

2009 HOUSE HUMAN SERVICES

HB 1425

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1425

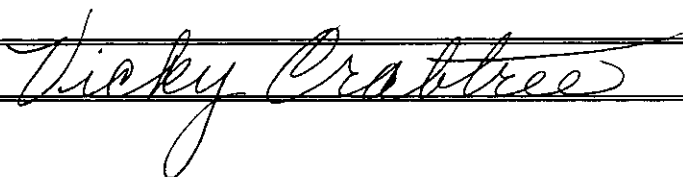
House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: February 2, 2009

Recorder Job Number: 8344

Committee Clerk Signature



Minutes:

Chairman Weisz called to order the hearing on HB 1425.

Rep. Bellew sponsored and introduced bill: See Testimony #1.

Rep. Potter: This bill should reduce income taxes and is it mandated?

Rep. Bellew: Don't know if I did, but should be.

Rep. Conrad: This does not cover (inaudible) Medicaid costs (inaudible) social worker (inaudible) administrative costs.

Rep. Bellew: This covers the in DHS under the grant line item (inaudible).

Rep. Porter: Is there a provision in this bill so county can't keep increasing their staff costs?

Rep. Bellew: Purpose of bill is just to reduce the costs (inaudible). It is to keep things as they are, the county social service will still do whatever they do to determine eligibility.

Rep. Porter: There isn't any mechanism in place that the state is going to pick up the cost, is that cost includes the county workers as part of it, or is it just the program costs?

Rep. Bellew: Just the program costs.

Rep. Conrad: Historically, we have wanted county to pay these costs. We will lose that if we take over 100% of cost.

Rep. Bellew: We can withhold administrative costs if eligibility requirements not met.

Rep. Conrad: Will the state want to come in and supervise most of the provisions?

Rep. Bellew: That is not my intent. My intent is that it will stay with the county.

Rep. Weisz: State is already picking up 75% of those costs now. I assume the state has an overlying interest already insuring those costs are not out of hand. Correct?

Rep. Bellew: Correct.

Terry Traynor, Assistant Director Association of Counties: Testified in support. **See Testimony #2.**

Rep. Weisz: One of the problems that showed up when we did child support is notification to taxpayers of property tax (inaudible) because of the child support. Language in this bill is pretty much the same as far (drops sentence). How do you respond to that because there was some dissatisfaction that some counties were not really following what we told them to do last time.

Terry Traynor: I'm not sure what you are referring to because I know each county did it, they submitted it our office, because we were asked to provide it to the interim committee. If some of them didn't get the information out to the citizens that were paying the tax bill, that is unfortunate, but I know they did the work and they did the analysis.

Marcia Beglau, Director of Griggs and Nelson County Social Services: **See Testimony #3.**

Rep. Weisz: How much input does the county have or you have in foster care placement?

Marcia Beglau: How much control?

Rep. Weisz: Right.

Marcia Beglau: Try really hard to keep families united to prevent foster placement. There are exceptions where it does lead to foster care placement. It goes by each individual case.

Rep. Weisz: I don't think I'm saying the question right. In the determination of whether a child should go into foster care, how much say do you have versus the state's role in determining if that child belongs in foster care?

Marcia Beglau: It is determined by the court.

Rep. Conrad: (Inaudible) how many kids do you have and how many subsidized adoption and in foster care?

Marcia Beglau: That number I gave you is subsidized adoption.

Rep. Conrad: How many foster care children?

Marcia Beglau: Currently Griggs has one child in foster care and (inaudible) services and Nelson Co. has one child in (inaudible), one child in foster care.

NO OPPOSITION.

Rep. Weisz closed the hearing.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1425

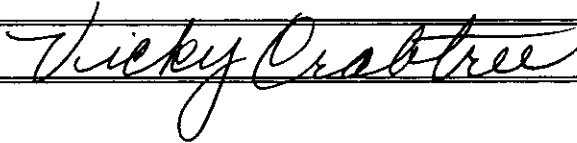
House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: February 4, 2009

Recorder Job Number: 8708

Committee Clerk Signature



Minutes:

Rep. Weisz: You all should have a set of Rep. Bellow's amendments. Let's take up HB 1425.

This would lower the cap on this mil levy by whatever their getting a break in from the foster care grant. If county got a 2 ½ mil reduction or savings because of it, it would require them to budget 2 ½ mil less than whatever their cap is.

Rep. Kilichowski: These mils are over cap now?

Rep. Weisz: This is what county cost is now. This amendment would say, you can't budge more than \$20,808 underneath the maximum 20 mil they are authorized by law.

Rep. Hofstad: Is that cap for social services?

Rep. Weisz: Yes. Mr. Traynor is that correct:

Terry Traynor: Statutory cap is 20 mil, but as you see in the Indian County bill, they're levying 40 some mils, right now in social services because they're budget has continued to grow and their tax base has not, so their statutory cap is really whatever they levied and (inaudible) before.

Rep. Weisz: They reduce that by the amount that is reflected in (inaudible).

Rep. Conrad: How does this improve the bill?

Rep. Weisz: I'm not sure it improves from my perspective, but it makes it more palpable because it specifically (inaudible) reduction.

Rep. Hofstad: Move the amendments 0201.

Rep. Nathe: Second.

Rep. Damschen: It basically reflects what the original intent of the bill was, I think.

Rep. Weisz: It does attempt to put a little more teeth into it. The feeling would be that it would show up as direct property tax relief that sometimes with the argument that you do things and doesn't seem to be accredited as property tax relief and if not, then it's just a general fund reduction. Then you have to opposition of \$13 million general fund.

Rep. Kilichowski: Have to drop mil levy according to the dollar amount that they take?

Rep. Weisz: Right. Their budget (inaudible) would be reduced by the amount that they got back.

Rep. Kilichowski: This would tie their hands too, wouldn't it?

Rep. Weisz: Not really, it doesn't change the current situation. By law they cannot accede the statutory cap. And they still could under this provision.

Rep. Conrad: Can they raise the mill?

Rep. Weisz: Currently counties are forced by law, if there is a 22 statutory cap which they can spend, but if social service costs were 10 mils higher than that, (inaudible) they'd have to levy that and in reality would have a 30 mil cap based on their expenses from the prior year.

Rep. Conrad: That wouldn't change.

Rep. Weisz: That wouldn't change, but this would lower that maximum budget by the amount that is shown here.

Rep. Conrad: I'm not really sure how I feel about it, but if say Bottineau Co. would go down to 17 and another county would go down to 15, they'd have different levies throughout the state.

Rep. Weisz: Which we do now.

Voice Vote: 12 yeas, 1 no, 0 absent.

MOTION CARRIED TO MOVE AMENDMENTS.

Rep. Porter: Motion to add a Section 7 to this bill that says, the affected counties will publish the tax savings by implementing this measure in their official newspaper.

Rep. Pietsch: Second.

Voice Vote: 12 yeas, 1 no, 0 absent.

MOTION CARRIED ON AMENDMENT.

Rep. Weisz: We have a suggested amendment by the counties found on page 3, line 3. There would be new costs and services, it would say, foster care and subsidized adoption services. That was to clarify that you are not paying for administration but, it is strictly for the service costs.

Rep. Porter: Move that amendment.

Rep. Uglem: Second.

Voice Vote: 13 yeas, 0 nays, 0 absent

Rep. Porter: Motion for a Do Pass as amended and re-refer to Appropriations.

Rep. Conrad: Second.

Rep. Potter: Section 4 on page 3, (inaudible) does anyone remember that?

Rep. Porter: On the last page, (Rep. Porter reads) (refer to Mr. Bellew's testimony #1).

Rep. Weisz: Basically what this does is repeals the who section, that's the reason for the bill.

Rep. Kilichowski: This doesn't change the FN does it?

Rep. Weisz: Correct.

Roll Call Vote for a Do Pass on amended bill. 13 yes, 0, no, 0 absent.

MOTION CARRIED DO PASS AS AMENDED.

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House Human Services Committee
Bill/Resolution No. 1425
Hearing Date: February 4, 2009

BILL CARRIER: Rep. Porter.

FISCAL NOTE
Requested by Legislative Council
04/08/2009

Amendment to: Engrossed
HB 1425

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

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

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

Engrossed House Bill No. 1425 with Senate amendments provides for a study of the responsibility for the funding of nonfederal foster care and subsidized adoption costs.

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.*

There is no fiscal impact relating to this bill.

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.*

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.*

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.*

Name:	Allen H. Knudson	Agency:	Legislative Council
Phone Number:	328-2916	Date Prepared:	04/09/2009

FISCAL NOTE
Requested by Legislative Council
03/13/2009

Amendment to: Engrossed
 HB 1425

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

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$13,278,991)		(\$14,086,353)
Expenditures			\$13,278,991	(\$13,278,991)	\$14,086,353	(\$14,086,353)
Appropriations			\$0	\$0	\$0	\$0

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

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$13,278,991)			(\$14,086,353)		

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

A bill to relating to the state taking over responsibility for foster care and subsidized adoption non-federal costs.

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

This bill would require the state to bear all costs, in excess of the amount provided by the federal government, for the foster care and subsidized adoption programs. Currently the counties are billed a portion of the program costs not funded by the federal government. The amount billed to the counties is not to exceed twenty-five percent. The bill also requires the county social service boards to submit a budget to the Department of Human Services by December 31, of each year identifying the reduction in county expenditures for the foster care and subsidized adoption programs. Each county affected will be required to publish the amount of tax savings incurred in the county's official newspaper.

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 county no longer being required to pay up to 25% of the costs.

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.*

This bill would require the state to bear all costs, in excess of the amount provided by the federal government, for the foster care and subsidized adoption programs. Costs included in these programs includes room and board for children placed in foster care homes and facilities, treatment costs, intensive in-home services and subsidy payments to adoptive parents of special needs children.

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

The amendment adds a general fund appropriation of \$13,278,991 to HB1425. Therefore, no additional general fund appropriation is needed in HB1012; but, the other funds appropriation in HB 1012 could be decreased by the

\$13,278,991.

Name:	Brenda M. Weisz	Agency:	DHS
Phone Number:	328-2397	Date Prepared:	03/15/2009

FISCAL NOTE
Requested by Legislative Council
02/09/2009

Amendment to: HB 1425

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

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
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1B. County, city, and school district fiscal effect: *Identify the fiscal effect on the appropriate political subdivision.*

2007-2009 Biennium			2009-2011 Biennium			2011-2013 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$13,278,991)			(\$14,086,353)		

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

A bill to relating to the state taking over responsibility for foster care and subsidized adoption non-federal costs.

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

This bill would require the state to bear all costs, in excess of the amount provided by the federal government, for the foster care and subsidized adoption programs. Currently the counties are billed a portion of the program costs not funded by the federal government. The amount billed to the counties is not to exceed twenty-five percent. The bill also requires the county social service boards to submit a budget to the Department of Human Services by December 31, of each year identifying the reduction in county expenditures for the foster care and subsidized adoption programs. Each county affected will be required to publish the amount of tax savings incurred in the county's official newspaper.

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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.*

This bill would require the state to bear all costs, in excess of the amount provided by the federal government, for the foster care and subsidized adoption programs. Costs included in these programs includes room and board for children placed in foster care homes and facilities, treatment costs, intensive in-home services and subsidy payments to adoptive parents of special needs children.

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.*

HB1012 contains other Fund appropriation authority of \$13,278,991 for these expenditures. This bill would require a general fund increase of \$13,278,991 and a decrease in other funds of that same amount.

Name:	Brenda M. Weisz	Agency:	DHS
Phone Number:	328-2397	Date Prepared:	02/09/2009

FISCAL NOTE
Requested by Legislative Council
01/16/2009

Bill/Resolution No.: HB 1425

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

	2007-2009 Biennium		2009-2011 Biennium		2011-2013 Biennium	
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Revenues				(\$13,278,991)		(\$14,086,353)
Expenditures			\$13,278,991	(\$13,278,991)	\$14,086,353	(\$14,086,353)
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Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$13,278,991)			(\$14,086,353)		

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

A bill to relating to the state taking over responsibility for foster care and subsidized adoption non-federal costs.

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

This bill would require the state to bear all costs, in excess of the amount provided by the federal government, for the foster care and subsidized adoption programs. Currently the counties are billed a portion of the program costs not funded by the federal government. The amount billed to the counties is not to exceed twenty-five percent. The bill also requires the county social service boards to submit a budget to the Department of Human Services by December 31, 2009 identifying the reduction in county expenditures for the foster care and subsidized adoption programs and a recommendation on how the reduction will be passed on to property taxpayers of the county.

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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.*

HB1012 contains other Fund appropriation authority of \$13,278,991 for these expenditures. This bill would require a general fund increase of \$13,278,991 and a decrease in other funds of that same amount.

Name:	Debra A. McDermott	Agency:	Human Services
Phone Number:	328-3695	Date Prepared:	01/19/2009

February 4, 2009

VK
2/5/09
182

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1425

Page 1, line 1, remove the second "and" and after "50-09-27" insert ", and 57-15-31"

Page 1, line 2, after "expense" insert "and county property tax levies"

Page 1, line 4, replace "costs" with "services" and replace "expiration" with "effective"

Page 1, line 16, after "submitted" insert "annually" and remove "in 2009"

Page 1, line 22, replace "2008" with "the previous year" and remove "The budget must include
a"

Page 1, remove line 23

Page 1, line 24, remove "passed on to the property taxpayers of the county."

Page 2, line 1, remove "and recommendation"

Page 2, line 2, replace "31, 2009" with "thirty-first of each year" and after the underscored period insert:

"3. Each affected county shall publish in the county's official newspaper the amount of tax savings incurred as a result of the implementation of this section."

Page 3, after line 6, insert:

"SECTION 4. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy. The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.

- 2 of 2
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.
 7. The amount reported by a county under subsection 2 of section 11-23-01 relating to foster care and subsidized adoption costs paid by the state beginning August 1, 2009.

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy."

Page 3, replace lines 9 and 10 with:

"SECTION 6. EFFECTIVE DATE. Section 4 of this Act is effective for taxable years beginning after December 31, 2008."

Renumber accordingly

Date: _____
Roll Call Vote #: /

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1425

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Rep. Lyntad Seconded By Rep. Voth

[illegible]

Total (Yes) 12 No 1

Absent

Bill Carrier

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

move amendments 0201.

MOTION
Carried DO PASS

Date: _____
Roll Call Vote #: 2

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1425

House HUMAN SERVICES

Committee

☐ Check here for Conference Committee**Legislative Council Amendment Number**

Action Taken ☒ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By Kep Porter Seconded By Kep. Fulmer

[illegible]

Total (Yes) 12 No 1

Absent _____

Bill Carrier

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

motion to add a Section 7
that says, "the affected countries
will publish the tax savings by
implementing this measure in
their official newspaper"

24-09

1425

Committee

Legislative Council Amendment Number

☒ **Do Pass**

☐ **Do Not Pass**

☐ **Amended**

Motion Made By Rep. PORTER Seconded By Rep. Uglem

[illegible]

Total (Yes) 13 No 0

Absent _____

Bill Carrier

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

move amendment
suggested by Co.
foster care and subsidized adoption
services pg. 3 line 3

Date: 2-4-09
Roll Call Vote #: 4

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1425

House HUMAN SERVICES

Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

☒ Do Pass

☐ Do Not Pass

☒ Amended

Motion Made By

Rep. Porter

Seconded By

Rep. Conrad

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN ROBIN WEISZ	☒	☐	REP. TOM CONKLIN	☒	☐
VICE-CHAIR VONNIE PIETSCH	☒	☐	REP. KARI L CONRAD	☒	☐
REP. CHUCK DAMSCHEN	☒	☐	REP. RICHARD HOLMAN	☒	☐
REP. ROBERT FRANTSGOV	☒	☐	REP. ROBERT KILICHOWSKI	☒	☐
REP. CURT HOFSTAD	☒	☐	REP. LOUISE POTTER	☒	☐
REP. MICHAEL R. NATHE	☒	☐			
REP. TODD PORTER	☒	☐			
REP. GERRY UGLEM	☒	☐			

Total

(Yes)

13

No

0

Absent

Bill Carrier

Rep. Porter

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

*re-refer to
Appropriations*

Motion for a DP as amended

REPORT OF STANDING COMMITTEE

HB 1425: Human Services Committee (Rep. Weisz, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (13 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1425 was placed on the Sixth order on the calendar.

Page 1, line 1, remove the second "and" and after "50-09-27" insert ", and 57-15-31"

Page 1, line 2, after "expense" insert "and county property tax levies"

Page 1, line 4, replace "costs" with "services" and replace "expiration" with "effective"

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Page 1, line 24, remove "passed on to the property taxpayers of the county."

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Page 2, line 2, replace "31, 2009" with "thirty-first of each year" and after the underscored period insert:

"3. Each affected county shall publish in the county's official newspaper the amount of tax savings incurred as a result of the implementation of this section."

Page 3, after line 6, insert:

"SECTION 4. AMENDMENT. Section 57-15-31 of the North Dakota Century Code is amended and reenacted as follows:

57-15-31. Determination of levy. The amount to be levied by any county, city, township, school district, park district, or other municipality authorized to levy taxes shall be computed by deducting from the amount of estimated expenditures for the current fiscal year as finally determined, plus the required reserve fund determined upon by the governing board from the past experience of the taxing district, the total of the following items:

1. The available surplus consisting of the free and unencumbered cash balance.
2. Estimated revenues from sources other than direct property taxes.
3. The total estimated collections from tax levies for previous years.
4. Such expenditures as are to be made from bond sources.
5. The amount of distributions received from an economic growth increment pool under section 57-15-61.
6. The estimated amount to be received from payments in lieu of taxes on a project under section 40-57.1-03.

7. The amount reported by a county under subsection 2 of section 11-23-01 relating to foster care and subsidized adoption costs paid by the state beginning August 1, 2009.

Allowance may be made for a permanent delinquency or loss in tax collection not to exceed five percent of the amount of the levy."

Page 3, replace lines 9 and 10 with:

"SECTION 6. EFFECTIVE DATE. Section 4 of this Act is effective for taxable years beginning after December 31, 2008."

Renumber accordingly

2009 HOUSE APPROPRIATIONS

HB 1425

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1425

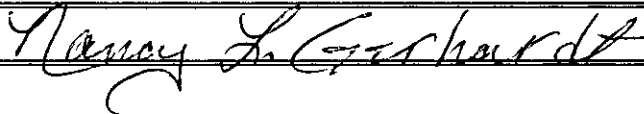
House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 12, 2009

Recorder Job Number: 9405

Committee Clerk Signature



Minutes:

Rep. Weisz explained HB 1425. HB 1425 turns all the cost, all the grant costs of foster care and subsidized adoption over to the state. It has a price tag of 13.2 million. The counties would still be liable for the administrative costs. This mandate, lowers the cap on the social service levy by the amount of reduction in their foster care costs. The question came up if the state shouldn't be taking those costs over, unless the state an obligation or liability. All foster care programs are mandated by the state. If there is a child in their county, and the state says they're going to MN in a program, the county picks up the tab. When we raise the payment rate for foster care payments, the county picks up the tab. If we increase the rate for subsidized adoption, the county picks up the tab. This bill will say it's a state program, the counties have no leeway, the state mandates visitation, the state tells where they are going to be, fine, well pay for the administration part, but the state ought to pick up the grant cost. It does mandate each county lower the maximum amount they can budget must be lowered by the amount they saved in the foster care program. The Social Service levy is 20 mils. It doesn't change the mil levy.

Chm. Svedjan: State that last part again. They are mandated to lower their budget, not their mil rate?

Rep. Weisz: It is the same effect, the social service levy is 20 mils. Rather than get into each county, it says the maximum amount they can budget has to be lowered by the amount they saved in the foster care dollars. If their maximum 20 mils would generate \$100,000 they are going to save \$20,000 they can only budget \$80,000. They cannot exceed \$80,000 budget. It doesn't change the mil levy cap as far as the 20 mils. It does cap the amount they can budget.

Rep. Kaldor: When the county finalizes their budget and reduces it by whatever amount they are going to receive, they can really only levy for what their budget calls for, am I reading that right?

Rep. Weisz: That's correct, Yes.

Rep. Meyer: Why is there the requirement that the tax savings must be published in the paper.

Rep. Weisz: What we did in child support two years ago, is the idea we are constantly being beat up over property tax issue, and argue we don't do anything, from the state perspective. People should know we have lowered your cost by this amount. The state took over this responsibility. The people should be aware of that. They should know when they make decisions, they decide if their county is spending their money wisely. That's the reason, they publish their county commission minutes anyway. They can do it in their official minutes and publish them in their official paper. It's not an extra burden from there, it shouldn't be from their standpoint. We're constantly being beat up by property tax issue.

Rep. Pollert: There's \$300 million in property tax relief out there. Can the state afford more property tax relief? Are we going to reduce the \$300 million property tax relief by this amount? That's what should happen.

Rep. Weisz: Whatever this assembly decides on the property tax relief package, this was the HS Committees recommendation.

Rep. Pollert: Do we keep the bill alive so we have \$300 million and another \$13 million or do we kill the bill?

Rep. Weisz: If the assembly wants to give some property tax relief, your policy believes this is true property tax relief. We're making them pay for it and the state controls the standing.

Chm. Svedjan: We're talking here about a procedural thing. There's time and we can coordinate all this. We don't know yet how that \$300 million dollar bill is going to come out. If it does then we will decide whether this ought to be a part of that total or not.

Rep. Bellew: I introduced this bill specifically for property tax relief. I did want to repeal section 15-09-21.1 of the Century Code which mandates what the counties have to pay. The DHS can raise your property taxes without the public having a hearing on it.

Rep. Bellew: I move a Do Pass.

Chm. Svedjan: Rep. Bellew moves a Do Pass.

Rep. Hawken: 2nd.

Chm. Svedjan: 2nd by Rep. Hawken. Any further discussion? We will take a roll call vote on HB 1425.

Vote: 12 Yes 10 No 3 Absent Carrier Rep. Porter

Rep. Skarphol: I would like to ask LC to keep track of all the bills we have taken action on that affect property taxes

Chm. Svedjan: I agree.

Date: 2/12/09
Roll Call Vote #: 1 of 1

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1425

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Bullen Seconded By Hawken

Representatives	Yes	No	Representatives	Yes	No
Chairman Svedjan		✓			
Vice Chairman Kempenich		✓			
Rep. Skarphol		✓	Rep. Kroeber	✓	
Rep. Wald	✓	✓	Rep. Onstad	✓	
Rep. Hawken	✓		Rep. Williams	✓	
Rep. Klein	✓				
Rep. Martinson	✓				
Rep. Delzer		✓	Rep. Glassheim		✓
Rep. Thoreson		✓	Rep. Kaldor	✓	
Rep. Berg		✓	Rep. Meyer	✓	
Rep. Dosch		✓			
Rep. Pollert		✓	Rep. Ekstrom		
Rep. Bellew	✓		Rep. Kerzman		
Rep. Kreidt	✓		Rep. Metcalf	✓	
Rep. Nelson	✓				
Rep. Wieland	✓				

Total (Yes) 12 No 10

Absent 3

Floor Assignment Rep. Porter

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

REPORT OF STANDING COMMITTEE (410)
February 13, 2009 6:43 p.m.

Module No: HR-28-2809
Carrier: Porter
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1425, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **DO PASS** (12 YEAS, 10 NAYS, 3 ABSENT AND NOT VOTING).
Engrossed HB 1425 was placed on the Eleventh order on the calendar.

2009 SENATE HUMAN SERVICES

HB 1425

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1425

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: 3/3/09

Recorder Job Number: 10065, 10101

Committee Clerk Signature

Mary K Monson

Minutes:

Senator J. Lee opened the hearing on HB 1425 relating to programs funded at state expense and county property tax levies and relating to foster care and subsidized adoption services.

Representative Larry Bellew (District 38) introduced HB 1425. Attachment #1

Senator Dever – shouldn't we study this or something to consider all the implications?

Rep. Bellew replied that he hoped they would bring this forth because he thought it had been studied – the social services county costs have been studied over and over. He felt this is one of the points in the century code that passes on legitimate state costs to the county taxpayers.

Senator J. Lee said it reminded her of the child support that was moved first for disbursement then collection to the state. That is functioning well.

Rep. Bellew – it is similar to that. This bill requires the counties to lower their mill levies by the amount of reduction of costs.

Senator Dever – are we talking about transferring services or just the costs?

Rep. Bellew – just the costs not the services. It is his intention that the county workers stay county workers and not become state employees.

Terry Traynor (ND Association of Counties) testified in support of HB 1425. Attachment #2.

Bryan Quigley (Director of Mountrail County Social Services) testified in support of HB 1425.

Attachment #3

Senator Heckaman asked him to talk about the demands and mandates the legislature has put on the counties.

Mr. Quigley said there are two things: (1) there was a point where they were not providing the services they should have been providing and (2) the case of wraparound and visitations.

He talked about their caseloads being stable and the increase in services. With 2½ workers now they can actually provide services to children and families and have successful results.

Senator Pomeroy – when you talk about the current formula estimate is that the current formula now or under this bill.

Mr. Quigley said the current formula now.

There was no opposing testimony.

Deb McDermott (Dept. of Human Services - Assistant Director Fiscal Administration) provided additional information and said they were neutral to HB 1425. Although Rep. Bellew assured her the \$13.2 million would be put into 1012, currently there isn't an appropriation in this bill nor is there money to fund this bill in 1012. The counties have a unique relationship and as the counties determine eligibility for the clients in the current formula it is a benefit to both the county and the state to determine children to be eligible for 4e. That is where the most federal funds are derived. By changing the formula and having the state be responsible entirely for the grant payments there isn't incentive for the counties to make sure and determine as many eligible kids as there could be for 4e.

Senator J. Lee – how can we fix that?

Tara Muhlhauser (Dept. of Human Services) answered that they hadn't necessarily had that conversation. It might be a good conversation to have with their Association of Counties partners.

Senator J. Lee encouraged Mr. Traynor to visit with Ms. Muhlhauser and see if they could come up with some way to address it.

Senator J. Lee asked Rep. Bellew is there was any discussion in the House about including the appropriation in this bill.

Rep. Bellew – no.

The hearing on HB 1425 was closed.

Committee discussion: If the state is going to be paying for something somebody else has control over, there needs to be accountability and understanding.

Effects on the beginning dates when the budgets are already set – special funds at the county level would have to be taken into account when levied next year.

Job #10101

Committee discussion continued on HB 1425 and testimony from the hearing was reviewed.

Important is that it is a property tax relief bill.

The House didn't deal with the appropriation in this bill.

This is different from what child support used to be in that those people became state employees. In this case the employees will remain county employees.

This was set aside to wait for further information.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. HB 1425

Senate Human Services Committee

☐ Check here for Conference Committee

Hearing Date: 3/10/09

Recorder Job Number: 10613

Committee Clerk Signature

Mary K. Monson

Minutes:

Senator J. Lee opened discussion on HB 1425 which would move the cost of foster care and special needs adoption from the county to the state. She informed the committee that neither the county social services people nor the department felt anything needed to be put into law assuring that the counties didn't get carried away because the state was paying. They both agree to do a memorandum of understanding about it.

Senator Heckaman asked if the appropriated amount of money was comparable to what was appropriated last biennium or higher or lower. What did the counties use last biennium?

Attachment #4 – Common Ground was discussed.

(e-mail information from Bryan Quigley – Attachment #5 – was read)

There was discussion whether the funding was enough – if inflation was taken into account.

Wendy Jacobson (Director of Social Services for Sargeant and Ramsom Counties) took the podium at the request of **Senator J. Lee** to help clarify the adoption and special needs funding. She replied that they had been involved in the discussions. She said they already have their budgets for this year and there is an increase over last year based on information they get from the department.

Senator Erbele moved to adopt the amendment .0301dated 3/5/09.

Second by **Senator Heckaman**.

Roll call vote 5-0-1. Admendment adopted.

Senator Dever commented that he didn't disagree with the concept of shifting those costs.

His question was "are the proper controls in the bill to ensure they aren't just creating a new base to start increasing property taxes from again."

Senator J. Lee asked how they could fix it. She wondered how far they should go as a state in capping off what the county, in this case, could do.

Senator Heckaman said they are required to report the reduction and it wouldn't take long for the department to see whether they are increasing the mill levy again.

Attachment #4, Common Ground, was briefly discussed. All the foster care costs are stuck in a pool and every county pays a portion of this based on their usage, etc. That pool goes away if this passes. Whether a county has children in foster care or not they are all paying for the costs of ND children in foster care.

Senator Heckaman moved a **Do Pass as Amended and rerefer to Appropriations**.

Second by **Senator Erbele**.

Roll call vote 4-1-1. **Motion carried.**

Carrier is **Senator J. Lee**.

March 5, 2009

JL
3/11/09

PROPOSED AMENDMENTS TO ENGROSSED HOUSE BILL NO. 1425

Page 1, line 4, after the semicolon insert "to provide an appropriation;"

Page 3, after line 28, insert:

"SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$13,278,991, or so much of the sum as may be necessary, to the department of human services for the purpose of funding nonfederal foster care and subsidized adoption costs, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Renumber accordingly

Date: 3/10/09

Roll Call Vote #: 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1425

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 0301

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

Motion Made By Sen. _____ Seconded By Sen. _____

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

Total (Yes) 5 No 0

Absent 1

Floor Assignment _____

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

Date: 3/10/09

Roll Call Vote #: 2

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES

BILL/RESOLUTION NO. HB 1425

Senate Human Services Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number 90226.0301 Title .0400

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

Motion Made By Sen. Heckaman Seconded By Sen. Erbele

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

Total (Yes) 4 No 1

Absent 1

Floor Assignment Senator J. Lee

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

REPORT OF STANDING COMMITTEE

HB 1425, as engrossed: Human Services Committee (Sen. J. Lee, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (4 YEAS, 1 NAY, 1 ABSENT AND NOT VOTING). Engrossed HB 1425 was placed on the Sixth order on the calendar.

Page 1, line 4, after the semicolon insert "to provide an appropriation;"

Page 3, after line 28, insert:

"SECTION 6. APPROPRIATION. There is appropriated out of any moneys in the general fund in the state treasury, not otherwise appropriated, the sum of \$13,278,991, or so much of the sum as may be necessary, to the department of human services for the purpose of funding nonfederal foster care and subsidized adoption costs, for the biennium beginning July 1, 2009, and ending June 30, 2011."

Renumber accordingly

2009 SENATE APPROPRIATIONS

HB 1425

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1425

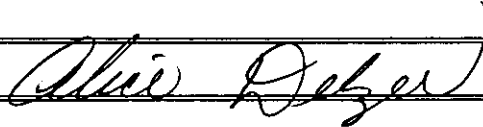
Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 03-18-09

Recorder Job Number: 11182

Committee Clerk Signature



Minutes: # 8

V. Chair Grindberg Called the committee back to order in reference to HB 1425 in regards to programs funded at state expense and county property tax levies; relating to foster care and subsidized adoption services.

Rep Bellew district 38, Minot, ND testified in favor of HB 1425. See attachment # 1.

V. Chair Grindberg How long has that been in place?

Bellew Since 1999.

V. Chair Grindberg Would that have been part of the interim study?

Bellew Not part of the SWAT program

Senator Seymour Do you think this bill will save the tax payer money?

Bellew Absolutely

Terry Traynor Assistant Director North Dakota association of Counties (NDAC). Testified in favor of HB 1425. See attachment # 2.

Senator Fischer Last session we took over child support, now we're going to take over foster care here and reduce the amount of employers and benefits and everything, how close are we to assuming that social services (SS) are going to end up in human services (HS)?

Traynor Counties spend about 50M a year on SS. This would be a third of it.

Senator Fischer So we can amend this.

V. Chair Grindberg The child support shift, that was part of an interim study was it not?

Traynor That is correct

V. Chair Grindberg Hypothetically my county under this scenario, if I understand this right, would receive 1.5M in reduced property taxes for 3.71 mills. So we are required to reduce that mill, as we go into our budgeting process in the summer we know that we reduce 3.71 mills and reallocate by a vote of the board to add those mills to cover say economic development. Could that not happen?

Traynor I can't say that it couldn't happen in some counties, but in most counties it would be impossible. Most counties have their general fund levy capped. If they reduce their SS levy, that is gone. If they are below the general fund, below the cap, conceivable they could raise their general fund to cover road costs or something like that. But since they are below the cap, they can do that now.

Senator Warner We always associate foster care with poverty situations. I know there are some families with children in foster care who have wealth. Are there some cases where the cost of foster care is assessed back to the family?

Traynor Yes, essentially when a foster case is opened up, so is a child support enforcement case. Explained the process.

Senator Warner What happens to school district payments? A child is moved into another district because of being placed in another area.

Traynor I don't know.

Senator Wardner I know what happened in the high school where I was the assistant principle, we had children moved to foster care we had to pay the tuition. The school district has to take care of them, they have to pay for the educational costs of that child but not the treatment costs.

Senator Fischer In a county that hasn't capped, they could shift that mill levy?

Traynor They could if they have room in their general fund. They can do that now.

Senator Mathern Is there any constitutional problem here?

Traynor I don't believe so, the only constitutional thing that comes to mind the counties have to care for the poor. The legislature has given them 20 mills to do that. However, they also have the authority that if those 20 mills doesn't cover that in any given year they can deficient spend. Gave examples of some counties that do that

Senator Wardner Then as far as the work of placing these foster care children, the county SS would do that?

Traynor That is correct. The process, the recruiting, all stays the same.

Shari Doe Director of Burleigh County Social Services. Spoke in support of HB 1425. See attachment # 3.

Senator Robinson In Burleigh Co., how many foster children that fall into this category?

Doe Less than 70 children with about 13 case workers.

Senator Warner Asked how child support is assessed.

Doe Discussed the process to the best of her knowledge

Senator Warner Is there an ongoing obligation?

Doe That stays with the family.

Senator Mathern We have some changes going on in HS funding, one is this change, family decision making, what the village does. Do they provide that in Burleigh County?

Doe Yes, it is one of the tools that we use to unite the children back.

Senator Mathern Why wasn't that in the county's testimony that this has a really a big impact.

If the counties were paying for this, it would seem the counties would want to provide that service. The state has been involved in providing that service.

Doe That is one of the tools that we use at the county . Family Group Decision Making is done with a grant. I believe the bill did provide that plus other tools we use to keep kids and families together.

V. Chair Grindberg Closed the hearing.

2009 SENATE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1425

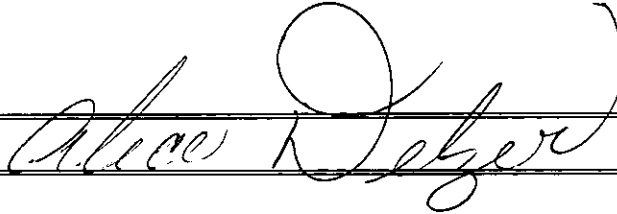
Senate Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: 04-03-09

Recorder Job Number: 11724

Committee Clerk Signature



Minutes:

Chairman Holmberg called the committee to order in reference to HB 1425 in regards to programs funded at state expense and county property tax levies relating to foster care and subsidized adoption services.

SENATOR FISCHER MOVED A DO NOT PASS. SECONDED BY SENATOR GRINDBERG.

Further discussion followed.

A ROLL CALL VOTE WAS TAKEN ON A DO NOT PASS RESULTING IN 9 YEAS, 5 NAYS, 0 ABSENT. SENATOR FISCHER WILL CARRY THE BILL.

Chairman Holmberg closed the hearing on HB 1425. Ends at (4.48)

HB 1324 is also on this job. It begins at (4.50)

Date: 4/3/09

Roll Call Vote # 1

2009 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1425

Senate Senate Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ Do Pass ☒ Do Not Pass ☐ Amended

Motion Made By Fischer Seconded By Grindberg

Senators	Yes	No	Senators	Yes	No
Sen. Ray Holmberg, Ch	✓		Sen. Tim Mathern		✓
Sen. Tony S. Grindberg, VCh	✓		Sen. Aaron Krauter		✓
Sen. Bill Bowman, VCh	✓		Sen. Larry J. Robinson		✓
Sen. Randel Christmann	✓		Sen. John Warner	✓	
Sen. Rich Wardner	✓		Sen. Elroy N. Lindaas		✓
Sen. Ralph L. Kilzer	✓		Sen. Tom Seymour		✓
Sen. Tom Fischer	✓				
Sen. Karen K. Krebsbach	✓				

Total Yes 9 No 5

Absent _____

Floor Assignment Fischer

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

REPORT OF STANDING COMMITTEE

HB 1425, as engrossed and amended: Appropriations Committee (Sen. Holmberg, Chairman) recommends **DO NOT PASS** (9 YEAS, 5 NAYS, 0 ABSENT AND NOT VOTING). Engrossed HB 1425, as amended, was placed on the Fourteenth order on the calendar.

2009 HOUSE HUMAN SERVICES

CONFERENCE COMMITTEE

HB 1425

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1425

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: April 17, 2009

Recorder Job Number: 11952

Committee Clerk Signature

Vicky Crabtree

Minutes:

Chairman Weisz called the conference committee meeting to order on HB 1425.

Chairman Weisz: If the Senate would explain what they did.

Sen. Erbele: We did like the bill and as it moved on through appropriations and our discussions with tax people, there wasn't any real assurance that we would see any deduction at the county level if we did do this. Thought we'd do an in depth study on it and see how we could best transition the child support from the county to the state. And do it in a way that would actually be a visible savings to the tax base on our local level. In order to discuss some of the impact and ramifications to that is why we asked Sen. Cook to be a part of this discussion and bring some of the reasons to us.

Chairman Weisz: Sen. Cook, why didn't this have a correspondent property tax?

Sen. Cook: I like the concept of the bill. I think it is one of the ways we have to move forward to (inaudible) property tax relief is to identify those services possibly are delivered at the local level. And see if they wouldn't be more efficient or (inaudible) state level and lower property taxes. We had a bill introduced last session to see if we could identify as many of these as we could and study it in the interim. I'll explain why I have so many questions. I handed out to you the county portion of the levy limitations for political subdivisions and you can see there are 8

pages. Those are all different services that counties are responsible to address and the mill levies they are limited to in each one of them. Human Services on top of page 5 and that is a 10 mill cap. It comes down to how the counties build their budgets. My first concern with this is (inaudible) on the top. We can require them to lower their current Human Services mill levy by whatever this would allow them to do dollar for dollar. They have so much flexibility elsewhere within their budget. Political subdivisions, counties being one of them, they have two ways of building their budgets. Most counties build their budgets by Chapter 57 15.1-1 which you will see in SB 2199. I looked in the bill for a reference to that chapter and found none. We need a reference to the chapter that would assure that their base years and dollars would be reduced by the amount of this and that is not here. How can we reach the goal through property tax reduction? It is something that needs a whole lot of work to make sure we accomplish what we want to. A study is the best way to reach the goals.

Chairman Weisz: To clarify, 1425 was not taking over foster care like we did with child support.

Rep. Bellew: I had Legislative Council draw up the language in this bill to ensure there would be property tax relief and I believe that is in Section 4 of the original bill. If we levied 16 mills for Human Services that's your base line under this bill it would come to 1 or 2 mills that would reduce it. Your base line would be 16 minus 2 and then maybe we could levy 14 mills next time.

Sen. Cook: They will guarantee the amount of mills that are county levies for Human Services and will go down probably. That is no guarantee that property taxes (the total mill levy that tax payer is going to see on their tax statement) will go down. It is complicated and we want to do it right.

Rep. Bellew: My primary motive for this bill was property tax relief. Under Section 15-09.21-1. That code gives the Human Services to authority to levy county funds for subsidized adoption and foster care. Because of that section of code, the Dept. of Human Services can raise your property taxes. I don't know if that's right either. This is another unfunded mandate that the state has thrown at us.

Chairman Weisz: (Inaudible) just write the check and have no say in it. That's one of the issues we looked at here.

Sen. Dever: As I recall we passed out child support enforcement and the state assumed administration of that too. Part of my concern with this is we are talking about the state assuming costs on a program now administered by the county. I wonder if there shouldn't be a change in administration of that which would be appropriately done through a study.

Chairman Weisz: You can still do a study on the administration if it should be under the state or not. Right now an arbitrary number of what the county should pay versus what the state pays. That was a number agreed upon sometime in the past so changing that number say cut it half. Why would that require a study to say that the (inaudible) studied a number like that? We haven't.

Sen. Dever: Maybe I need a better understanding of how the foster care program works. Who decides the child goes into foster care? Is done by the county or state?

Rep. Weisz: The county administers the program. The state sets the rules. (Inaudible) if state says kid goes and the county pays.

Sen. Dever: When is the decision made on an individual basis?

Chairman Weisz: The state makes the decision based on the rules. County social worker is one that enforces it, but they have no choice as they have to follow the state rules. If court puts them in foster care we have no say in that. The state takes custody of the child, but the county

picks up the tab because the child resides in that county. If child is sent to Minnesota, the county picks up the tab.

Rep. Bellew: Another thing about the study. There is no guarantee that the Legislative Council will choose this study.

Rep. Potter: Sen. Dever, did you want to get programs into the study because this is only talking about funding?

Sen. Dever: I think the administration is included in the cost of it, although it doesn't specifically say that.

Rep. Potter: It doesn't. It seems to make you want to make it more than just the funding that would need to be expanded some. It is a concern of mine too. If we turn it into a study, all studies are an option and not a demand.

Sen. Dever: Rep. Potter, if it says, "shall study", in a bill it is mandatory. We might be open to making it mandatory.

Sen. Cook: The issue of shall study or shall consider study I would certainly support a "shall study". This is an important issue. If this is studied then the tax needs to go to the tax committee interim study and policy needs to be studied in a Humans Services committee.

Chairman Weisz: I'll reschedule another meeting.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1425

House Human Services Committee

☒ Check here for Conference Committee

Hearing Date: April 23, 2009

Recorder Job Number: 12178

Committee Clerk Signature

Vicky Crathree

Minutes:

Chairman Weisz called to order the conference committee meeting on HB 1425.

Chairman Weisz: If the Senate wants to make a motion that the House accede to the Senate amendments we will entertain a motion.

Sen. Erbele: Motion House would Accede to Senate Amendment.

Sen. Cook: Second.

Roll Call Vote: 4 yes, 0 no, 2 absent, Sen. Dever and Rep. Bellew.

MOTION CARRIED.

BILL CARRIER: Rep. Weisz.

Chairman Weisz: Meeting adjourned.

**REPORT OF CONFERENCE COMMITTEE
(ACCEDE/RECEDE)**

Bill Number 1425 (, as (re)engrossed):

Date: 4-17-09

Your Conference Committee Human Services

For the Senate:

For the House:

Attend		YES / NO			YES / NO	Attend
✓	Sen. ERBELE			Rep. Weisz		✓
✓	Sen. COOK			Rep. Bellew		✓
✓	Sen. DEVER			Rep. POTTER		✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) _____ -- _____

_____, and place _____ on the Seventh order.

_____, adopt (further) amendments as follows, and place _____ on the Seventh order:

_____, having been 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.

DATE: _____

CARRIER: _____

LC NO. _____	of amendment
LC NO. _____	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: _____

SECONDED BY: _____

OTE COUNT ___ YES ___ NO ___ ABSENT

REPORT OF CONFERENCE COMMITTEE (ACCEDE/RECEDE)

Bill Number 1425 (, as (re)engrossed):

Date: 4-23-09

Your Conference Committee Human Services

For the Senate:

For the House:

attest			YES / NO			YES / NO			attest		
✓	Sen. Erbele	✓				Rep. Weisz	✓		✓		✓
✓	Sen. Cook	✓				Rep. Bellow	A		A		✓
A	Sen. Dever	A				Rep. Potter	✓		✓		✓

recommends that the (SENATE/HOUSE) (ACCEDE to) (RECEDE from)

the (Senate/House) amendments on (SJ/HJ) page(s) 1316 - 1317

____, and place _____ on the Seventh order.

____, adopt (further) amendments as follows, and place _____ on the Seventh order:

____, having been 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.

DATE: _____

CARRIER: Rep. Weisz

LC NO. _____	of amendment
LC NO. _____	of engrossment
Emergency clause added or deleted	
Statement of purpose of amendment	

MOTION MADE BY: Sen. Erbele

SECONDED BY: Sen. Cook

TE COUNT 4 YES 0 NO 2 ABSENT

REPORT OF CONFERENCE COMMITTEE

HB 1425, as engrossed: Your conference committee (Sens. Erbele, Cook, Dever and Reps. Weisz, Bellew, Potter) recommends that the **HOUSE ACCEDE** to the Senate amendments on HJ page 1316 and place HB 1425 on the Seventh order.

Engrossed HB 1425 was placed on the Seventh order of business on the calendar.

2009 TESTIMONY

HB 1425

#1

House Human Services Committee

HB 1425 Testimony

FOSTER CARE AND SUBSIDIZED ADOPTION

Mr. Chairman, members of the House Human Services Committee, I am Representative Larry Bellew from District 38 in Minot. I am here to introduce HB 1425 and support its passage.

North Dakota Century Code Section 50-09-21.1 provides that the county share of foster care and subsidized adoption program costs is 25 percent of the cost in excess of the amount provided by the federal government under federal Title IV-E. The section provides that each county's share is based on a formula established by the Department of Human Services.

When a child enters the foster care system, the county eligibility worker determines which program will pay for the child's foster care costs. The programs are Title IV-E, emergency assistance, or regular foster care.

To be eligible under federal Title IV-E, the child's family needs to meet income eligibility requirements for the federal aid to families with dependent children (AFDC) program that were in place in July 1996. If the child is eligible under Title IV-E, the federal government pays a share of the costs based on the

federal medical assistance percentage (FMAP), which presently is about 63%. Of the remaining 37%, the state pays 75% and the counties pay 25%. So when the (FMAP) rate lowers, the counties and state pay more, with the state portion coming out of the general funds. The counties' share comes from property taxes.

To be eligible for emergency assistance, the child has had to have been in the child's family home or that of a relative during the last six months and may not be receiving federal supplemental security income (SSI) payments. There are no incomes or asset eligibility requirements to be eligible for this program, the state may use federal temporary assistance to needy families (TANF) funds for 75% of the cost with the counties paying the remaining 25%.

If the child is not eligible for either Title IV-E or emergency assistance, payments are made under the regular foster care program. Under this program, the state pays 75% and the counties pay 25% of the foster care cost.

I am introducing this bill for two reasons: County Commissioners are always saying that the State Legislature keeps sending them unfunded mandates. This is one of those unfunded mandates. Number two, passage of this bill should reduce local property taxes an equal amount shown on the fiscal note.

When DHS has a cost or inflationary increase, the county increased costs are passed on to the county taxpayers without a hearing. County Commissions are already challenged to hold the line on property taxes. Finally, the Department of Human Services can raise your property taxes because of NDCC 50-09-21.1.

Thank you Mr. Chairman.

Testimony To
THE HOUSE HUMAN SERVICES COMMITTEE
Prepared Tuesday, February 2, 2009 by
Terry Traynor, Assistant Director
North Dakota Association of Counties

REGARDING HOUSE BILL No. 1425

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 being placed with other local families. This situation has changed significantly. As you will hear today, 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 fiscal note indicates this bill would reduce county costs by \$13.3 million in the coming biennium. \$6.6 Million per year equals an average property tax impact of 3.5 mills. Based on the past year's formula share for each county and the fiscal note amount, the attached table gives an approximate county-by-county analysis of the mill-equivalent of the projected savings.

Our Associations support the language of Section 1 of the bill as an excellent means of ensuring a careful analysis and consideration of the impact of this bill on property taxes. Mr. Chairman and committee members, the North Dakota Association of Counties and the North Dakota County Commissioners Association, request a "Do Pass" recommendation on House Bill 1425.

HB1425 - Foster Care Maintenance Transfer Analysis
CY2008 County Formula & Mill Values for 2008 Budget

COUNTY	County Share	Annual County Share (Biennial/2)	
	Biennial Amount	Dollars	Mills
ADAMS	\$41,615	\$20,808	2.70
BARNES	\$228,820	\$114,410	2.94
BENSON	\$56,618	\$28,309	2.01
BILLINGS	\$12,477	\$6,238	1.14
BOTTINEAU	\$127,166	\$63,583	2.41
BOWMAN	\$53,136	\$26,568	2.19
BURKE	\$32,532	\$16,266	1.85
BURLEIGH	\$1,477,847	\$738,923	3.37
CASS	\$3,178,389	\$1,589,194	3.71
CAVALIER	\$70,164	\$35,082	1.61
DICKEY	\$102,397	\$51,198	2.83
DIVIDE	\$41,000	\$20,500	2.12
DUNN	\$41,478	\$20,739	1.62
EDDY	\$29,556	\$14,778	2.24
EMMONS	\$52,662	\$26,331	1.80
FOSTER	\$66,448	\$33,224	2.55
GOLDEN VALLEY	\$30,568	\$15,284	2.61
GRAND FORKS	\$1,533,935	\$766,967	4.46
GRANT	\$38,023	\$19,012	2.08
GRIGGS	\$35,442	\$17,721	1.85
HETTINGER	\$37,054	\$18,527	1.85
KIDDER	\$59,943	\$29,971	2.81
LaMOURE	\$85,049	\$42,525	2.25
LOGAN	\$27,290	\$13,645	1.84
McHENRY	\$102,207	\$51,104	2.26
McINTOSH	\$47,913	\$23,957	2.30
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MERCER	\$123,058	\$61,529	3.16
MORTON	\$547,655	\$273,827	4.10
MOUNTRAIL	\$111,886	\$55,943	3.38
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TRAILL	\$136,775	\$68,387	2.48
WALSH	\$266,015	\$133,008	4.01
WARD	\$1,299,607	\$649,803	4.72
WELLS	\$78,813	\$39,407	2.04
WILLIAMS	\$485,860	\$242,930	5.32
COUNTY TOTAL	\$13,278,994	\$6,639,497	3.52

#3

TESTIMONY
HUMAN SERVICE COMMITTEE
HOUSE BILL 1425
REPRESENTATIVE WEISZ, CHAIRMAN

Chairman Weisz and members of the House Human Service Committee, my name is Marcia Beglau. I am the Director of Griggs and Nelson County Social Services located in Cooperstown and Lakota. The ND County Social Service Directors Association has not met to discuss this bill, therefore, my support of this bill is given as the Director of Griggs and Nelson County Social Services, although I have had contact with several fellow county directors from small, medium and large size counties who too are in support of this bill.

Counties currently pay up to 25% of the non-federal share of the placement costs for Foster Care and Subsidized Adoption with each county paying a cost of the statewide total determined by a formula based on demographics.. This bill would have the State pay the placement costs of children in Foster Care or Subsidized Adoption while Counties 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. Philosophically one might ask if a child is in a placement of Foster Care or Subsidized Adoption who should pay for the child's daily physical and basic needs which are not a program administration cost. I feel it is appropriate for the State to pay placement costs while Counties continue to pay the administrative costs to case manage the child's case. To have the State pay for placement costs of children does not relieve Counties of any administrative business costs involving staff expense and salaries. The placement costs of Foster Care and Subsidized

Adoptions are increasing costs Counties have no local control over and there is little, if any, correlation between the ability to collect property tax and the need to fund these increasing Foster Care and Subsidized Adoption placement costs.

Chairman Weisz and members of the Committee, thank you for the opportunity to provide testimony on HB 1425 and I would be happy to attempt to address any questions you may have.

Senate Human Services Committee

HB 1425 Testimony

#1
Same given
to Senate
HHS.

FOSTER CARE AND SUBSIDIZED ADOPTION

Madame Chairman, members of the Senate Human Services Committee, I am Representative Larry Bellew from District 38 in Minot. I am here to introduce HB 1425 and support its passage.

North Dakota Century Code Section 50-09-21.1 provides that the county share of foster care and subsidized adoption program costs is 25 percent of the cost in excess of the amount provided by the federal government under federal Title IV-E. The section provides that each county's share is based on a formula established by the Department of Human Services.

When a child enters the foster care system, the county eligibility worker determines which program will pay for the child's foster care costs. The programs are Title IV-E, emergency assistance, or regular foster care.

To be eligible under federal Title IV-E, the child's family needs to meet income eligibility requirements for the federal aid to families with dependent children (AFDC) program that were in place in July 1996. If the child is eligible under Title IV-E, the federal government pays a share of the costs based on the

federal medical assistance percentage (FMAP), which presently is about 63%. Of the remaining 37%, the state pays 75% and the counties pay 25%. So when the (FMAP) rate lowers, the counties and state pay more, with the state portion coming out of the general funds. The counties' share comes from property taxes.

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If the child is not eligible for either Title IV-E or emergency assistance, payments are made under the regular foster care program. Under this program, the state pays 75% and the counties pay 25% of the foster care cost.

I am introducing this bill for two reasons: County Commissioners are always saying that the State Legislature keeps sending them unfunded mandates. This is one of those unfunded mandates. Number two, passage of this bill will reduce local property taxes equal to the amount shown on the fiscal note.

Simply, this is a property tax relief bill!

When DHS has a cost or inflationary increase, the increased county costs are passed on to the county taxpayers without a hearing. County Commissions are already challenged to hold the line on property taxes. Finally, the Department of Human Services can raise your property taxes because of NDCC 50-09-21.1, and I think this is not right. Thank you Madame Chairman.

**Testimony To
THE SENATE HUMAN SERVICES COMMITTEE
Prepared March 3, 2009 by
Terry Traynor, Assistant Director
North Dakota Association of Counties**

REGARDING ENGROSSEDHOUSE BILL No. 1425

Chair Lee and members of the 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 being placed with other local families. This situation has changed significantly. As was testified to in the House, 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 to some degree from widely fluctuating costs, it results in a disconnect for county commissioners when all they see is an annual bill that keeps increasing.

The fiscal note indicates this bill would reduce county costs by \$13.3 million in the coming biennium. \$6.6 Million per year equals an average property tax impact of 3.5 mills. Based on the previous year's formula share for each county and the fiscal note amount, the attached table gives an approximate county-by-county analysis of the mill-equivalent of the projected savings. Please note that this analysis splits the projected biennial impact in half, whereas in all likelihood the first year of the change would be slightly less than the second.

This fact relates to the language (Section 1) added to the original bill in the House to ensure that the property tax effects of this bill are accounted for in each county's budget process. As it was stated in the House, each county is expected to reduce their special

social service levy by the cost reduction before the increased costs of state salary adjustments, health insurance premiums, and caseload impacts are build into the county's final budget. This is similar to the process used when counties were relieved of the regional child support enforcement costs last biennium.

Mr. Chairman 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 1425.

**HB1425 - Foster Care Maintenance Transfer Analysis
CY2008 County Formula & Mill Values for 2008 Budget**

COUNTY	County Share	Annual County Share (Biennial/2)	
	Biennial Amount	Dollars	Mills
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WILLIAMS	\$485,860	\$242,930	5.32
COUNTY TOTAL	\$13,278,994	\$6,639,497	3.52

Testimony
Senate Human Services Committee
House bill 1425
Senator Judy Lee, Chairwoman

Chairwoman Lee and members of the Senate Human Services Committee: My name is Bryan Quigley. I am the Director of Mountrail County Social Services, with the county seat of Stanley. I am here today representing the North Dakota County Social Services Directors Association. I am here to testify in support of HB 1425.

Counties currently pay up to 25% of the nonfederal share of the placement costs for Foster Care and Subsidized Adoption, with each county paying a cost of the statewide total determined by a fairly complicated formula. This bill would have the State pay the placement costs of children in Foster Care and Subsidized Adoption while Counties would continue to pay the costs of administering the program for the State.

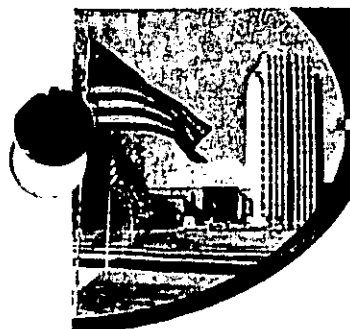
I want to use Mountrail County Social Services as an example of what this bill means for other counties across the State. Five years ago when I assumed the role as director of Mountrail County, there was one half time position dedicated to Foster Care Case Management and/or Child Welfare Services, and the placement costs amounted to less than half the current estimate for 2009. With no increase in the caseload, Mountrail County Social Services now employs two and a half full time positions for the purpose of providing Foster Care Case Management and Child Welfare services. The caseload has not increased, but the demands and mandates have been on a steady incline. Mountrail County has a caseload of 10 to 12 children per worker as a result of the increase in staffing. The Mountrail County Commission and Social Service Board has made a commitment to the children and families we serve. This has resulted in improved services for our citizens, as well as a substantial increase in our budget during a period of time when our revenue has remained fairly flat. I cannot tell you every county has had the same increase in staffing over the past five years, but I can assure you Counties have been stepping to the plate to provide improved services for the most vulnerable part of our

society. Children in abusive and neglected environments deserve a commitment from all sectors of government.

In order to convey what this means to children, I want to share a story of one of our youth. This youth came into services as unruly and a runaway. She had many diagnosis', many trials on medications, and had been to see many counselors. Some folks felt very strongly that we should seek placement in a residential setting. The team made the decision to place her in Family Foster Care and include whatever services were necessary. This initially meant that her case worker was in the home many times a week working to resolve issues. It included a number of meetings with school and support staff in the first few months. It included an intense effort to work out differences with her parents and reconnect family members. It has resulted in a young woman with goals of attending college, pulling straight A's in high school, working a part time job, embracing music via the International Music camp and participating in all kinds of music events. There has been no interruption in the placement: all family members are in support of the plan, and very little of this would have been possible without the County's commitment to adequately staff Child Welfare Services.

House Bill 1425 invests State dollars in the process of serving children and families. Counties care about its citizens and will always have an investment in improved services for the most vulnerable. House Bill 1425 will assist counties in their effort to provide quality services. In Mountrail County our bill for placement costs, on the current formula, is estimated to be about \$50,000 in 2009. On behalf of Mountrail County and the Association, we ask this committee to embrace the challenge Counties have in providing Child Welfare Services. This bill will be an investment and will help cover some of the costs in providing quality services to our children.

Chairwoman Lee and members of the Committee, thank you for the opportunity to provide testimony on HB 1425. I would be happy to address any questions you may have.



FEBRUARY 2009

Common Ground

In this issue of *Common Ground*, we take a look at how foster care has changed from a local family issue to a statewide - if not nationwide - concern, over which counties have little control.

Back issues of *Common Ground* can be downloaded from www.ndaco.org/publications.

Foster Care Changes: Why HB 1425 Makes Sense

Changes in 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 being placed with other local families. This situation has changed significantly. Often times today, particularly with subsidized adoption, children come into a county from other places in the state or even outside our borders. 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 more than county workers. A growing percentage of the cost also associated with children in the custody of either the Department of Human Services or the Division of Juvenile Services. The county has even less involvement in that area - except for payment.

The funding "disconnect"

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%. This funding plan results in a "disconnect" for county commissioners. All they see is an annual bill that keeps increasing.

Property tax relief

The fiscal note attached to HB 1425 indicates this bill would reduce county costs by \$13.3 million in the coming biennium. \$6.6 million per year equals an average property tax impact of 3.5 mills. Based on the past year's formula share for each county and the fiscal note amount, the table below gives an approximate county-by-county analysis of the mill-equivalent of the projected savings. The North Dakota Association of Counties and the North Dakota County Commissioners Association support the passage of House Bill 1425 as an excellent means of streamlining the funding process and ensuring real property tax relief.

HB1425 - Foster Care Maintenance Analysis - CY2008 County Dollar & Mill Values

COUNTY	Dollars	Mills	GRIGGS	\$17,721	1.85	ROLETTE	\$34,901	3.45
ADAMS	\$20,808	2.70	HETTINGER	\$18,527	1.85	SARGENT	\$54,785	3.38
BARNES	\$114,410	2.94	KIDDER	\$29,971	2.81	SHERIDAN	\$10,091	1.50
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GOLDEN VALLEY	\$15,284	2.61	RANSOM	\$45,536	2.61			
GRAND FORKS	\$766,967	4.46	RENVILLE	\$16,566	1.59			
GRANT	\$19,012	2.08	RICHLAND	\$164,567	3.08			

COUNTY FACTS

EDDY COUNTY

Established 1885

County Seat:

New Rockford

Area 642 square miles.

2006 pop. est: 2,502

Trivia: Formerly part of Foster County, Eddy County was named for Ezra B. Eddy, a Fargo banker who died a few weeks before the county was established.



NORTH DAKOTA ASSOCIATION OF COUNTIES

From: Lee, Judy E.
Sent: Saturday, March 07, 2009 11:25 PM
To: NDLA, S-HMS
Subject: FW: HB 1425 - County Director

Mary –
You might make a copy of this for your records.

Senator Judy Lee
1822 Brentwood Court
West Fargo, ND 58078
home phone: 701-282-6512
e-mail: jlee@nd.gov

From: Bryan Quigley [mailto:bquigley@co.mountrail.nd.us]
Sent: Friday, March 06, 2009 9:10 AM
To: Lee, Judy E.; Dever, Dick D.; Heckaman, Joan M.; Erbele, Robert S.; Pomeroy, Jim R.; Marcellais, Richard
Subject: HB 1425 - County Director

Dear Senators and members of the Senate Human Services Committee:

I will be brief. I am providing this to all members of the committee at the request of Senator Judy Lee. The department is concerned about counties not having an investment in working cases correctly if State funds were paying our program/placement costs such as proposed in HB 1425. Counties will continue to have a major investment as our revenue is based on working cases correctly. If Counties work cases incorrectly we would see immediate consequences in our monthly revenue. It is our understanding the Department has no further concerns from that angle. Please let me know if I can be of further assistance.

Thank you for the work you do for the children and families we serve.

Bryan Quigley, Director
Mountrail County Social Services
P.O. 39
Stanley, ND 58784
701-628-2925 Office
701-628-3175 Fax

PLEASE NOTE NEW EMAIL ADDRESS: bquigley@co.mountrail.nd.us

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**Testimony To
THE SENATE APPROPRIATIONS COMMITTEE
Prepared March 18, 2009 by
Terry Traynor, Assistant Director
North Dakota Association of Counties**

**REGARDING ENGROSSED HOUSE BILL No. 1425
With Senate Amendments**

Chairman Holmberg and members of the 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 being placed with other local families. This situation has changed significantly. As was testified to in the House, 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 to some degree from widely fluctuating costs, it results in a disconnect for county commissioners when all they see is an annual bill that keeps increasing.

The fiscal note indicates this bill would reduce county costs by \$13.3 million in the coming biennium. \$6.6 Million per year equals an average property tax impact of 3.5 mills. Based on the previous year's formula share for each county and the fiscal note amount, the attached table gives an approximate county-by-county analysis of the mill-equivalent of the projected savings. Please note that this analysis splits the projected biennial impact in half, whereas in all likelihood the first year of the change would be slightly less than the second.

This fact relates to the language (Section 1) added to the original bill in the House to ensure that the property tax effects of this bill are accounted for in each county's budget

process – and published in the county newspaper. As it was stated in the House, each county is expected to reduce their special social service levy by the actual 2010 cost reduction before the increased costs of state salary adjustments, health insurance premiums, and caseload impacts are build into the county's final budget.

Mr. Chairman 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 1425.

**HB1425 - Foster Care Maintenance Transfer Analysis
CY2008 County Formula & Mill Values for 2008 Budget**

COUNTY	County Share Biennial Amount	Annual County Share (Biennial/2)	
		Dollars	Mills
ADAMS	\$41,615	\$20,808	2.70
BARNES	\$228,820	\$114,410	2.94
BENSON	\$56,618	\$28,309	2.01
BILLINGS	\$12,477	\$6,238	1.14
BOTTINEAU	\$127,166	\$63,583	2.41
BOWMAN	\$53,136	\$26,568	2.19
BURKE	\$32,532	\$16,266	1.85
BURLEIGH	\$1,477,847	\$738,923	3.37
CASS	\$3,178,389	\$1,589,194	3.71
CAVALIER	\$70,164	\$35,082	1.61
DICKEY	\$102,397	\$51,198	2.83
DIVIDE	\$41,000	\$20,500	2.12
DUNN	\$41,478	\$20,739	1.62
EDDY	\$29,556	\$14,778	2.24
EMMONS	\$52,662	\$26,331	1.80
FOSTER	\$66,448	\$33,224	2.55
GOLDEN VALLEY	\$30,568	\$15,284	2.61
GRAND FORKS	\$1,533,935	\$766,967	4.46
GRANT	\$38,023	\$19,012	2.08
GRIGGS	\$35,442	\$17,721	1.85
HETTINGER	\$37,054	\$18,527	1.85
KIDDER	\$59,943	\$29,971	2.81
LaMOURE	\$85,049	\$42,525	2.25
LOGAN	\$27,290	\$13,645	1.84
McHENRY	\$102,207	\$51,104	2.26
McINTOSH	\$47,913	\$23,957	2.30
McKENZIE	\$67,007	\$33,504	1.90
McLEAN	\$108,963	\$54,482	1.82
MERCER	\$123,058	\$61,529	3.16
MORTON	\$547,655	\$273,827	4.10
MOUNTRAIL	\$111,886	\$55,943	3.38
NELSON	\$62,962	\$31,481	2.78
OLIVER	\$28,351	\$14,175	2.08
PEMBINA	\$136,614	\$68,307	2.18
PIERCE	\$59,736	\$29,868	2.08
RAMSEY	\$415,138	\$207,569	7.44
RANSOM	\$91,071	\$45,536	2.61
RENVILLE	\$33,132	\$16,566	1.59
RICHLAND	\$329,133	\$164,567	3.08
ROLETTE	\$69,802	\$34,901	3.45
SARGENT	\$109,570	\$54,785	3.38
SHERIDAN	\$20,183	\$10,091	1.50
SIOUX	\$12,152	\$6,076	2.83
SLOPE	\$11,401	\$5,701	1.06
STARK	\$620,023	\$310,011	6.36
STEELE	\$34,179	\$17,089	1.51
STUTSMAN	\$371,186	\$185,593	3.37
TOWNER	\$38,992	\$19,496	1.65
TRAILL	\$136,775	\$68,387	2.48
WALSH	\$266,015	\$133,008	4.01
WARD	\$1,299,607	\$649,803	4.72
WELLS	\$78,813	\$39,407	2.04
WILLIAMS	\$485,860	\$242,930	5.32
COUNTY TOTAL	\$13,278,994	\$6,639,497	3.52

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Testimony

Senate Appropriation Committee

H.B. 1425

March 18, 2009

Chairman Holmberg and members of the Senate Appropriations Committee, my name is Shari Doe and I am the Director of Burleigh County Social Services. I am here representing the North Dakota Association of County Social Service Directors and speaking in support of HB 1425.

Counties currently pay up to 25% of the non-federal share of the placement costs for Foster Care and Subsidized Adoption. Each county pays a cost of the statewide total. County costs are determined by a complicated formula that attempts to assure equity in distributing the costs. Counties are then billed for their share of the state-wide costs for foster care and subsidized adoptions.

As the Director, I am responsible to prepare the annual budget for Commissioners approval. I strive every year to keep the budget in line by constantly looking at how we do our work and how we could do it more efficiently. Counties have been very diligent in reducing the number of foster care placements by focusing on more intensive case management with lower case loads, greater family and relative involvement and other preventive measures. But no matter how well we do, we will always have children that need an out of home placement and so we have little to no control over managing these costs. We get the bill and the counties pay it.

This bill would transfer those foster care and subsidized adoption costs to the State while the counties continue to pay the costs of administering the programs.

Speaking on behalf of Burleigh County Social Services, our Social Service Board and Commission have been very supportive and committed to taking care of the children in the county. In Burleigh we have been able to assign smaller case loads to our workers but, it takes more workers to do this. The counties are stepping up and making this happen. HB 1425 invests State dollars in this process of providing safe homes, either through foster care or a subsidized adoption, for the abused/neglected children in North Dakota.

Chairman Holmberg and members of the Committee, I thank you for the opportunity to provide testimony on HB 1425 and I urge your support. I am happy to answer any questions you may have.