

2009 HOUSE HUMAN SERVICES

HB 1498

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1498

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: January 27, 2009

Recorder Job Number: 7850 34 min. 08 sec.

Committee Clerk Signature

Ticky Crabbtree

Minutes:

Chairman Weisz called the hearing to order.

Rep. Wieland: From District 13 introduced his bill 1498. See Testimony #1.

Rep. Porter: We put in child support, language in specific that the baseline reimbursement for the new money that comes into the state had to be directly taken off the county social services budget and had to be reworked from that base minus that amount; so that there'd be a specific look to see exactly how much money the tax payer saved. Is there any provisions inside of your bill that mandate the county government to go back to subtract those dollars off their budget prior to reappropriating inside of their budget?

Rep. Wieland: Don't know. Probably someone here who could answer that question. Hope covered and if not maybe it could be supplied by an amendment as I support that concept.

Chairman Weisz: Can you elaborate on the 52.45 increased FTE's.

Rep. Wieland: No, I'm not able to do that. There are people here that can answer your questions.

Terry Traynor, Asst. Director of Association of Directors: testified in support. See Testimony #2.

Chairman Weisz: Just to clarify, the FN in front of us includes the estimate of the new FTE's that you anticipate that you need to take care of the new federal rules coming down, and from that new level (inaudible).

Terry Traynor: That is correct. The new level as well as the existing level.

Chairman Weisz: Moving the (inaudible) requiring you to be with state picking up (sentence dropped).

Terry Traynor: With a combination of state and federal dollars. The (inaudible) share of the money that isn't (inaudible) that doesn't come from the feds right now. Assume there will be a fair amount of federal money in there.

Chairman Weisz: FN doesn't show (inaudible) general fund dollars.

Rep. Porter: No matter what county it is, they will see somewhere around a 60% reduction of their cost. So the direct benefit back to the taxpayer should be able to be zeroed out in their (inaudible) process as we did in the child support bill?

Terry Traynor: With the new FTE's, they are talking overall costs. So the \$14.9 million dollars wouldn't be a reduction in total. The language put in child support bill was helpful and no objection to putting that sort language in this bill as well.

Rep. Porter: Areas of concern I have are inside of this model, we are saying that direct and indirect program costs are part of this reimbursement. The state now has ownership of the bill because we are paying in excess of majority of expenses for running program, yet little or no say in the efficiencies of running the program.

Terry Traynor: There is significant latitude on the counties. However, these programs are heavily regulated by both the feds and the states as far as what counties can do, what caseloads are expected etc. Can't see counties adding staff beyond what is mandated. You'll see more sharing of staff.

Rep. Porter: On line 16-18, it says county may not be reimbursed less than amount reimbursed in 2009. What happens if caseload declines or state comes in and says you have to regionalize and your share should or would be less (inaudible) the state has no ability to pay less even if someone is doing less.

Terry Traynor: Six counties will not see an increase in reimbursement that is why this was put in there. They will see a reduction in reimbursement. We are budgeted for the first part of your state fiscal year 2010 and we are trying to protect those counties already budgeted for part of this money and keep everyone in the boat. Possibly look at this again next session, but right now goes away after two years.

Rep. Porter: I have a problem with state not having a say in pay scales and benefit packages when we are majority owner of program.

Terry Traynor: The state does set the salary scale under the merit system.

Rep. Porter: Thought last legislation counties like Cass Co. to opt out of the system.

Terry Traynor: You did allow that.

Chairman Weisz: Can you provide to the committee the numbers that the counties are projecting for their increase in services what the costs would be without this bill?

Terry Traynor: See what we can get. We relied heavily on Human Service staff to help us put this together. If this funding scheme was there, what would you do? If it isn't there I think counties would be much more reluctant to add the staff. I'll get you the additional the cost of the system.

Rep. Conrad: If counties were to do what they say (inaudible) standards and all the other things in place, if they do not have 55 FTE's (inaudible). But, now they cut back in order to (inaudible) funding. Is that right?

Terry Traynor: The counties haven't cut back it's the new requirements that essentially haven't totally been promulgated by the feds. The child welfare review, the state is going to have to implement a program approved by the feds. It is anticipated that plan will require an increase in staff in order to meet the requirements.

Rep. Conrad: So the federal government will do a review of the child welfare services in ND and they found areas where we need to improve and in order to meet that improvement plan we need 55 more people working in the county to do that?

Terry Traynor: I put 55 in there, I think the FN says 52.5. Yes, essentially that.

Rep. Conrad: So the federal government is mandating us to do this and we mandate the counties to do this and the counties are saying, in order for us to do what the federal government is mandating you to do, you need to give us this money. Is that right?

Terry Traynor: That's right except we are saying we'd like you to give us the money.

Shari Doe, Director of Burleigh County Social Services: Testified in support. **See attached Testimony #3.**

No opposition to the bill.

Tara Lee Muhlhauser, Director of Child and Family Services: answered questions and gave information. Surveys were sent to counties to say if the 80/20 proposition was a reality. What would your staff needs look like. You do have the FN schedule? This is based on survey given to them.

Rep. Conrad: If we don't have this bill, how would the dept. comply with the federal expectations?

Tara Lee Muhlhauser: We do not yet have the reports from the federal government. We had an exit interview where they surveyed us like four or five (inaudible) points to say, here are some issues that ND is going to have to address. The requirement that Ms. Doe referred to is

actually a federal requirement that comes to us from a different source of federal law regarding visitation. Our expectations come forth in terms of policy where we say to counties that federal law or requirement that you will have to see children that are in custody every 30 days.

Rep. Conrad: Do you expect before 2011 that you will have that plan of correction prepared and submitted to the federal government?

Tara Lee Muhlhauser: That plan is required to be filed within 90 days of the time you received the final report. My best guess is we will receive a report late spring or early summer and will have a report filed with the government my early fall or close of 2009. Will there be new tax and duties that come to the county because of that? I can't give you a definitive guess. I don't anticipate that the performance improvement plan is going to put new requirements and new duties in there. I think what the federal government is saying is you've got them in policy, you just have to make sure that (inaudible) in every case.

Chairman Weisz closed hearing.

2009 HOUSE STANDING COMMITTEE MINUTES

Bill/Resolution No. 1498

House Human Services Committee

☐ Check here for Conference Committee

Hearing Date: February 4, 2009

Recorder Job Number: 8709 11 min. 54 sec.

Committee Clerk Signature



Minutes:

Chairman Weisz: Let's take up HB 1498.

Rep. Porter: The FTE's is a great concern. No checks and balance and state just writing a blank check back to the counties for this program. Fiscal Note of \$14 million all goes to FTE's. State can pick up more of the percentage of what the program does, but have a problem with the way the fiscal note is up.

Rep. Porter made a motion to amend HB 1498, line 10 to 40% and line 11 to 40% and remove the appropriation from Section 3.

Rep. Pietsch: Second

Chairman Weisz: (Asked Terry Traynor from ND Assoc. of Counties a question.) In your testimony you talked about making sure counties aren't being reimbursed less than they are currently. Could you explain why that is?

Terry Traynor: The reimbursement for this service is handled differently depending upon scale of service. It varies from county to county what they are getting in reimbursement. I believe the dept. made an analysis that 6 would go backwards. We asked dept. to do 75% as well. I don't believe they have it done yet. With the full (inaudible) in there, we still think a good bill and gives us two years to analyze what each county is getting and why.

Rep. Conklin: Are you saying (inaudible) bill? At 40% would be a good bill?

Terry Traynor: We are still comfortable with the bill. Keep moving it through so we can see what the fiscal analysis looks like because really don't know.

Rep. Potter: If 40% ok now why as \$80% good before?

Terry Traynor: I think it was going to be 20% county share to 40% county share.

Rep. Conrad: I think I can go along with this, but have to object to the saying that the state doesn't have any control over the FTE's (inaudible) medicaid because of this regulation by the state.

Rep. Porter: My understanding is the federal government sets the caseload standards.

Terry Traynor: It hasn't in the past. After child care review the dept. said in April or May we will get a formal result and require to submit a full program improvement plan. I don't think feds will dictate so many cases per person. Will expect state to establish some sort of standard.

Rep. Conklin: 40% is ok and 80% is better. Would 60% be a compromise?

Terry Traynor: If I understand amendment, we are not going from 80% to 40%, we are going 80% to 60% on county side, and 20% to 40% on state side.

Voice Vote: 12 yeas, 0 nays, 1 absent, Rep. Hofstad

Bill Carrier: Rep. Conrad

FISCAL NOTE
Requested by Legislative Council
02/09/2009

Amendment to: HB 1498

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			\$6,236,191		\$7,638,235	
Appropriations			\$6,236,191		\$7,638,235	

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
			\$6,236,191			\$7,265,138		

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

This bill increases each County Social Service Board's reimbursement to at least 60% of each county's actual child welfare administrative costs for programs outlined in section 50-06-01.4, & contains a hold harmless provision for 09-11, so no county receives less than they received in SFY 09.

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

This bill requires the Department of Human Services to change the allocation method of indirect costs and provides at least 60% reimbursement to the County Social Service Boards for their actual direct & indirect Child Welfare Administration costs. An additional 52.45 FTE's were added to the Child Welfare administrative costs based upon a survey of each county's current needs for the programs outlined in section 50-06-01.4.

Due to the change in allocating indirect costs, the bill also includes a hold harmless provision, so that for each year of the biennium no county receives less reimbursement than they received for SFY09. The bill negatively impacts 16 counties and therefore \$563,347 will be needed to fund the hold harmless provision for 2009-2011.

It is estimated 12 counties will be negatively impacted in 2011-2013 or will receive less reimbursement than they received in SFY09 by approximately \$373,097.

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.*

The Executive budget for the Department of Human Services would need Grant authority in the amount of \$6,236,191 in the 2009-2011 biennium in order to reimburse County Social Service boards at least 60% for their child welfare administrative expenditures and to provide the hold harmless provision based upon SFY 2009 reimbursement.

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.

It is estimated this bill would cost \$6,236,191, all of which are general funds, and are not included in the Department's 2009-2011 Executive Budget.

Name:	Debra A. McDermott	Agency:	Human Services
Phone Number:	328-3695	Date Prepared:	02/11/2009

Department of Human Services

2009-2011 Biennium

HB1498 Calculation

Calculation based on actual SFY08 expenditures & reimbursements adjusted for the following:

- additional costs for county requested FTE's
- 5% inflation factor each year on expenditures and reimbursements.

COUNTY	Additional FTE's Requested by each county	2009-2011 Estimated Expenditures	60% of Estimated Expenditures	Estimated Reimbursement Using Current Indirect Allocation (Approx 47%)	Additional Reimbursement Needed for 60%	County Hold Harmless Amount SFY 2009 Reimb.	Hold Harmless Provision Amount Needed (16 Counties)
	A	B	C	D	E	F	G
			B X 60%		C - D		F - C
Adams	1.00	326,282	195,769	76,526	119,243		
Barnes	2.00	766,298	459,779	406,596	53,183		
Benson		128,733	77,240	165,743	(88,503)	159,511	82,271
Billings		-	-	-	-		
Bottineau	1.00	414,479	248,687	199,794	48,893		
Bowman		232,685	139,611	91,571	48,040		
Burke	1.00	113,573	68,144	28,878	39,266		
Burleigh	2.00	4,561,022	2,736,613	2,199,809	536,804		
Cass	13.00	10,673,799	6,404,279	4,776,298	1,627,981		
Cavaller		409,498	245,699	299,530	(53,831)	293,601	47,902
Dickey	0.50	500,364	300,218	349,430	(49,212)	342,422	42,204
Divide		112,121	67,273	53,724	13,549		
Dunn		344,066	206,440	187,568	18,872		
Eddy	1.00	294,862	176,917	115,760	61,157		
Emmons		88,210	52,926	79,828	(26,902)	77,057	24,131
Foster		190,708	114,425	61,563	52,862		
G. Valley	0.50	142,164	85,298	55,606	29,692		
G. Forks	3.00	4,634,979	2,780,987	2,248,158	532,829		
Grant		141,443	84,866	63,000	21,866		
Griggs		118,234	70,940	101,179	(30,239)	98,212	27,272
Heltinger	0.20	22,537	13,522	59,377	(45,855)	57,090	43,568
Kidder		120,913	72,548	48,451	24,097		
LaMoore		3,456	2,074	86,278	(84,204)	83,514	81,440
Logan	0.25	57,676	34,606	35,942	(1,336)	35,011	405
McHenry		255,512	153,307	122,887	30,420		
McIntosh		136,141	81,685	82,982	(1,297)	82,129	444
McKenzie		108,529	65,117	123,153	(58,036)	118,953	53,836
Central	2.00	638,567	383,140	350,714	32,426		
Mercer		-	-	-	-		
Morton	1.00	1,071,688	643,013	753,573	(110,560)	734,868	91,855
Mountrail	0.50	561,898	337,139	209,071	128,068		
Nelson		149,102	89,461	85,402	4,059		
Oliver		-	-	-	-		
Pembina	1.00	441,355	264,813	274,509	(9,696)	269,885	5,072
Pierce	1.00	355,844	213,506	86,519	126,987		
Ramsey	1.00	1,263,260	757,956	494,369	263,587		
Ransom		215,249	129,149	97,161	31,988		
Renville		52,684	31,610	32,043	(433)	31,610	8
Richland	1.00	1,102,921	661,753	569,824	91,929		
Rolette	1.00	493,163	295,898	248,814	47,084		
Sargent	1.00	324,188	194,513	220,896	(26,383)	215,059	20,546
Sheldon		-	-	-	-		
Sioux	0.50	136,631	81,979	118,076	(36,097)	112,688	30,709
Slope		-	-	-	-		
Stark	1.00	2,887,902	1,732,741	1,389,662	343,079		
Steele	0.50	85,005	51,003	64,710	(13,707)	62,687	11,684
Stutsman	3.00	1,416,357	849,814	592,638	257,176		
Towner		-	-	-	-		
Trail	2.00	1,000,154	600,092	387,580	212,512		
Walsh		819,810	491,886	442,280	49,606		
Ward	6.50	4,543,127	2,725,876	1,782,680	943,196		
Wells		315,100	189,060	119,514	69,546		
Williams	4.00	2,228,923	1,337,354	888,216	449,138		
Total	52.45	45,001,212	27,000,726	21,327,882	5,672,844	2,774,305	563,347

Add Amount needed for 60% and Hold Harmless Provision

6,236,191

* These counties only require hold harmless funds for SFY2010, or the 1st year of the 2009-2011 biennium.

Department of Human Services

2011-2013 Biennium

HB1498 Calculation

Calculation based on actual SFY08 expenditures & reimbursements adjusted for the following:

- additional costs for county requested FTE's
- 5% inflation factor each year on expenditures and reimbursements.

COUNTY	Additional FTE's Requested by each county	2011-2013 Estimated Expenditures	60% of Estimated Expenditures	Estimated Reimbursement Using Current Indirect Allocation (Approx 47%)	Additional Reimbursement Needed for 60%	County Hold Harmless Amount SFY 2009 Reimb.	Negatively Impacted Counties (Amount less than SFY09 reimbursement) (12 Counties)
	A	B	C	D	E	F	G
		B X 60%			C - D		F - C
Adams	1.00	359,726	215,836	80,346	135,490		
Barnes	2.00	844,843	506,906	418,845	88,061		
Benson		141,928	85,157	174,760	(89,603)	159,511	(74,354)
Billings							
Bottineau	1.00	456,964	274,178	207,508	66,670		
Bowman		256,535	153,921	97,048	56,873		
Burke	1.00	125,214	75,128	30,196	44,932		
Burleigh	2.00	5,028,527	3,017,116	2,277,694	739,422		
Cass	13.00	11,767,864	7,060,718	4,934,901	2,125,817		
Cavaller		451,472	270,883	308,107	(37,224)	293,601	(22,718)
Dickey	0.50	551,651	330,991	359,569	(28,578)	342,422	(11,431)
Divide		123,613	74,168	56,641	17,527		
Dunn		379,333	227,600	194,131	33,469		
Eddy	1.00	325,086	195,052	120,694	74,358		
Emmons		97,252	58,351	83,838	(25,487)	77,057	(18,706)
Foster		210,256	126,154	64,910	61,244		
G.Valley	0.50	156,736	94,042	58,926	35,116		
G.Forks	3.00	5,110,064	3,066,038	2,333,639	732,399		
Grant		155,941	93,565	66,506	27,059		
Griggs		130,353	78,212	105,471	(27,259)	98,212	(20,000)
Hettinger	0.20	24,847	14,908	62,685	(47,777)	57,090	(42,182)
Kidder		133,306	79,984	51,503	28,481		
LaMoure		3,810	2,286	90,277	(87,991)	83,514	(81,228)
Logan	0.25	63,588	38,153	37,923	230		
McHenry		281,703	169,022	128,779	40,243		
McIntosh		150,095	90,057	86,456	3,601		
McKenzie		119,653	71,792	129,230	(57,438)	118,953	(47,161)
D. Central	2.00	704,020	422,412	370,572	51,840		
Mercer							
Morton	1.00	1,181,536	708,922	780,635	(71,713)	734,868	(25,946)
Mountrail	0.50	619,492	371,695	221,178	150,517		
Nelson		164,385	98,631	89,403	9,228		
Oliver							
Pembina	1.00	486,594	291,956	283,205	8,751		
Pierce	1.00	392,318	235,391	91,151	144,240		
Ramsey	1.00	1,392,745	835,647	515,461	320,186		
Ransom		237,312	142,387	101,841	40,546		
Renville		58,084	34,850	33,762	1,088		
Richland	1.00	1,215,970	729,582	587,524	142,058		
Rolette	1.00	543,712	326,227	261,176	65,051		
Sargent	1.00	357,417	214,450	229,341	(14,891)	215,059	(609)
Sheridan							
Sioux	0.50	150,636	90,382	125,872	(35,490)	112,688	(22,306)
Slope							
Stark	1.00	3,183,912	1,910,347	1,436,251	474,096		
Steele	0.50	93,718	56,231	67,638	(11,407)	62,687	(6,456)
Stutsman	3.00	1,561,534	936,920	616,971	319,949		
Towner							
Trail	2.00	1,102,669	661,601	402,229	259,372		
Walsh		903,841	542,305	458,379	83,926		
Ward	6.50	5,008,797	3,005,278	1,849,378	1,155,900		
Wells		347,398	208,439	126,180	82,259		
Williams	4.00	2,457,388	1,474,433	921,339	553,094		
Total	52.45	49,613,838	29,768,304	22,130,069	7,638,235	2,355,662	(373,097)

Net Effect for Counties: Add'l amount for 60%, less additional county funds needed for negatively impacted counties

7,265,138

FISCAL NOTE
Requested by Legislative Council
01/20/2009

Bill/Resolution No.: HB 1498

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			\$14,895,047		\$17,560,999	
Appropriations			\$14,895,047		\$17,560,999	

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
			\$14,895,047			\$17,560,999		

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

This bill requires each County Social Service Board's reimbursement be increased to at least 80% of each county's actual child welfare administrative costs for programs outlined in section 50-06-01.4. Each county will receive no less than the amount received in State Fiscal Year (SFY) 09.

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

This bill requires the Department of Human Services to change the allocation method of indirect costs and provides at least 80% reimbursement to the County Social Service Boards for their actual direct & indirect Child Welfare Administration costs. An additional 52.45 FTE's were added to the Child Welfare administrative costs based upon a survey of each county's current needs for the programs outlined in section 50-06-01.4. Due to the change in allocating indirect costs, the bill also includes a hold harmless clause, so for each year of the biennium no county receives less reimbursement than they received for SFY09. The hold harmless clause effects 7 counties and increases the general fund need by \$221,960 for 2009-2011.

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.*

The Executive budget for the Department of Human Services would need Grant authority in the amount of \$14,895,047 in the 2009-2011 biennium in order to reimburse County Social Service boards at least 80% for their child welfare administrative expenditures and to provide the hold harmless clause based upon SFY 2009 reimbursement.

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.*

It is estimated this bill would cost \$14,895,047, all of which are general funds. This estimate is \$23,534 less than the appropriation currently provided within this bill.

Name:	Debra A. McDermott	Agency:	Human Services
Phone Number:	328-3695	Date Prepared:	01/26/2009

Department of Human Services

2009-2011 Biennium

HB1498 Calculation

Calculation based on actual SFY08 expenditures & reimbursements adjusted for the following:

- additional costs for county requested FTE's
- 5% inflation factor each year on expenditures and reimbursements

COUNTY	Additional FTE's Requested by each county	2009-2011 Estimated Expenditures	80% of Estimated Expenditures	Estimated Reimbursement Using Current Indirect Allocation (Approx 47%)	Additional Reimbursement Needed for 80%	County Hold Harmless Amount SFY 2009 Reimb.	Hold Harmless Amount Needed
	A	B	C	D	E	F	G
		B X 80%			C - D		F - C
Adams	1.00	326,282	261,026	76,526	184,500		
Barnes	2.00	766,298	613,038	406,596	206,442		
Benson		128,733	102,986	165,743	(62,757)	159,511	56,525
Billings							
Bottineau	1.00	414,479	331,583	199,794	131,789		
Bowman		232,685	186,148	91,571	94,577		
Burke	1.00	113,573	90,858	28,878	61,980		
Burleigh	2.00	4,561,022	3,648,818	2,199,809	1,449,009		
Cass	13.00	10,673,799	8,539,039	4,776,298	3,762,741		
Cavaller		409,498	327,598	299,530	28,068		
Dickey	0.50	500,364	400,291	349,430	50,861		
Divide		112,121	89,697	53,724	35,973		
Dunn		344,066	275,253	187,568	87,685		
Eddy	1.00	294,862	235,890	115,760	120,130		
Emmons		88,210	70,568	79,828	(9,260)	77,057	6,489
Foster		190,708	152,566	61,563	91,003		
G.Valley	0.50	142,164	113,731	55,606	58,125		
G.Forks	3.00	4,634,979	3,707,983	2,248,158	1,459,825		
Grant		141,443	113,154	63,000	50,154		
Griggs		118,234	94,587	101,179	(6,592)	98,212	3,625
Hettinger	0.20	22,537	18,030	59,377	(41,347)	57,090	39,060
Kidder		120,913	96,730	48,451	48,279		
LaMoure		3,456	2,765	86,278	(83,513)	83,514	80,749
Logan	0.25	57,676	46,141	35,942	10,199		
McHenry		255,512	204,410	122,887	81,523		
McIntosh		136,141	108,913	82,982	25,931		
McKenzie		108,529	86,823	123,153	(36,330)	118,953	32,130
D. Central	2.00	638,567	510,854	350,714	160,140		
Mercer							
Morton	1.00	1,071,688	857,350	753,573	103,777		
Mountrail	0.50	561,898	449,518	209,071	240,447		
Nelson		149,102	119,282	85,402	33,880		
Oliver							
Pembina	1.00	441,355	353,084	274,509	78,575		
Pierce	1.00	355,844	284,675	86,519	198,156		
Ramsey	1.00	1,263,260	1,010,608	494,369	516,239		
Ransom		215,249	172,199	97,161	75,038		
Renville		52,684	42,147	32,043	10,104		
Richland	1.00	1,102,921	882,337	569,824	312,513		
Rolette	1.00	493,163	394,530	248,814	145,716		
Sargent	1.00	324,188	259,350	220,896	38,454		
Sheridan							
Sloux	0.50	136,631	109,305	118,076	(8,771)	112,688	3,383
Slope							
Stark	1.00	2,887,902	2,310,322	1,389,662	920,660		
Steele	0.50	85,005	68,004	64,710	3,294		
Stutsman	3.00	1,416,357	1,133,086	592,638	540,448		
Towner							
Trail	2.00	1,000,154	800,123	387,580	412,543		
Walsh		819,810	655,848	442,280	213,568		
Ward	6.50	4,543,127	3,634,502	1,782,680	1,851,822		
Wells		315,100	252,080	119,514	132,566		
Williams	4.00	2,228,923	1,783,138	888,216	894,922		
Total	52.45	45,001,212	36,000,968	21,327,882	14,673,086	707,025	221,961

Add'l Amount needed for 80% and Hold Harmless to SFY 2009

14,895,047

VR
2/5/09

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1498

Page 1, line 3, remove "; and to provide an application"

Page 1, line 10, replace "eighty" with "sixty"

Page 1, line 11, replace "eighty" with "sixty"

Page 2, remove lines 6 through 10

Renumber accordingly

Date: 2-4-09
Roll Call Vote #: 1498

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1498

House HUMAN SERVICES Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken ☐ Do Pass ☐ Do Not Pass ☐ Amended

Motion Made By _____ Seconded By _____

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 FRANTSVOG			REP. ROBERT KILICHOWSKI		
REP. CURT HOFSTAD			REP. LOUISE POTTER		
REP. MICHAEL R. NATHE					
REP. TODD PORTER					
REP. GERRY UGLEM					

Total (Yes) 12 No 0

Absent 1 Rep. Hofstad

Bill Carrier _____

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

on motion to amend. bill

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

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1498

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 Conrad Seconded By Rep Holman

Representatives	Yes	No	Representatives	Yes	No
CHAIRMAN ROBIN WEISZ	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REP. TOM CONKLIN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
VICE-CHAIR VONNIE PIETSCH	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REP. KARI L CONRAD	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REP. CHUCK DAMSCHEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REP. RICHARD HOLMAN	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REP. ROBERT FRANTSVOG	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REP. ROBERT KILICHOWSKI	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REP. CURT HOFSTAD	<input checked="" type="checkbox"/>	<input type="checkbox"/>	REP. LOUISE POTTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>
REP. MICHAEL R. NATHE	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
REP. TODD PORTER	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
REP. GERRY UGLEM	<input checked="" type="checkbox"/>	<input type="checkbox"/>			

Total (Yes) 13 No 0

Absent 0

Bill Carrier Rep. Conrad

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

DO PASS AS AMENDED
Change line 10 to 40%
Change line 11 to 40%
remove appropriation
from section 3.
Referred to APPROP.

REPORT OF STANDING COMMITTEE

HB 1498: Human Services Committee (Rep. Welsz, 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 1498 was placed on the Sixth order on the calendar.

Page 1, line 3, remove "; and to provide an application"

Page 1, line 10, replace "eighty" with "sixty"

Page 1, line 11, replace "eighty" with "sixty"

Page 2, remove lines 6 through 10

Renumber accordingly

2009 HOUSE APPROPRIATIONS

HB 1498

2009 HOUSE STANDING COMMITTEE MINUTES

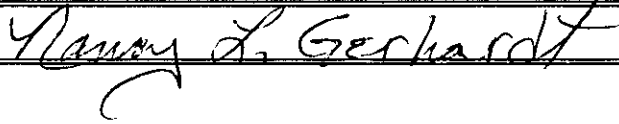
Bill/Resolution No. HB 1498

House Appropriations Committee

☐ Check here for Conference Committee

Hearing Date: February 12, 2009

Recorder Job Number: 9403

Committee Clerk Signature	
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Minutes:

Chm. Svedjan: Let's go next to HD 1498, again from House Human Services, relating to human service programs funded at state expense.

Rep. Weisz explained that the HS Committee looked at these as property tax relief. Currently the county picks up 80% and the state picks up 20%. The bill was amended to change the 20% to 40% of the state's share. The state will pay 40% of the remaining cost, the county pays 60%. The state and the feds mandate many services. In this area there is some discretion on the county, that's why we didn't go as far as the sponsor's wanted. It should be treated as property tax relief.

Chm. Svedjan: What mandates have we passed to the counties?

Rep. Weisz: Not off the top of my head. Any time we raise an administration cost, they pick up the cost. The counties have no choice but to do it. The state has sent down things they must pay for. When their costs go up it burdens the local property tax payer.

Rep. Pollert: Is there a direct mill levy drop in this bill?

Rep. Weisz: This one does not mandate the decrease in the mill levy.

Chm. Svedjan: Why not. You've made that argument.

Rep. Weisz: We sent it out as the bill was presented.

Rep. Pollert: The last biennium, the state took over child support. Did the state see a reduction in the mill levy from that on the county level?

Rep. Weisz: They had to be able to show their budget went down by this much and what the reduction in mills was.

Rep. Pollert: That doesn't mean they dropped the mill levy.

Rep. Weisz: That is correct.

Rep. Wald: Wasn't there a substantial increase in the Governor's package to State Aid Dist. Fund?

What are the 52 FTEs going to do?

Rep. Weisz: I don't believe that should be listed on this fiscal note but there are federal regulations dealing with caseload management. It increases the number of visits. They will not have a choice if they follow the federal regulations. We can argue about it, but they have to do it.

Roxanne: the State Aid Dist. Fund would distribute \$22 million more in 07-09 and \$4 million more in 09-11.

Rep. Skarphol: Was it understood in your committee that if this is a property tax relief there would be a willingness to subtract off the \$300 million proposed by the government. We could reduce that number by a like amount?

Rep. Weisz: Yes that was the intent.

Rep. Berg: I'm looking at this from a different perspective. When the state's share exceeds 50%, all of a sudden it shifts. When we had an 80/20 split, the bulk of the spending would be decided the county. When we increase that %, the programs changed to maximize some of the state funding. Why do we originally the 80/20 split?

Rep. Weisz: I can't answer why it was originally 80/20 split. Administration is done by the county. If we mandate they have to visit a client on a regular basis, they have to comply. This would give the state more responsibility since we are mandating.

Rep. Berg: If this were 80/20 the other way, where would the drive be for efficiency. They are making decisions as if they have all the money. I think the committee should look at this. If we had liability beyond 20% we should pay it. I don't think we should look at this as a property tax relief. I agree with Rep. Pollert. We have made attempts to reduce the burden and limit the number of regulations. I move a Do Not Pass.

Chm. Svedjan: There is a motion, is there a 2nd?

Rep. Kempenich: 2nd.

Chm. Svedjan: 2nd by Rep. Kempenich. Any further discussion? Being no further discussion we'll take a roll call vote on a Do Not Pass recommendation on HB 1498.

Vote: 18 Yes 3 No 4 Absent Carrier Rep. Pollert

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

2009 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1498

Full House Appropriations Committee

☐ Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken

No Not Pass

Motion Made By

Berg

Seconded By

Kempenich

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) 18 No 3

Absent 4

Floor Assignment

Rep. Pollert

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

REPORT OF STANDING COMMITTEE

HB 1498, as engrossed: Appropriations Committee (Rep. Svedjan, Chairman)
recommends **DO NOT PASS** (18 YEAS, 3 NAYS, 4 ABSENT AND NOT VOTING).
Engrossed HB 1498 was placed on the Eleventh order on the calendar.

2009 TESTIMONY

HB 1498

GOOD MORNING MR. CHAIRMAN AND MEMBERS OF THE HOUSE HUMAN SERVICE COMMITTEE.

FOR THE RECORD, MY NAME IS ALON WIELAND, I SERVE DISRICT 13 IN WEST FARGO.

AT ONE TIME I EVEN SERVED ON THIS COMMITTEE.

TODAY I AM HERE TO INTRODUCE HB 1498. THE CURRENT CHILD WELFARE ADMINISTRATIVE COSTS IN NORTH DAKOTA ARE SPLIT 35% FEDERAL, 60% COUNTY, AND 5% STATE. ALTHOUGH THIS IS A FEDERALLY MANDATED RESPONSIBILITY, THE STATE HAS AN EMBARESSINGLY SMALL SHARE OF THE COST OF DELIVERING CHILD WELFARE SERVICES. THE NEW DEMANDS OF THE FEDERAL CHILDREN AND FAMILY SERVICES REVIEW AND THE MANDATED PROGRAM IMPROVEMENT PLAN WILL REQUIRE EVEN MORE INVESTMENT BY THE COUNTIES. THE FISCAL ANALYSIS USED TO COME UP WITH THE APPROPRIATION ANTICIPATES AN ADDITIONAL 55 FTE'S AT THE COUNTY LEVEL IN ORDER TO MEET THOSE DEMANDS.

ASYOU KNOW, COUNTIES HAVE ONE SOURCE FOR THE REVENUE NEEDED TO SUPPORT CHILD WELFARE PROGRAMS, AND THAT IS PROPERTY TAXES. THE APPROPRIATION REPRESENTS AN AVERAGE OF 8 MILLS OF A DEDICATED SPECIAL LEVY, MILLS THAT WOULD NOT HAVE TO BE LEVIED IF THIS BILL WERE PASSED.

THE REIMBURSEMENT PROCEEDURES PROPOSED IN THIS BILL WOULD BE CONSIDERABLY SIMPLER TO UNDERSTAND AND ADMINISTER FOR THE COUNTIES AND FOR THE DEPARTMENT OF HUMAN SERVICES. SIMPLER PROCEEDURES MEANS MORE FUNDS DIRECTED AT SERVICES, AND LESS AT ADMINISTRATION.

MR. CHAIRMAN, MEMBERS OF THE COMMITTEE, THAT IS MY REMARKS, AND THERE ARE OTHERS HERE TO TESTIFY THAT HAVE MORE KNOWLEDGE, BUT I WOULD STAND READY FOR ANY QUESTIONS.

THANK YOU.

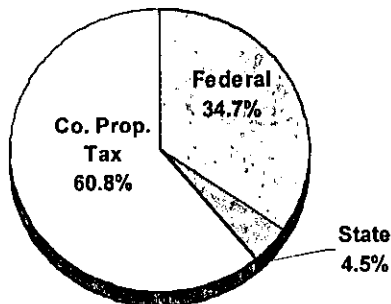
#2

**Testimony To
THE HOUSE HUMAN SERVICES COMMITTEE
Prepared Tuesday, January 27, 2009 by
Terry Traynor, Assistant Director
North Dakota Association of Counties**

REGARDING HOUSE BILL No. 1498

Chairman Weisz and members of the House Human Services Committee, our Association and the North Dakota County Commissioners Association both passed resolutions at their conventions this fall supporting a new funding mechanism for child welfare services. County government therefore urges your support for the new mechanism contained in HB1498.

Child Welfare Funding - Statewide

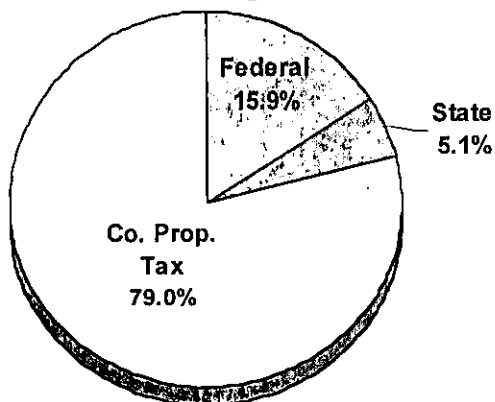


It was pointed out to county commissioners that as the State's "designee" for this service area; counties, on average, fund about 60% of the cost. In response to its federally-mandated PIP or Program Improvement Plan, the State will soon be directing its "designee" to implement changes that are expected to grow the overall service costs considerably, making this 60% significantly larger in dollars.

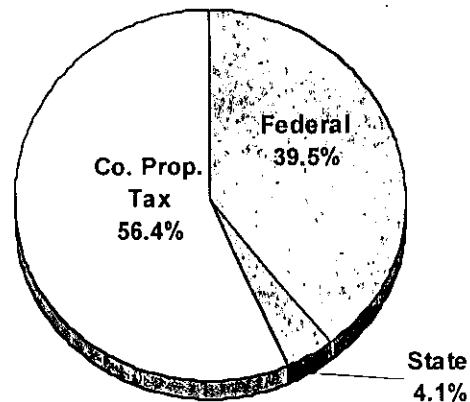
Commissioners were somewhat surprised to learn that, while child welfare services are ultimately a State responsibility, the State has a very small share of the cost. As has been pointed out to counties in the past, the bigger your financial stake, the more ownership one takes.

Equally concerning to county commissioners was the incredible variation in the reimbursement that individual counties received for this program. While the charts below are simply two of the more extreme examples, each county (and therefore their property taxpayers) carry a unique portion of the costs of child welfare services. County commissioners felt that this was difficult to justify.

Child Welfare Funding - Wells County



Child Welfare Funding - Cass County



As counties have testified to this committee in the past; a very significant amount of staff sharing and consolidation has taken place in social services overall. Since the last Legislative Session, three multi-county social service districts have been formed. Essentially every county participates in several cross-county sharing opportunities. The inequitable reimbursement for child welfare services however can be a hindrance to county sharing in this service area. If one county stands to increase its reimbursement but its neighbor would lose, the cost-benefit may not be there for both.

Because each county is currently reimbursed at a unique rate, the passage of HB1498 would have a unique impact on each county's property taxes. Overall, \$14.9 million is equivalent to just under 8 mills statewide. Unfortunately, because it is anticipated that program improvements and federal requirements will result in 55 new county FTEs, some of this will simply be cost avoidance.

It is also our understanding that the reimbursement mechanism proposed in this legislation would greatly simplify the administration of child welfare services for both the counties and the State.

Mr. Chairman and committee members, the North Dakota Association of Counties and the North Dakota County Commissioners Association, for these reasons, request a "Do Pass" recommendation on House Bill 1498.

3

**Testimony
HB 1498
House Human Services Committee
January 27, 2009**

Chairman Weisz and members of the House Human Services Committee, my name is Shari Doe. I am the Director of Burleigh County Social Services and here today representing the North Dakota County Social Service Directors Association and we are in support of HB 1498.

Funding Child Welfare work at county Social Services is a complicated and challenging task. County Social Service Directors are charged with finding that fine line between meeting the demands of the federal government via state directives, meeting the budgetary concerns of our local County Commission, and supporting the human resources we depend on to get the work done.

It used to be that under the "traditional" child welfare case management model, a social worker's caseload was typically 25 families or more. That caseload standard changed with the implementation of the Wraparound model of case management which recommends a caseload of 12 -15 families. It is very difficult to close the gap between meeting lower caseload standards, managing the increases in cases and staying mindful of budget limitations.

It used to be that we had to have a face-to-face, in the foster child's home visit every 3 months. Face-to-face visits in a child's home are now required every month. I don't disagree with this, it is good practice. However, a child welfare case manager with a typical caseload of 15 children now has to manage 12 face-to-face visits instead of 4. This isn't terribly difficult if the child on your caseload

lives in the county. But what about those visits that take a worker to Duluth, or Salt Lake City or Texas?

The present system of reimbursement for child welfare services is very complicated and based on many different formulas and methods. The methodology has been developed over the years to assure that enough money is available so smaller counties are able to meet their child welfare responsibilities. It is just as critical for Adams County, with about 20 child protection cases a year, as it is for Burleigh/Morton County with over 1200 child protection cases a year, to have child welfare services ready and available when needed. But by assuring this baseline funding for smaller counties, larger counties take a proportionally smaller piece of the pie.

This bill will allow for a percentage reimbursement so that larger counties obtain a more reasonable rate of reimbursement while still preserving the child welfare funding base for smaller counties.

On behalf of the North Dakota County Social Service Directors Association, I urge your support of H.B. 1498. I am happy to answer any questions you may have.