reimbursements ## | % of Child Welfare & Aging Costs Reimbursed | Column H + Reimbursements related to CWCA & Value of Space | % of Child Welfare & Aging Costs Reimbursed              |                   |            |
| A                                                            | B                                       | C                 | D                                                       | E                  | F                                                                                     | G                                        | H                                                      | I                                           | J                                                          | K                                                        |                   |            |
| See Page 5                                                   | See Page 6                              | A-B               | B/A                                                     | See Page 5         | See Page 3                                                                            | E-F                                      | See Page 4                                             | H/G                                         | See Page 4                                                 | J/G                                                      |                   |            |
| 1                                                            | Adams                                   | 375,148           | 104,738                                                 | 270,410            | 28%                                                                                   | 375,148                                  | 171,241                                                | 203,907                                     | 98,165                                                     | 48%                                                      | 104,920           | 51%        |
| 2                                                            | Barnes                                  | 1,051,014         | 223,578                                                 | 827,436            | 21%                                                                                   | 1,051,014                                | 486,838                                                | 486,838                                     | 214,847                                                    | 44%                                                      | 224,238           | 46%        |
| 3                                                            | Benson                                  | 811,016           | 799,133                                                 | 11,883             | 99%                                                                                   | 811,016                                  | 622,945                                                | 188,071                                     | 80,081                                                     | 43%                                                      | 88,655            | 47%        |
| 4                                                            | Billings                                | -                 | -                                                       | -                  | -                                                                                     | -                                        | -                                                      | -                                           | -                                                          | -                                                        | -                 | -          |
| 5                                                            | Bottineau                               | 727,551           | 182,352                                                 | 545,199            | 25%                                                                                   | 727,551                                  | 339,590                                                | 387,961                                     | 174,012                                                    | 45%                                                      | 182,128           | 47%        |
| 6                                                            | Bowman                                  | 391,436           | 49,732                                                  | 341,704            | 13%                                                                                   | 391,436                                  | 192,325                                                | 199,111                                     | 44,459                                                     | 22%                                                      | 50,792            | 26%        |
| 7                                                            | Burke                                   | 240,839           | 31,064                                                  | 209,775            | 13%                                                                                   | 240,839                                  | 131,870                                                | 108,969                                     | 28,069                                                     | 26%                                                      | 31,591            | 29%        |
| 8                                                            | Burleigh                                | 6,342,310         | 1,799,38                                                | 4,542,922          | 28%                                                                                   | 6,342,310                                | 3,078,699                                              | 3,263,611                                   | 1,743,089                                                  | 53%                                                      | 1,796,966         | 55%        |
| 9                                                            | Cass                                    | 11,800,430        | 3,345,171                                               | 8,455,259          | 28%                                                                                   | 11,800,430                               | 5,630,098                                              | 6,170,332                                   | 3,189,133                                                  | 52%                                                      | 3,275,130         | 53%        |
| 10                                                           | Cavalier                                | 89,059            | 191,494                                                 | 497,565            | 28%                                                                                   | 689,059                                  | 326,009                                                | 363,050                                     | 188,033                                                    | 52%                                                      | 191,723           | 53%        |
| 11                                                           | Dickey                                  | 653,804           | 366,547                                                 | 287,257            | 56%                                                                                   | 653,804                                  | 253,859                                                | 399,945                                     | 349,987                                                    | 88%                                                      | 362,792           | 91%        |
| 12                                                           | Divide                                  | 407,983           | 160,220                                                 | 247,763            | 39%                                                                                   | 407,983                                  | 110,344                                                | 297,639                                     | 147,310                                                    | 49%                                                      | 154,303           | 52%        |
| 13                                                           | Dunn                                    | 388,319           | 146,320                                                 | 241,999            | 38%                                                                                   | 388,319                                  | 218,442                                                | 169,877                                     | 84,541                                                     | 39%                                                      | 90,198            | 41%        |
| 14                                                           | Eddy                                    | 287,155           | 76,863                                                  | 210,292            | 27%                                                                                   | 287,155                                  | 136,149                                                | 151,006                                     | 65,155                                                     | 43%                                                      | 69,241            | 46%        |
| 15                                                           | Emmons                                  | 275,565           | 75,078                                                  | 200,487            | 27%                                                                                   | 275,565                                  | 170,115                                                | 105,450                                     | 71,515                                                     | 68%                                                      | 76,402            | 72%        |
| 16                                                           | Foster                                  | 387,875           | 52,649                                                  | 335,226            | 14%                                                                                   | 387,875                                  | 157,050                                                | 230,825                                     | 44,185                                                     | 19%                                                      | 48,244            | 21%        |
| 17                                                           | G.Valley                                | 276,521           | 66,595                                                  | 209,926            | 24%                                                                                   | 276,521                                  | 132,825                                                | 143,696                                     | 62,858                                                     | 44%                                                      | 66,618            | 46%        |
| 18                                                           | G.Forks                                 | 5,984,607         | 1,668,965                                               | 4,315,642          | 28%                                                                                   | 5,984,607                                | 2,854,717                                              | 3,129,890                                   | 1,571,240                                                  | 50%                                                      | 1,643,221         | 53%        |
| 19                                                           | Grant                                   | 267,572           | 49,273                                                  | 218,299            | 18%                                                                                   | 267,572                                  | 149,857                                                | 117,715                                     | 42,114                                                     | 36%                                                      | 45,314            | 38%        |
| 20                                                           | Griggs                                  | 309,530           | 47,869                                                  | 261,661            | 15%                                                                                   | 309,530                                  | 158,917                                                | 150,613                                     | 41,887                                                     | 28%                                                      | 49,066            | 33%        |
| 21                                                           | Hettinger                               | 355,559           | 104,943                                                 | 250,616            | 30%                                                                                   | 355,559                                  | 155,597                                                | 199,962                                     | 96,677                                                     | 48%                                                      | 103,528           | 52%        |
| 22                                                           | Kidder                                  | 223,399           | 49,773                                                  | 173,626            | 22%                                                                                   | 223,399                                  | 136,293                                                | 87,106                                      | 44,177                                                     | 51%                                                      | 48,410            | 56%        |
| 23                                                           | LaMoure                                 | 315,503           | 48,397                                                  | 267,106            | 15%                                                                                   | 315,503                                  | 172,059                                                | 143,444                                     | 44,001                                                     | 31%                                                      | 48,651            | 34%        |
| 24                                                           | Logan                                   | 188,106           | 52,739                                                  | 135,367            | 28%                                                                                   | 188,106                                  | 97,680                                                 | 90,426                                      | 49,863                                                     | 55%                                                      | 54,664            | 60%        |
| 25                                                           | McHenry                                 | 562,631           | 36,895                                                  | 525,736            | 7%                                                                                    | 5,263,1                                  | 241,437                                                | 321,194                                     | 31,339                                                     | 10%                                                      | 38,019            | 12%        |
| 26                                                           | McIntosh                                | 282,798           | 156,477                                                 | 126,321            | 55%                                                                                   | 282,798                                  | 219,260                                                | 63,538                                      | 143,406                                                    | 226%                                                     | 148,182           | 233%       |
| 27                                                           | McKenzie                                | 747,341           | 342,038                                                 | 405,303            | 46%                                                                                   | 747,341                                  | 311,303                                                | 436,038                                     | 80,836                                                     | 19%                                                      | 97,140            | 22%        |
| 28                                                           | D. Central                              | 2,105,349         | 271,414                                                 | 1,833,935          | 13%                                                                                   | 2,105,349                                | 963,912                                                | 1,141,437                                   | 245,060                                                    | 21%                                                      | 272,753           | 24%        |
| 29                                                           | Mercer                                  | -                 | -                                                       | -                  | -                                                                                     | -                                        | -                                                      | -                                           | -                                                          | -                                                        | -                 | -          |
| 30                                                           | Morton                                  | 2,335,268         | 542,531                                                 | 1,792,737          | 23%                                                                                   | 2,335,268                                | 1,371,755                                              | 963,513                                     | 521,456                                                    | 54%                                                      | 543,061           | 56%        |
| 31                                                           | Mountrail                               | 1,194,254         | 701,276                                                 | 492,978            | 59%                                                                                   | 1,194,254                                | 496,040                                                | 698,214                                     | 243,634                                                    | 35%                                                      | 257,691           | 37%        |
| 32                                                           | Nelson                                  | 319,957           | 51,421                                                  | 268,536            | 16%                                                                                   | 319,957                                  | 179,120                                                | 140,837                                     | 45,654                                                     | 32%                                                      | 51,655            | 37%        |
| 33                                                           | Oliver                                  | -                 | -                                                       | -                  | -                                                                                     | -                                        | -                                                      | -                                           | -                                                          | -                                                        | -                 | -          |
| 34                                                           | Pembina                                 | 715,874           | 136,644                                                 | 579,230            | 19%                                                                                   | 715,874                                  | 397,343                                                | 318,531                                     | 133,409                                                    | 42%                                                      | 137,139           | 43%        |
| 35                                                           | Pierce                                  | 444,663           | 142,658                                                 | 302,005            | 32%                                                                                   | 444,663                                  | 198,637                                                | 246,026                                     | 138,616                                                    | 56%                                                      | 141,282           | 57%        |
| 36                                                           | Lakes District                          | 1,895,491         | 473,218                                                 | 1,422,273          | 25%                                                                                   | 1,895,491                                | 891,026                                                | 1,004,465                                   | 453,764                                                    | 45%                                                      | 473,008           | 47%        |
| 37                                                           | Ransom                                  | 394,123           | 123,047                                                 | 271,076            | 31%                                                                                   | 394,123                                  | 180,131                                                | 213,992                                     | 115,533                                                    | 54%                                                      | 120,483           | 56%        |
| 38                                                           | Renville                                | 289,395           | 121,389                                                 | 168,006            | 42%                                                                                   | 289,395                                  | 106,444                                                | 182,951                                     | 118,428                                                    | 65%                                                      | 121,850           | 67%        |
| 39                                                           | Richland                                | 1,413,424         | 447,516                                                 | 965,908            | 32%                                                                                   | 1,413,424                                | 565,025                                                | 648,399                                     | 436,547                                                    | 51%                                                      | 446,743           | 53%        |
| 40                                                           | Rolette                                 | 1,360,712         | 1,196,528                                               | 164,184            | 88%                                                                                   | 1,360,712                                | 993,396                                                | 367,316                                     | 241,670                                                    | 66%                                                      | 262,044           | 71%        |
| 41                                                           | Sargent                                 | 344,270           | 132,338                                                 | 211,932            | 38%                                                                                   | 344,270                                  | 138,891                                                | 205,379                                     | 124,294                                                    | 61%                                                      | 130,558           | 64%        |
| 42                                                           | Sheridan                                | -                 | -                                                       | -                  | -                                                                                     | -                                        | -                                                      | -                                           | -                                                          | -                                                        | -                 | -          |
| 43                                                           | Sioux                                   | 595,174           | 554,710                                                 | 40,464             | 93%                                                                                   | 595,174                                  | 383,666                                                | 211,508                                     | 100,840                                                    | 48%                                                      | 108,388           | 51%        |
| 44                                                           | Slope                                   | 1,017             | -                                                       | 1,017              | -                                                                                     | 1,017                                    | 610                                                    | -                                           | -                                                          | -                                                        | -                 | -          |
| 45                                                           | Stark                                   | 2,872,684         | 1,005,292                                               | 1,867,392          | 35%                                                                                   | 2,872,684                                | 1,230,339                                              | 1,642,345                                   | 963,910                                                    | 59%                                                      | 977,935           | 60%        |
| 46                                                           | Steele                                  | 253,972           | 24,801                                                  | 229,171            | 10%                                                                                   | 253,972                                  | 138,255                                                | 115,717                                     | 22,471                                                     | 19%                                                      | 25,168            | 22%        |
| 47                                                           | Stutsman                                | 1,974,072         | 470,101                                                 | 1,503,971          | 24%                                                                                   | 1,974,072                                | 1,053,813                                              | 920,259                                     | 407,271                                                    | 44%                                                      | 426,783           | 46%        |
| 48                                                           | Towner                                  | -                 | -                                                       | -                  | -                                                                                     | -                                        | -                                                      | -                                           | -                                                          | -                                                        | -                 | -          |
| 49                                                           | Trail                                   | 1,242,050         | 334,535                                                 | 907,515            | 27%                                                                                   | 1,242,050                                | 471,380                                                | 770,670                                     | 326,863                                                    | 42%                                                      | 335,486           | 44%        |
| 50                                                           | Walsh                                   | 1,042,276         | 314,496                                                 | 727,780            | 30%                                                                                   | 1,042,276                                | 548,564                                                | 493,712                                     | 254,399                                                    | 52%                                                      | 264,421           | 54%        |
| 51                                                           | Ward                                    | 5,107,278         | 1,165,250                                               | 3,942,028          | 23%                                                                                   | 5,107,278                                | 2,530,514                                              | 2,576,764                                   | 1,134,310                                                  | 44%                                                      | 1,163,211         | 45%        |
| 52                                                           | Wells                                   | 703,677           | 190,780                                                 | 512,897            | 27%                                                                                   | 703,677                                  | 281,318                                                | 422,359                                     | 182,419                                                    | 43%                                                      | 191,172           | 45%        |
| 53                                                           | Williams                                | 2,797,239         | 691,053                                                 | 2,106,186          | 25%                                                                                   | 2,797,239                                | 1,185,429                                              | 1,611,810                                   | 667,512                                                    | 41%                                                      | 689,508           | 43%        |
| <b>Total</b>                                                 |                                         | <b>63,745,290</b> | <b>19,319,539</b>                                       | <b>44,425,751</b>  | <b>30%</b>                                                                            | <b>63,745,290</b>                        | <b>30,989,900</b>                                      | <b>32,754,983</b>                           | <b>15,609,038</b>                                          | <b>48%</b>                                               | <b>16,230,475</b> | <b>50%</b> |

Expenditures paid by the state for additional computer costs in excess of FY 1995 costs, inflated at CPI, is \$570,497 and is not included in the above numbers.

Of the \$19,319,539 total reimbursements and other revenues, 38% (or \$7,241,727) is State funds. This includes state funds for SSBG.

\* Deduct from Total Expenditures: Economic Assistance Administrative costs, County travel expenses, Contracts for TANF Special Projects, Health Tracks, Grant Costs, and CHIPS

\*\* Deduct from Total Reimbursements: Indian County Allocation, County Travel expenses, CHIPS, Contracts for TANF Special Projects, State Hospital, Health Tracks, IV-D CWCA, CWCA Reimbursement In Lieu Rent, EA Portion of CWCA Fee

Costs are based off of the State Wide Random Moment Time Study (RMTS) using the approved Cost Allocation Plan, therefore costs are accurate on a state-wide basis only and may not be reflective expenditures on an individual county basis.



## NDLA, S HMS - Dvorak, Kirsten

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**From:** Lee, Judy E.  
**Sent:** Thursday, March 14, 2013 9:49 PM  
**To:** NDLA, S HMS - Dvorak, Kirsten; NDLA, Intern 02 - Myles, Bethany  
**Subject:** Fwd: HB 1233

Please make copies of this message for our books.

Judy Lee  
1822 Brentwood Court  
West Fargo, ND 58078  
Phone: 701-282-6512  
e-mail: [jlee@nd.gov](mailto:jlee@nd.gov)

Begin forwarded message:

**From:** "Reiser, Steve J." <[sreiser@nd.gov](mailto:sreiser@nd.gov)>  
**Date:** March 14, 2013, 2:07:53 PM CDT  
**To:** "Lee, Judy E." <[jlee@nd.gov](mailto:jlee@nd.gov)>  
**Subject:** HB 1233

Dear Honorable Senator Lee:

Thank you for the questions you asked me when I gave testimony on this bill. One of the questions you asked is what I liked about bill that passed the House Human Service committee and I forget to comment on one of the sections that I think is very important. That section is section 3. Although we talked about this in the answer and question portion of my testimony I should have made reference to it specifically. This is the section of the bill that calls for the department to develop a plan for the state taking over the costs of social services. It is my opinion that whichever bill comes out of your committee it should include either a plan or a study. I will also request that the bill state the study must be done. Other studies covering the costs of services have been passed in the past but have not been chosen as a study.

Thank you for your time and consideration on this bill and please contact me if you have any questions.

Sincerely,

Steven J. Reiser  
Dakota Central Social Service Director

3

Supplementary Comments to  
**THE SENATE HUMAN SERVICES COMMITTEE**  
Prepared Tuesday, March 19, 2013 by  
Terry Traynor, Assistant Director  
North Dakota Association of Counties

**REGARDING REENGROSSED HOUSE BILL No. 1233**

As was briefly discussed in the Senate Human Services hearing on HB1233, there may be an “intermediate step” that would move in the direction that the House Human Service Committee was pursuing, but without the total degree of impact to the State’s budget.

I mentioned that in the 1997 Session, the legislature “swapped” the counties’ Medicaid grant costs for the counties’ federal reimbursements paid to support each county’s economic assistance administration. These administrative reimbursements that the State now retains have grown to an estimated \$41 million per biennium.

While it would likely need DHS review, looking back to the 1997 Legislation, I believe the amendment below would restore those federal reimbursements to the counties.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL No. 1233

Page 2, line 13, after “programs” insert “in excess of the federal reimbursements available for these expenses”

Page 4, line 6, replace “fifteen” with “ten”

Re-number accordingly



**Estimated HB 1233 Impact in Dollars & Mills by Human Service Agency**  
**Compiled from the DHS County Budget Guidelines - CY2013**

#3

| County             | Foster Care Maintenance     | Subsidized Adoption | FC Medical     | In-Home Services | SPED           | "Foster Care" TOTAL | Total in Mills | EA* Reimbursements | GRAND TOTAL       | Grand Total in Mills |
|--------------------|-----------------------------|---------------------|----------------|------------------|----------------|---------------------|----------------|--------------------|-------------------|----------------------|
| Adams              | 15,298                      | 4,728               | 707            | 576              | 6,822          | 28,131              | 2.84           | 113,277            | 141,408           | 1.00                 |
| Barnes             | 99,301                      | 30,691              | 4,591          | 11,931           | 3,493          | 150,007             | 2.43           | 373,206            | 538,639           | 8.10                 |
| Benson             | 24,379                      | 7,535               | 1,126          | -                | 7,849          | 40,889              | 1.26           | 412,082            | 460,820           | 14.22                |
| Billings           | Combined with Golden Valley |                     |                |                  | -              | -                   | -              | -                  | -                 | -                    |
| Bottineau          | 43,945                      | 13,582              | 2,032          | 8,954            | 3,442          | 71,954              | 1.51           | 224,641            | 308,992           | 6.50                 |
| Bowman/Slope       | 29,645                      | 9,163               | 1,370          | -                | 304            | 40,481              | 1.74           | 127,224            | 168,011           | 7.21                 |
| Burke              | 12,292                      | 3,799               | 568            | 500              | 459            | 17,618              | 1.05           | 87,233             | 105,811           | 6.33                 |
| Burleigh           | 696,387                     | 215,230             | 32,193         | 47,299           | 20,178         | 1,011,287           | 3.37           | 2,036,577          | 3,115,344         | 10.37                |
| Cass               | 1,372,652                   | 424,242             | 63,454         | 119,441          | 32,029         | 2,011,818           | 3.86           | 3,724,343          | 5,887,635         | 11.30                |
| Cavalier           | 27,637                      | 8,541               | 1,277          | 16,387           | 2,981          | 56,823              | 1.59           | 215,657            | 291,849           | 8.16                 |
| Dickey             | 40,905                      | 12,642              | 1,890          | 15,101           | 3,454          | 73,992              | 2.77           | 167,929            | 260,478           | 9.77                 |
| Divide             | 16,900                      | 5,223               | 781            | 1,300            | 546            | 24,750              | 1.27           | 72,993             | 99,590            | 5.11                 |
| Dunn               | 19,588                      | 6,054               | 906            | -                | 707            | 27,255              | 1.11           | 112,375            | 140,337           | 5.73                 |
| Eddy               | 18,062                      | 5,582               | 836            | 2,678            | 735            | 27,893              | 2.72           | 90,063             | 121,372           | 11.85                |
| Emmons             | 18,948                      | 5,856               | 876            | -                | 3,761          | 29,442              | 1.44           | 112,532            | 145,737           | 7.12                 |
| Foster             | 31,354                      | 9,691               | 1,449          | 263              | 191            | 42,947              | 2.55           | 103,889            | 147,293           | 8.74                 |
| G. Valley/Billings | 20,947                      | 6,474               | 968            | 1,030            | 775            | 30,194              | 1.77           | 87,865             | 119,866           | 7.04                 |
| G. Forks           | 668,691                     | 206,670             | 30,911         | 30,868           | 30,535         | 967,675             | 4.56           | 1,888,412          | 2,917,494         | 13.76                |
| Grant              | 24,646                      | 7,617               | 1,139          | 418              | 751            | 34,571              | 2.55           | 99,131             | 134,873           | 9.95                 |
| Griggs             | 14,256                      | 4,406               | 659            | 3,561            | 296            | 23,178              | 1.54           | 105,125            | 132,160           | 8.80                 |
| Hettinger          | 19,019                      | 5,878               | 879            | 350              | 1,098          | 27,224              | 1.46           | 102,928            | 131,601           | 7.07                 |
| Kidder             | 12,581                      | 3,889               | 582            | 261              | -              | 17,314              | 1.27           | 90,159             | 107,735           | 7.89                 |
| LaMoure            | 31,033                      | 9,592               | 1,435          | -                | 1,571          | 43,631              | 1.60           | 113,818            | 159,021           | 5.84                 |
| Langan             | 10,219                      | 3,159               | 472            | 125              | 174            | 14,148              | 1.29           | 64,616             | 79,064            | 7.18                 |
| McHenry            | 39,018                      | 12,059              | 1,804          | 1,292            | 1,642          | 55,815              | 1.79           | 159,712            | 218,463           | 7.00                 |
| McIntosh           | 23,700                      | 7,325               | 1,095          | 990              | 856            | 33,966              | 2.47           | 145,042            | 180,857           | 13.14                |
| McKenzie           | 45,753                      | 14,140              | 2,115          | 3,000            | 530            | 65,538              | 1.41           | 205,929            | 274,998           | 5.91                 |
| McLean/Dak. Cntrl  | 117,420                     | 36,290              | 5,430          | 2,191            | 9,534          | 170,866             | 1.76           | 637,633            | 820,226           | 8.00                 |
| Mercer             | Part of Dakota Central      |                     |                |                  | -              | -                   | -              | -                  | -                 | -                    |
| Morton             | 246,784                     | 76,273              | 11,408         | 14,978           | 7,233          | 356,675             | 3.91           | 907,424            | 1,286,314         | 14.00                |
| Mountrail          | 48,508                      | 14,992              | 2,242          | 5,073            | 12,604         | 83,419              | 1.43           | 328,133            | 429,231           | 7.38                 |
| Nelson             | 19,488                      | 6,023               | 900            | -                | 2,220          | 28,631              | 1.44           | 118,489            | 149,342           | 7.51                 |
| Oliver             | Part of Dakota Central      |                     |                |                  | -              | -                   | -              | -                  | -                 | -                    |
| Pembina            | 60,502                      | 18,699              | 2,797          | 10,000           | 4,429          | 96,427              | 2.08           | 262,845            | 373,703           | 8.05                 |
| Pierce             | 26,031                      | 8,046               | 1,203          | 1,717            | 9,598          | 46,595              | 2.10           | 131,400            | 189,312           | 8.54                 |
| Ramsey/Lakes       | 165,195                     | 51,055              | 7,626          | 7,082            | 23,928         | 254,885             | 4.43           | 589,419            | 875,317           | 15.20                |
| Ransom             | 34,953                      | 10,803              | 1,627          | -                | 2,026          | 49,409              | 1.85           | 119,158            | 170,594           | 6.40                 |
| Renville           | 16,002                      | 4,945               | 739            | 500              | 1,106          | 23,292              | 1.27           | 70,413             | 95,312            | 5.19                 |
| Richland           | 123,850                     | 38,277              | 5,725          | 15,759           | 8,475          | 192,085             | 2.92           | 373,767            | 590,088           | 8.96                 |
| Rolette            | 34,203                      | 10,571              | 1,582          | 3,000            | 39,472         | 88,828              | 6.01           | 657,137            | 788,443           | 53.31                |
| Sargent            | 28,266                      | 8,736               | 1,307          | 9,012            | 1,107          | 48,429              | 1.88           | 91,877             | 150,427           | 5.85                 |
| Shenandoah         | Part of Dakota Central      |                     |                |                  | -              | -                   | -              | -                  | -                 | -                    |
| Sioux              | 9,857                       | 3,046               | 456            | -                | 1,630          | 14,989              | 4.70           | 253,797            | 270,421           | 84.75                |
| Slope              | Combined with Bowman        |                     |                |                  | -              | -                   | -              | 404                | -                 | -                    |
| Stark              | 222,473                     | 68,759              | 10,283         | 48,543           | 15,484         | 365,542             | 3.94           | 813,876            | 1,243,450         | 13.41                |
| Steele             | 15,576                      | 4,814               | 719            | -                | -              | 21,109              | 0.83           | 91,456             | 112,566           | 4.44                 |
| Stutsman           | 167,995                     | 51,922              | 7,766          | 10,439           | 1,897          | 240,019             | 3.30           | 697,103            | 949,461           | 13.06                |
| Towner             | Part of Lakes District      |                     |                |                  | -              | -                   | -              | -                  | -                 | -                    |
| Trail              | 89,415                      | 27,635              | 4,134          | 10,685           | 4,145          | 136,014             | 3.62           | 311,821            | 462,668           | 12.32                |
| Walsh              | 78,312                      | 24,204              | 3,621          | 13,916           | 6,709          | 126,762             | 2.96           | 362,878            | 510,268           | 11.91                |
| Ward               | 528,372                     | 163,302             | 24,425         | 20,799           | 14,400         | 751,297             | 3.34           | 1,673,950          | 2,460,449         | 10.93                |
| Wells              | 28,476                      | 8,801               | 1,317          | 263              | 2,211          | 41,069              | 1.49           | 186,094            | 229,638           | 8.32                 |
| Williams           | 260,988                     | 80,663              | 12,063         | 30,340           | 4,444          | 388,499             | 3.35           | 784,168            | 1,207,455         | 10.42                |
| <b>Total</b>       | <b>5,699,820</b>            | <b>1,761,624</b>    | <b>263,485</b> | <b>470,621</b>   | <b>297,830</b> | <b>8,493,379</b>    | <b>2.38</b>    | <b>20,500,000</b>  | <b>29,761,833</b> | <b>11.65</b>         |

NOTE: The FMAP (Federal Matching Assistance Percentage) effective October 1, 2012 for federal fiscal year 2013 is 52.27%. The FMAP for budgeting purposes for federal fiscal year 2014 was estimated to be 50.0%. This is an estimate only as the final rate for 2014 has not yet been determined.

\* EA reimbursements distributed based on actual economic assistance payment expenditures.



#1

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1233

That the Senate recede from its amendments as printed on page 1757 of the House Journal and page 1590 of the Senate Journal and that Reengrossed House Bill No. 1233 be amended as follows:

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to provide for a legislative management study of the administration and funding of state and county social services programs.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**SECTION 1. LEGISLATIVE MANAGEMENT STUDY - ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS.** During the 2013-14 interim, the legislative management shall study the restructuring of the administration and funding of all state and county social services programs. The study must address the feasibility and desirability of unifying all state and county social services programs into state-administered and state-funded social services programs. The legislative management shall report its findings and recommendations, together with any legislation necessary to implement those recommendations, to the sixty-fourth legislative assembly."

Renumber accordingly



HB1233 #1  
3-26-13

## PROPERTY TAX REVENUE IN SELECT CITIES

This memorandum provides information on the taxable valuation of property, property tax revenue, special assessment bond liability, and annual general fund operating budgets for Dickinson, Minot, West Fargo, and Williston for the past five years.

|                                      | 2008         | 2009          | 2010          | 2011          | 2012          |
|--------------------------------------|--------------|---------------|---------------|---------------|---------------|
| <b>Dickinson</b>                     |              |               |               |               |               |
| Taxable valuation of property        | \$35,161,015 | \$38,791,463  | \$41,765,954  | \$47,290,851  | \$55,173,275  |
| Property tax collections             | \$3,066,395  | \$3,165,383   | \$3,266,400   | \$3,420,400   | \$3,620,400   |
| Special assessment bond liability    | N/A          | N/A           | N/A           | N/A           | N/A           |
| Annual general fund operating budget |              |               |               |               |               |
| Property taxes                       | \$2,794,113  | \$2,913,080   | \$2,968,675   | \$3,093,185   | \$3,223,727   |
| Other financing sources              | 5,841,323    | 4,510,360     | 6,948,881     | 8,775,930     | 8,004,251     |
| Total                                | \$8,635,436  | \$7,423,440   | \$9,917,556   | \$11,869,115  | \$11,227,978  |
| <b>Minot</b>                         |              |               |               |               |               |
| Taxable valuation of property        | \$96,629,366 | \$106,457,798 | \$119,482,637 | \$124,007,074 | \$147,700,694 |
| Property tax collections             | \$10,184,771 | \$10,546,630  | \$10,867,039  | \$11,871,599  | \$9,127,593   |
| Special assessment bond liability    | \$7,735,000  | \$6,555,000   | \$5,160,000   | \$8,730,000   | \$9,585,000   |
| Annual general fund operating budget |              |               |               |               |               |
| Property taxes                       | \$4,846,306  | \$5,354,323   | \$5,709,668   | \$6,658,431   | \$6,820,072   |
| Licenses and permits                 | 588,740      | 598,915       | 645,353       | 1,058,308     | 922,033       |
| Intergovernmental revenue            | 4,179,835    | 4,870,147     | 5,987,839     | 8,633,639     | 7,744,722     |
| Charges for services                 | 82,200       | 107,252       | 88,645        | 91,142        | 89,583        |
| Fines and forfeitures                | 445,800      | 370,510       | 443,999       | 728,779       | 1,095,120     |
| Miscellaneous revenue                | 2,840,405    | 3,055,975     | 2,956,298     | 2,939,871     | 3,368,816     |
| Other financing sources              | 1,812,166    | 1,939,089     | 2,036,129     | 2,298,712     | 5,275,537     |
| Total                                | \$14,795,452 | \$16,296,211  | \$17,867,931  | \$22,408,882  | \$25,315,883  |
| <b>West Fargo</b>                    |              |               |               |               |               |
| Taxable valuation of property        | \$67,877,995 | \$70,814,846  | \$73,950,942  | \$77,371,033  | \$80,520,107  |
| Property tax collections             | \$5,622,353  | \$5,647,969   | \$6,233,068   | \$6,548,569   | \$6,804,527   |
| Special assessment bond liability    | \$97,810,000 | \$97,688,000  | \$97,371,000  | \$93,704,000  | \$135,415,000 |
| Annual general fund operating budget |              |               |               |               |               |
| Property taxes                       | \$4,078,885  | \$4,351,015   | \$4,618,691   | \$4,904,426   | \$5,171,207   |
| Other taxes                          | 50,000       | 27,500        | 26,000        | 26,500        | 35,000        |
| Licenses and permits <sup>1</sup>    | 172,000      | 188,500       | 235,300       | 297,800       | 295,200       |
| Intergovernmental revenue            | 615,000      | 715,545       | 834,510       | 1,090,284     | 1,485,000     |
| Miscellaneous revenue                | 380,170      | 368,000       | 327,000       | 291,000       | 270,000       |
| Other funding sources                | 1,358,500    | 1,358,500     | 1,080,000     | 1,050,000     | 875,000       |
| Total                                | \$6,654,555  | \$7,009,060   | \$7,121,501   | \$7,660,010   | \$8,131,407   |
| <b>Williston</b>                     |              |               |               |               |               |
| Taxable valuation of property        | \$23,475,000 | \$27,339,000  | \$30,976,000  | \$34,748,000  | \$51,540,000  |
| Property tax collections             | <sup>2</sup> | \$1,570,827   | \$1,716,596   | \$2,208,689   | \$1,860,621   |
| Special assessment bond liability    | <sup>2</sup> | \$7,745,000   | \$7,230,000   | \$30,325,000  | \$17,125,000  |
| Annual general fund operating budget |              |               |               |               |               |
| Property taxes                       | <sup>2</sup> | \$858,706     | \$896,283     | \$869,533     | \$974,380     |
| Other taxes                          | <sup>2</sup> | 39,286        | 87,616        | 209,977       | 113,682       |
| Licenses and permits                 | <sup>2</sup> | 412,419       | 561,430       | 1,354,477     | 1,877,877     |
| Intergovernmental revenue            | <sup>2</sup> | 3,122,064     | 3,808,056     | 4,261,915     | 5,319,832     |
| Charges for services                 | <sup>2</sup> | <sup>2</sup>  | 163           | 382           | <sup>2</sup>  |
| Total                                |              | \$4,432,475   | \$5,353,548   | \$6,696,284   | \$8,285,771   |

<sup>1</sup>The amounts shown for licenses and permits do not include building permit fees. West Fargo utilizes an engineering company to collect and manage building permits. The engineering company retains the building permit fees for providing these services.

<sup>2</sup>Information was not available for these categories.

HB 1233  
3-26-13 #2

Testimony To  
**THE SENATE APPROPRIATIONS COMMITTEE**  
Prepared Tuesday, March 26, 2013 by  
Terry Traynor, Assistant Director  
North Dakota Association of Counties

**REGARDING REENGROSSED HOUSE BILL No. 1233**

Chairman Holmberg and members of the Committee, our Association and the North Dakota County Commissioners Association strongly 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. This formula is described in NDCC 50-09-21.1 (attached) which is repealed by section 7 of the bill.

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 the current calendar year in each category covered by this bill.

For CY2013, an estimated average property tax impact of 2.4 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. This table uses the 2012 taxable value used to build CY2013 county budgets to keep the costs and revenues in the same budget year.

Our Associations can support the language of Section 1 of the bill as a means of ensuring a careful analysis and consideration of the impact of this bill on property taxes, and we support the idea of a interim study of the funding for all of county social services.

Mr. Chairman and committee members, the North Dakota Association of Counties and the North Dakota County Commissioners Association, request a "Do Pass" recommendation on Reengrossed House Bill 1333.

**SECTIONS REPEALED BY REENGROSSED HOUSE BILL 1233**

**50-06.2-05.1. County share of service payments to elderly and disabled.** Each county in this state shall reimburse the department of human services for amounts expended for service payments to the elderly and disabled in that county in excess of the amount provided by the federal government, in the amount of five percent.

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**50-09-21.1. County share of foster care costs.**

1. For all periods after January 1, 1998, each county shall reimburse the state agency, upon claim being made therefor by the state agency, for that county's share of one-fourth of the amount expended in the state in excess of any amount provided by the federal government under title IV-E for payments on behalf of children approved and granted foster care for children or subsidized adoption, without regard to that child's eligibility for benefits under title IV-E.
2. Each county's share of all counties' shares must be calculated under a formula established by the state agency through consultation with county representatives. The formula must:
  - a. Include consideration of the most recent census data or official census estimates of the number of youth in each county;
  - b. Include consideration of recent expenditures for foster care for youth from each county; and
  - c. Be established by policy, and not by rule.

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**57-15-06.7. Additional levies -- Exceptions to tax levy limitations in counties.** The tax levy limitations specified in section 57-15-06 do not apply to the following mill levies, which are expressed in mills per dollar of taxable valuation of property in the county:

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26. A county levying a tax for county welfare in accordance with section 57-15-57 may levy a tax not exceeding two mills.

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**57-15-57. Levy for county welfare.** The board of county commissioners, when authorized by sixty percent of the qualified electors voting on the question in a regular election or special election called by the county commissioners, may levy an annual tax not exceeding the limitation in subsection 26 of section 57-15-06.7 for county welfare purposes. The proceeds of this levy must be used solely and exclusively for county welfare purposes, as determined by the county social service board. The levy may be discontinued at the discretion of the county commissioners or, upon petition of five percent of the qualified electors of such county, the question of discontinuance of the levy must be submitted to the qualified electors of the county at any regular or special election and, upon a favorable vote of sixty percent of the qualified electors voting, the levy must be discontinued.



## Foster Care County Share Fixed Percentage Formula - CY 2013

| Basis For New CY 2013 Formula |                                       |   |  |  | CY 2013<br>Formula |
|-------------------------------|---------------------------------------|---|--|--|--------------------|
| Weight                        | 40%                                   | 10%                                     | 10%  | 40%  |                    |
|                               | Persons Under<br>15<br>3-Year Average | Property<br>Valuation<br>3-Year Average | Total Personal<br>Income<br>3-Year Average | Children DAYS<br>by County of<br>Financial<br>Responsibility<br>3-Year Average |                    |
| Adams                         | 0.0029116744                          | 0.0035558239                            | 0.0035724922                               | 0.0020158738   | 0.0026839          |
| Barnes                        | 0.0157645959                          | 0.0231722473                            | 0.0178448173                               | 0.0175355437   | 0.0174218          |
| Benson                        | 0.0042852691                          | 0.0075173417                            | 0.0085796165                               | 0.0023834981   | 0.0042772          |
| Billings                      | 0.0000000000                          | 0.0000000000                            | 0.0000000000                               | 0.0000000000   | 0.0000000          |
| Bottineau                     | 0.0085041670                          | 0.0160083696                            | 0.0115608614                               | 0.0038782342   | 0.0077099          |
| Bowman                        | 0.0057338920                          | 0.0102227618                            | 0.0062201427                               | 0.0031577983   | 0.0052010          |
| Burke                         | 0.0028597317                          | 0.0047248812                            | 0.0036181920                               | 0.0004457276   | 0.0021565          |
| Burleigh                      | 0.1313860609                          | 0.1179032703                            | 0.1209020879                               | 0.1143553917   | 0.1221771          |
| Cass                          | 0.2355685989                          | 0.2107479274                            | 0.2295834440                               | 0.2564078394   | 0.2408237          |
| Cavalier                      | 0.0050672946                          | 0.0128137367                            | 0.0082242207                               | 0.0017950299   | 0.0048487          |
| Dickey                        | 0.0085589953                          | 0.0100448082                            | 0.0088199581                               | 0.0046660005   | 0.0071765          |
| Divide                        | 0.0024211049                          | 0.0052650738                            | 0.0039057029                               | 0.0026986046   | 0.0029650          |
| Dunn                          | 0.0041640695                          | 0.0069058372                            | 0.0046792136                               | 0.0015310946   | 0.0034366          |
| Eddy                          | 0.0031685020                          | 0.0033088237                            | 0.0031933177                               | 0.0031281729   | 0.0031689          |
| Emmons                        | 0.0049258951                          | 0.0069786766                            | 0.0053978281                               | 0.0002908676   | 0.0033244          |
| Foster                        | 0.0049662950                          | 0.0064892890                            | 0.0053306388                               | 0.0058308174   | 0.0055008          |
| Golden Valley                 | 0.0035580719                          | 0.0058736141                            | 0.0024288592                               | 0.0035537014   | 0.0036750          |
| Grand Forks                   | 0.0958168848                          | 0.0848403567                            | 0.0911471169                               | 0.1534811192   | 0.1173179          |
| Grant                         | 0.0028539603                          | 0.0044203993                            | 0.0036550665                               | 0.0059371995   | 0.0043240          |
| Griggs                        | 0.0029895884                          | 0.0050709190                            | 0.0038501259                               | 0.0010328492   | 0.0025011          |
| Hettinger                     | 0.0031483021                          | 0.0052063344                            | 0.0040348873                               | 0.0028830901   | 0.0033367          |
| Kidder                        | 0.0034368724                          | 0.0053642490                            | 0.0029181306                               | 0.0000107729   | 0.0022073          |
| LaMoure                       | 0.0058666343                          | 0.0094349019                            | 0.0076736123                               | 0.0034675184   | 0.0054445          |
| Logan                         | 0.0028164462                          | 0.0037559889                            | 0.0029062659                               | 0.0000000000   | 0.0017928          |
| McHenry                       | 0.0080713115                          | 0.0112310797                            | 0.0075504334                               | 0.0043468542   | 0.0068454          |
| McIntosh                      | 0.0034311010                          | 0.0051221400                            | 0.0040319675                               | 0.0046754268   | 0.0041580          |
| McKenzie                      | 0.0076557703                          | 0.0099184637                            | 0.0098080393                               | 0.0074804136   | 0.0080271          |
| Dakota Central                | 0.0250767597                          | 0.0337405365                            | 0.0273161917                               | 0.0089253251   | 0.0197065          |
| Mercer                        | 0.0000000000                          | 0.0000000000                            | 0.0000000000                               | 0.0012186812   | 0.0004875          |
| Morton                        | 0.0465233049                          | 0.0349930900                            | 0.0348348999                               | 0.0442616946   | 0.0432968          |
| Mountrail                     | 0.0068160307                          | 0.0147173096                            | 0.0115852409                               | 0.0078843963   | 0.0085104          |
| Nelson                        | 0.0037283284                          | 0.0070753885                            | 0.0054694493                               | 0.0016832614   | 0.0034191          |
| Oliver                        | 0.0000000000                          | 0.0000000000                            | 0.0000000000                               | 0.0010166899   | 0.0004067          |
| Pembina                       | 0.0110435857                          | 0.0167127441                            | 0.0128723348                               | 0.0080971605   | 0.0106148          |
| Pierce                        | 0.0063225754                          | 0.0073573804                            | 0.0056801925                               | 0.0018354282   | 0.0045670          |
| Lakes District                | 0.0206789482                          | 0.0202262383                            | 0.0200904410                               | 0.0415738629   | 0.0289328          |
| Ransom                        | 0.0089197082                          | 0.0096505094                            | 0.0076496021                               | 0.0020858975   | 0.0061323          |
| Renville                      | 0.0035580719                          | 0.0056195591                            | 0.0048301233                               | 0.0008483637   | 0.0028075          |
| Richland                      | 0.0256741002                          | 0.0252463995                            | 0.0231875640                               | 0.0165390530   | 0.0217287          |
| Rolette                       | 0.0055463213                          | 0.0049801051                            | 0.0142858451                               | 0.0046390684   | 0.0060008          |
| Sargent                       | 0.0057656347                          | 0.0087104294                            | 0.0073463142                               | 0.0026178081   | 0.0049591          |
| Sheridan                      | 0.0000000000                          | 0.0000000000                            | 0.0000000000                               | 0.0000000000   | 0.0000000          |
| Sioux                         | 0.0015496226                          | 0.0010819392                            | 0.0033439998                               | 0.0016671021   | 0.0017293          |
| Slope                         | 0.0000000000                          | 0.0000000000                            | 0.0000000000                               | 0.0000000000   | 0.0000000          |
| Stark                         | 0.0370870559                          | 0.0299010458                            | 0.0372066190                               | 0.0437149713   | 0.0390316          |
| Steele                        | 0.0026952467                          | 0.0080922703                            | 0.0035897922                               | 0.0012159880   | 0.0027327          |
| Stutsman                      | 0.0300921116                          | 0.0278330561                            | 0.0310718834                               | 0.0288659127   | 0.0294737          |
| Towner                        | 0.0000000000                          | 0.0000000000                            | 0.0000000000                               | 0.0001238880   | 0.0000496          |
| Trail                         | 0.0126134081                          | 0.0138053381                            | 0.0119413452                               | 0.0201681645   | 0.0156873          |
| Walsh                         | 0.0174585036                          | 0.0166165918                            | 0.0159359179                               | 0.0087516126   | 0.0137393          |
| Ward                          | 0.1061390447                          | 0.0780136861                            | 0.0938566878                               | 0.0826427473   | 0.0926998          |
| Wells                         | 0.0053616363                          | 0.0093922714                            | 0.0079173391                               | 0.0028009469   | 0.0049960          |
| Williams                      | 0.0374189117                          | 0.0303367960                            | 0.0385511783                               | 0.0598325357   | 0.0457889          |
| <b>Total</b>                  | <b>1.0000000000</b>                   | <b>1.0000000000</b>                     | <b>1.0000000000</b>                        | <b>1.0000000000</b>  | <b>1.0000000</b>   |



**Estimated HB 1233 Impact in Dollars & Mills by Human Service Agency  
Compiled from the DHS County Budget Guidelines - CY2013**

| County             | Foster Care Maintenance     | Subsidized Adoption | FC Medical     | In-Home Services | SPED           | "Foster Care" TOTAL | Total in Mills |
|--------------------|-----------------------------|---------------------|----------------|------------------|----------------|---------------------|----------------|
| Adams              | 15,298                      | 4,728               | 707            | 576              | 6,822          | 28,131              | 2.84           |
| Barnes             | 99,301                      | 30,691              | 4,591          | 11,931           | 3,493          | 150,007             | 2.43           |
| Benson             | 24,379                      | 7,535               | 1,126          | -                | 7,849          | 40,889              | 1.26           |
| Billings           | Combined with Golden Valley |                     |                | -                |                |                     |                |
| Bottineau          | 43,945                      | 13,582              | 2,032          | 8,954            | 3,442          | 71,954              | 1.51           |
| Bowman/Slope       | 29,645                      | 9,163               | 1,370          | -                | 304            | 40,481              | 1.74           |
| Burke              | 12,292                      | 3,799               | 568            | 500              | 459            | 17,618              | 1.05           |
| Burleigh           | 696,387                     | 215,230             | 32,193         | 47,299           | 20,178         | 1,011,287           | 3.37           |
| Cass               | 1,372,652                   | 424,242             | 63,454         | 119,441          | 32,029         | 2,011,818           | 3.86           |
| Cavalier           | 27,637                      | 8,541               | 1,277          | 16,387           | 2,981          | 56,823              | 1.59           |
| Dickey             | 40,905                      | 12,642              | 1,890          | 15,101           | 3,454          | 73,992              | 2.77           |
| Divide             | 16,900                      | 5,223               | 781            | 1,300            | 546            | 24,750              | 1.27           |
| Dunn               | 19,588                      | 6,054               | 906            | -                | 707            | 27,255              | 1.11           |
| Eddy               | 18,062                      | 5,582               | 836            | 2,678            | 735            | 27,893              | 2.72           |
| Emmons             | 18,948                      | 5,856               | 876            | -                | 3,761          | 29,442              | 1.44           |
| Foster             | 31,354                      | 9,691               | 1,449          | 263              | 191            | 42,947              | 2.55           |
| G. Valley/Billings | 20,947                      | 6,474               | 968            | 1,030            | 775            | 30,194              | 1.77           |
| G. Forks           | 668,691                     | 206,670             | 30,911         | 30,868           | 30,535         | 967,675             | 4.56           |
| Grant              | 24,646                      | 7,617               | 1,139          | 418              | 751            | 34,571              | 2.55           |
| Griggs             | 14,256                      | 4,406               | 659            | 3,561            | 296            | 23,178              | 1.54           |
| Hettinger          | 19,019                      | 5,878               | 879            | 350              | 1,098          | 27,224              | 1.46           |
| Kidder             | 12,581                      | 3,889               | 582            | 261              | -              | 17,314              | 1.27           |
| LaMoure            | 31,033                      | 9,592               | 1,435          | -                | 1,571          | 43,631              | 1.60           |
| Logan              | 10,219                      | 3,159               | 472            | 125              | 174            | 14,148              | 1.29           |
| McHenry            | 39,018                      | 12,059              | 1,804          | 1,292            | 1,642          | 55,815              | 1.79           |
| McIntosh           | 23,700                      | 7,325               | 1,095          | 990              | 856            | 33,966              | 2.47           |
| McKenzie           | 45,753                      | 14,140              | 2,115          | 3,000            | 530            | 65,538              | 1.41           |
| McLean/Dak. Cntrl  | 117,420                     | 36,290              | 5,430          | 2,191            | 9,534          | 170,866             | 1.76           |
| Mercer             | Part of Dakota Central      |                     |                | -                |                |                     |                |
| Morton             | 246,784                     | 76,273              | 11,408         | 14,978           | 7,233          | 356,675             | 3.91           |
| Mountrail          | 48,508                      | 14,992              | 2,242          | 5,073            | 12,604         | 83,419              | 1.43           |
| Nelson             | 19,488                      | 6,023               | 900            | -                | 2,220          | 28,631              | 1.44           |
| Oliver             | Part of Dakota Central      |                     |                | -                |                |                     |                |
| Pembina            | 60,502                      | 18,699              | 2,797          | 10,000           | 4,429          | 96,427              | 2.08           |
| Pierce             | 26,031                      | 8,046               | 1,203          | 1,717            | 9,598          | 46,595              | 2.10           |
| Ramsey/Lakes       | 165,195                     | 51,055              | 7,626          | 7,082            | 23,928         | 254,885             | 4.43           |
| Ransom             | 34,953                      | 10,803              | 1,627          | -                | 2,026          | 49,409              | 1.85           |
| Renville           | 16,002                      | 4,945               | 739            | 500              | 1,106          | 23,292              | 1.27           |
| Richland           | 123,850                     | 38,277              | 5,725          | 15,759           | 8,475          | 192,085             | 2.92           |
| Rolette            | 34,203                      | 10,571              | 1,582          | 3,000            | 39,472         | 88,828              | 6.01           |
| Sargent            | 28,266                      | 8,736               | 1,307          | 9,012            | 1,107          | 48,429              | 1.88           |
| Sheridan           | Part of Dakota Central      |                     |                | -                |                |                     |                |
| Sioux              | 9,857                       | 3,046               | 456            | -                | 1,630          | 14,989              | 4.70           |
| Slope              | Combined with Bowman        |                     |                | -                |                |                     |                |
| Stark              | 222,473                     | 68,759              | 10,283         | 48,543           | 15,484         | 365,542             | 3.94           |
| Steele             | 15,576                      | 4,814               | 719            | -                | -              | 21,109              | 0.83           |
| Stutsman           | 167,995                     | 51,922              | 7,766          | 10,439           | 1,897          | 240,019             | 3.30           |
| Towner             | Part of Lakes District      |                     |                | -                |                |                     |                |
| Trail              | 89,415                      | 27,635              | 4,134          | 10,685           | 4,145          | 136,014             | 3.62           |
| Walsh              | 78,312                      | 24,204              | 3,621          | 13,916           | 6,709          | 126,762             | 2.96           |
| Ward               | 528,372                     | 163,302             | 24,425         | 20,799           | 14,400         | 751,297             | 3.34           |
| Wells              | 28,476                      | 8,801               | 1,317          | 263              | 2,211          | 41,069              | 1.49           |
| Williams           | 260,988                     | 80,663              | 12,063         | 30,340           | 4,444          | 388,499             | 3.35           |
| <b>Total</b>       | <b>5,699,820</b>            | <b>1,761,624</b>    | <b>263,485</b> | <b>470,621</b>   | <b>297,830</b> | <b>8,493,379</b>    | <b>2.38</b>    |

*NOTE: The FMAP (Federal Matching Assistance Percentage) effective October 1, 2012 for federal fiscal year 2013 is 52.27%. The FMAP for budgeting purposes for federal fiscal year 2014 was estimated to be 50.0%. This is an estimate*

Supplementary Comments prepared for the  
**THE SENATE HUMAN SERVICES COMMITTEE**  
Prepared Tuesday, March 19, 2013 by  
Terry Traynor, Assistant Director  
North Dakota Association of Counties

**REGARDING REENGROSSED HOUSE BILL No. 1233**

As was briefly discussed in the Senate Human Services hearing on HB1233, there may be an “intermediate step” that would move in the direction that the House Human Service Committee was pursuing, but without the total degree of impact to the State’s budget.

I mentioned that in the 1997 Session, the legislature “swapped” the counties’ Medicaid grant costs for the counties’ federal reimbursements paid to support each county’s economic assistance administration. These administrative reimbursements that the State now retains have grown to an estimated \$41 million per biennium.

While it would likely need DHS review, looking back to the 1997 Legislation, I believe the amendment below would restore those federal reimbursements to the counties.

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL No. 1233

Page 2, line 13, after “programs” insert “in excess of the federal reimbursements available for these expenses”

Page 4, line 6, replace “fifteen” with “ten”

Re-number accordingly



# Dedicated Human Service Levies - Levied (in 2012) for 2013 Budgets

**A.**

Using unofficial levies reported but not yet verified

|               | Levy 1203<br>Human Service<br>in Gen. Fund | Levy 1220<br>Human<br>Services | Levy 1222<br>Emerg. Human<br>Services | Total<br>Dedicated<br>HS Levies | Value of<br>1 Mill | Total<br>Dedicated<br>HS Levies in \$ | Amount<br>Needed to Meet<br>50-02.1-03.2<br>Threshold |
|---------------|--|--------------------------------|---------------------------------------|---------------------------------|--------------------|---------------------------------------|---|
| Adams         |  | 20.00                          | 5.46                                  | 25.46                           | 9,910              | 252,302                               |   |
| Barnes        |  | 14.17                          |                                       | 14.17                           | 61,796             | 875,655                               |   |
| Benson        |  | 11.55                          |                                       | 11.55                           | 22,856             | 263,986                               |   |
| Billings      |  | 12.09                          |                                       | 12.09                           | 8,353              | 100,992                               |   |
| Bottineau     |  | 12.04                          |                                       | 12.04                           | 47,572             | 572,771                               |   |
| Bowman        |  | 10.74                          |                                       | 10.74                           | 23,294             | 250,175                               |   |
| Burke         |  | 11.36                          |                                       | 11.36                           | 16,728             | 190,027                               |   |
| Burleigh      |  | 16.64                          |                                       | 16.64                           | 300,397            | 4,998,600                             |   |
| Cass          |  | 19.50                          |                                       | 19.50                           | 521,036            | 10,160,196                            |   |
| Cavalier      |  | 16.84                          |                                       | 16.84                           | 35,744             | 601,930                               |   |
| Dickey        |  | 15.57                          |                                       | 15.57                           | 26,674             | 415,313                               |   |
| Divide        |  | 10.56                          |                                       | 10.56                           | 19,505             | 205,975                               |   |
| Dunn          | 3.04                                       |                                |                                       | 3.04                            | 24,473             | 74,398                                |   |
| Eddy          |  | 20.00                          |                                       | 20.00                           | 10,243             | 204,864                               |   |
| Emmons        |  | 7.72                           |                                       | 7.72                            | 20,478             | 158,087                               |   |
| Foster        |  | 20.00                          |                                       | 20.00                           | 16,845             | 336,909                               |   |
| Golden Valley |  | 13.83                          |                                       | 13.83                           | 8,675              | 119,975                               |   |
| Grand Forks   |  | 20.26                          |                                       | 20.26                           | 212,068            | 4,296,507                             |   |
| Grant         |  | 13.40                          | 0.25                                  | 13.65                           | 13,549             | 184,941                               |   |
| Griggs        |  | 20.00                          |                                       | 20.00                           | 15,020             | 300,401                               |   |
| Hettinger     |  | 17.19                          |                                       | 17.19                           | 18,617             | 320,027                               |   |
| Kidder        |  | 16.00                          |                                       | 16.00                           | 13,662             | 218,597                               |   |
| LaMoure       |  | 10.65                          |                                       | 10.65                           | 27,240             | 290,104                               |   |
| Logan         |  | 14.12                          |                                       | 14.12                           | 11,010             | 155,464                               |   |
| McHenry       |  | 12.95                          |                                       | 12.95                           | 31,229             | 404,410                               |   |
| McIntosh      |  | 19.01                          |                                       | 19.01                           | 13,769             | 261,739                               |   |
| McKenzie      | 5.38                                       |                                |                                       | 5.38                            | 46,539             | 250,380                               |   |
| McLean        |  | 7.31                           |                                       | 7.31                            | 49,547             | 362,191                               |   |
| Mercer        |  | 8.49                           |                                       | 8.49                            | 27,735             | 235,474                               |   |
| Morton        |  | 18.50                          | 2.00                                  | 20.50                           | 91,230             | 1,870,221                             |   |
| Mountrail     |  | 7.39                           |                                       | 7.39                            | 58,138             | 429,643                               |   |
| Nelson        |  | 18.87                          |                                       | 18.87                           | 19,875             | 375,047                               |   |
| Oliver        |  | 19.55                          |                                       | 19.55                           | 10,018             | 195,851                               |   |
| Pembina       |  | 10.83                          |                                       | 10.83                           | 46,434             | 502,878                               |   |
| Pierce        |  | 15.19                          |                                       | 15.19                           | 22,168             | 336,726                               |   |
| Ramsey        |  | 20.00                          | 17.73                                 | 37.73                           | 98,107             | 1,437,773                             | 484,454   |
| Ransom        |  | 10.32                          |                                       | 10.32                           | 26,651             | 275,043                               |   |
| Renville      | 7.62                                       |                                |                                       | 7.62                            | 18,367             | 139,954                               |   |
| Richland      |  | 15.00                          |                                       | 15.00                           | 65,877             | 988,158                               |   |
| Rolette       |  | 20.00                          | 3.00                                  | 23.00                           | 14,790             | 340,177                               |   |
| Sargent       |  | 9.19                           |                                       | 9.19                            | 25,699             | 236,176                               |   |
| Sheridan      | 8.48                                       |                                |                                       | 8.48                            | 9,616              | 81,546                                |   |
| Sioux         |  | 14.07                          | 6.77                                  | 20.84                           | 3,191              | 66,498                                |   |
| Slope         |  | 6.77                           |                                       | 6.77                            | 9,544              | 64,611                                |   |
| Stark         | 18.80                                      |                                |                                       | 18.80                           | 92,725             | 1,743,238                             |   |
| Steele        |  | 9.86                           |                                       | 9.86                            | 25,366             | 250,114                               |   |
| Stutsman      |  | 20.00                          | 1.64                                  | 21.64                           | 72,696             | 1,573,146                             |   |
| Towner        |  | 12.15                          |                                       | 12.15                           | 19,462             | 236,466                               |   |
| Traill        |  | 19.94                          |                                       | 19.94                           | 37,546             | 748,666                               |   |
| Walsh         |  | 20.00                          |                                       | 20.00                           | 42,837             | 856,746                               |   |
| Ward          | 18.71                                      |                                |                                       | 18.71                           | 225,189            | 4,213,292                             |   |
| Wells         |  | 10.64                          | 0.72                                  | 11.36                           | 27,587             | 313,390                               |   |
| Williams      |  | 20.00                          | 6.04                                  | 26.04                           | 115,880            | 3,017,508                             | 118,547   |
|               |  |                                | Average/Total                         | 15.02                           | 2,773,560          | 47,355,257                            | 603,001   |
|               |  |                                | Average Plus 10 Mills                 | 25.02                           |                    |                                       |   |

March 21, 2013

HB 1233 3-23-13 # 3

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1233

Page 1, line 1, after "A BILL" replace the remainder of the bill with "for an Act to amend and reenact section 11-23-01 of the North Dakota Century Code, relating to the county social service board budget; to provide for department of human services payment for certain social service programs; to provide for the development of a plan for the administration and funding of state and county social services programs; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**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.**

1. 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.
2. The departmental budget submitted by the county social service board in 2013 must identify the reduction in county funding derived from transferring foster care and subsidized adoption costs and the county's share of medical assistance and other family preservation services pursuant to section 2 of this Act from the county social service board to the department of human services beginning August 1, 2013. The amount reported must equal the full amount budgeted for these costs in the budget submitted by the county social service board and approved by the board of county commissioners in 2012. The budget must include a 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.

**SECTION 2. DEPARTMENT OF HUMAN SERVICES TO PAY LOCAL EXPENSES OF ADMINISTRATION OF CERTAIN SOCIAL SERVICE PROGRAMS.**

Notwithstanding sections 50-03-08, 50-06.2-05, 50-09-21.1, and 50-24.1-14, or any other provision in title 50 to the contrary, the department of human services shall pay the county share of, and the local expenses of administration incurred by, a county for the foster care program, including family preservation programs; subsidized adoption; and service payments for the elderly and disabled programs. Notwithstanding any provision in title 50 to the contrary, the department of human services also shall pay the local expenses of administration incurred by a county for all social services delivered

by the county at the direction of the department of human services under title 50. The department shall pay the county share and local expenses of administration under this section during the 2013-15 biennium pending the outcome of the plan to be developed pursuant to section 3 of this Act. The department of human services shall develop a process by which the department and a county determine whether to fill a vacant county social service position that has responsibility for any portion of the programs delivered by the county at the direction of the department of human services under title 50. A county social service employee may not receive a salary increase in excess of the increase authorized by the legislative assembly for state employees.

**SECTION 3. DEVELOPMENT OF PLAN FOR ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS.** During the 2013-14 interim, the department of human services, in consultation with county representatives, shall develop a plan for restructuring the administration and funding of all state and county social services programs. The plan must provide for the unification of all state and county social services programs into state administered and funded social services programs by July 1, 2015. Before June 1, 2014, the department shall present its findings, the proposed plan, and any legislative changes necessary to implement that plan to the legislative management.

**SECTION 4. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2013, and after that date is ineffective. Section 2 of this Act is effective through July 31, 2015, and after that date is ineffective."

Renumber accordingly



**FISCAL NOTE**  
**Requested by Legislative Council**  
**02/13/2013**

HB 1233 # H  
3-26-13

Amendment to: HB 1233

- 1 A. **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.*

|                       | 2011-2013 Biennium |             | 2013-2015 Biennium |                | 2015-2017 Biennium |             |
|-----------------------|--------------------|-------------|--------------------|----------------|--------------------|-------------|
|                       | General Fund       | Other Funds | General Fund       | Other Funds    | General Fund       | Other Funds |
| <b>Revenues</b>       |                    |             |                    | \$(21,574,664) |                    |             |
| <b>Expenditures</b>   |                    |             | \$102,512,371      | \$(21,574,664) |                    |             |
| <b>Appropriations</b> |                    |             | \$102,512,371      | \$(21,574,664) |                    |             |

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

|                         | 2011-2013 Biennium | 2013-2015 Biennium | 2015-2017 Biennium |
|-------------------------|--------------------|--------------------|--------------------|
| <b>Counties</b>         |                    | \$(101,873,674)    |                    |
| <b>Cities</b>           |                    |                    |                    |
| <b>School Districts</b> |                    |                    |                    |
| <b>Townships</b>        |                    |                    |                    |

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

HB1233 provides for the state to reimburse county costs incurred for social service programs delivered by the county at the direction of the Department for 2013-2015 biennium. It also provides for the Department to develop a plan for the administration and funding of 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.*

HB1233 requires the state to reimburse all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for the 2013-2015 biennium. The Bill also requires the county social service boards to submit a budget to the Department of Human Services in 2013, identifying the reduction in county expenditures including how the reduction will be passed on to property taxpayers. Lastly the Bill provides for the Department of Human Services to develop a plan for restructuring the administration and funding of 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, 2014.

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 any costs related to social service programs. This results in lost revenues from the counties of \$21,935,967 for the 2013-2015 biennium. In addition, there would be an increase in federal funds of \$361,303 for the 2013-2015 biennium related to the availability of federal funds to pay for a portion of the cost of the plan. The impact for the 2015-2017 biennium cannot be determined until a plan is adopted.

- 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 paying all costs, in excess of the amount provided by the federal government, for social service programs delivered by the county at the direction of the Department for 2013-2015. This would result in a General fund increase of \$101,873,674 in the 2013-2015 biennium. The fiscal impact also includes costs of \$1,000,000 of which \$638,697 is general fund and \$361,303 is federal funds for the 2013-2015 biennium for the Department to develop a plan for restructuring the administration and funding of social services into a state administered and funded social services program. The decrease of other funds in the amount of \$21,574,664 includes the decrease of the county share of program costs for family preservation services, foster care and subsidized adoption programs, and service payments for the elderly and disabled programs in the amount of \$21,935,967 offset by the federal fund increase of \$361,303 for a portion of the plan that can be funded with federal funds. There is no impact reflected in the fiscal note for 2015-2017 biennium because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

- 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 2013-2015 biennium, the Department's grant budget would be increased by \$79,937,707, with \$101,873,674 being a general fund increase and \$21,935,967 being a decrease in special funds. Also the Department's operating budget would be increased by \$1,000,000, of which \$638,697 is general fund and \$361,303 is federal funds. The impact for the 2015-2017 biennium cannot be determined because the provision requiring the state to pay for the county expenditures expires on 7-31-2015, and future expenditures will be based upon the adopted plan.

**Name:** Debra A McDermott

**Agency:** Human Services

**Telephone:** 328-3695

**Date Prepared:** 02/14/2013

**Senate Appropriations Committee  
March 26, 2013  
House Bill 1233  
Kim Jacobson, Director – Traill County Social Services**

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Kim Jacobson. I am the Director of Traill County Social Services located in Hillsboro, North Dakota. I am a member of the North Dakota County Social Service Directors Association. I speak in support of House Bill 1233, which includes a \$20 million fiscal note.

North Dakota County Social Services has a successful history of providing timely, accurate, and appropriate social services to our citizens through a local service delivery model. This has been made possible through the collaboration of federal, state, and county government. North Dakota has been recognized on a national level for being leaders in quality social service program administration. We are very proud of our strong performance, accessibility, and commitment to our state's needy and vulnerable populations.

During the past several legislative sessions, there have been bills introduced, but not enacted, to help ensure the continuation of local social services but with a rebalancing of funding source. This year, House Bill 1233 seeks to accomplish the same.

The ND County Social Service Director's Association is a professional organization in which every County Social Service Director in North Dakota holds membership. Today, many of my colleagues join me at this hearing. Our Association is committed to effective, accessible, efficient and local delivery of human service programs to areas of North Dakota including rural and urban communities.

The ND County Director's Association echoes the ND Association of Counties (NDACo) Resolution passed during their October 2012 Convention "...Counties fully support the continuation of the local delivery of human services; however, the property tax burden of this



service must be lessened. This Association (NDACo) supports legislative action to increase state reimbursement to counties and/or shift specific costs to state funds, therefore, reducing property taxes.”

House Bill 1233 accomplishes the goal of this resolution by shifting the costs associated with foster care, subsidized adoption, SPED, and family preservation from the county to the State. This is an effective way of continuing to offer services closest to our clients, promoting local responsiveness with a restructured approach to funding which results in property tax reduction to each county.

An element of House Bill 1233 is the recommendation of a legislative management study to address the feasibility and desirability of unifying state and county social service programs. A study would be very valuable if all critical parties are able to be heard, brainstorm and work together towards identifying goals for further development of our human service system.

Therefore, by providing some property tax relief now and following up with a study to evaluate further efficiencies for the future, it demonstrates a solid commitment to the insuring a balanced approach to quality, accessible, and cost-effective human services to North Dakota citizens. It also continues our successful partnership of working together at the local, state and federal level in meeting the needs of our citizens.

For these reasons, I urge you to give House Bill 1233 a “Do PASS” recommendation. Thank you for your consideration. I welcome questions from the committee.

Testimony of Bill Shalhoob  
Greater North Dakota Chamber of Commerce  
HB 1233  
March 25, 2013

Mr. Chairman and members of the committee, My name is Bill Shalhoob and I am here today representing the Greater North Dakota Chamber of Commerce, the champions for business in North Dakota. GNDC is working to build the strongest business environment possible through its more than 1,100 business members as well as partnerships and coalitions with local chambers of commerce from across the state. GNDC also represents the National Association of Manufacturers and works closely with the U.S. Chamber of Commerce. As a group we stand in support of HB 1233 and urge a do pass from your committee on the bill.

GNDC has been among the principle advocates for tax reductions in past sessions and that role continues in this session. The Chamber was the primary association that led the charge in defeating Measure 2 in the last primary election. That measure would have abolished property taxes in North Dakota. We believe we understand the property tax issues in our state and were part of numerous debates and conversations surrounding this topic. We heard from owners of all classes of property and relied on our members and other interested parties to defeat the measure. In seeking any reduction in property taxes our goal is that any relief given will be measured, fairly distributed among all classes of taxpayers and above all else sustainable for the long term.

We join others who believe the current Mill Levy Reduction Grant Program is not sustainable. Many ideas for replacement have been discussed and the most viable of them have advanced. Based on bills that survived past crossover it now appears adequate property tax relief will be delivered as a package in various forms and we support the delivery concept in HB 1233 as part of that package. The tax relief is real and will continue from year to year since it eliminates the ability to levy mills. Our hope is the State will find a way in the closing days of this session or through the interim study suggested in Section 10 to fund the balance of the costs in Social Services and reduce the ability to levy for this item to zero. We encourage committees to continue to discuss delivery methods and conditions and hope the legislature will develop the best means possible to deliver true tax relief to all state property tax payers as well as providing transparency to tax payers in trying to identify where future tax increases are coming from.

Thank you for the opportunity to appear before you today in support of HB 1233. I would be happy to answer any questions.

Champions  Business

PO Box 2639 P: 701-222-0929  
Bismarck, ND 58502 F: 701-222-1611

April 11, 2013

# /  
4-12-13

PROPOSED AMENDMENTS TO REENGROSSED HOUSE BILL NO. 1233

Page 1, line 1, after "ABILL" replace the remainder of the bill with "for an Act to amend and reenact section 11-23-01 of the North Dakota Century Code, relating to the county social service board budget; to provide for department of human services payment for certain social service programs; to provide for the development of a plan for the administration and funding of state and county social services programs; to provide an appropriation; and to provide an expiration date.

**BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

**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.**

1. 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.
2. The departmental budget submitted by the county social service board in 2013 must identify the reduction in county funding derived from transferring foster care and subsidized adoption costs and the county's share of medical assistance and other family preservation services pursuant to section 2 of this Act from the county social service board to the department of human services beginning August 1, 2013. The amount reported must equal the full amount budgeted for these costs in the budget submitted by the county social service board and approved by the board of county commissioners in 2012. The budget must include a 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.

**SECTION 2. DEPARTMENT OF HUMAN SERVICES TO PAY LOCAL EXPENSES OF ADMINISTRATION OF CERTAIN SOCIAL SERVICE PROGRAMS.** Notwithstanding sections 50-03-08, 50-06.2-05, 50-09-21.1, and 50-24.1-14, or any other provision in title 50 to the contrary, the department of human services shall pay the county share of, and the local expenses of administration incurred by, a county for the foster care program, including family preservation programs; subsidized adoption; and service payments for the elderly and disabled programs. Notwithstanding any provision in title 50 to the contrary, the department of human services also shall pay the local expenses of administration incurred by a county for all social services delivered

by the county at the direction of the department of human services under title 50. The department shall pay the county share and local expenses of administration under this section during the 2013-15 biennium pending the outcome of the plan to be developed pursuant to section 3 of this Act. The department of human services shall develop a process by which the department and a county determine whether to fill a vacant county social service position that has responsibility for any portion of the programs delivered by the county at the direction of the department of human services under title 50. A county social service employee may not receive a salary increase in excess of the increase authorized by the legislative assembly for state employees.

**SECTION 3. DEVELOPMENT OF PLAN FOR ADMINISTRATION AND FUNDING OF STATE AND COUNTY SOCIAL SERVICES PROGRAMS.** During the 2013-14 interim, the department of human services and county representatives shall develop a plan for the phased restructuring of the administration and funding of all state and county social services programs. The plan must provide for the phased unification of all state and county social services programs into state-administered and state-funded social services programs. The plan must provide for the continuation of local access to social services and local input into the service delivery system. Before June 1, 2014, the department shall present its findings, the proposed plan, and any legislative changes necessary to implement that plan to the legislative management.

**SECTION 4. APPROPRIATION.** There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$102,512,371, or so much of the sum as may be necessary, to the department of human services for the purpose of defraying the expenses associated with the provisions of this Act, for the biennium beginning July 1, 2013, and ending June 30, 2015.

**SECTION 5. EXPIRATION DATE.** Section 1 of this Act is effective through December 31, 2013, and after that date is ineffective. Section 2 of this Act is effective through July 31, 2015, and after that date is ineffective."

Renumber accordingly