

STUDY OF PUBLIC HUMAN SERVICES - BACKGROUND MEMORANDUM

Section 34 of 2017 House Bill No. 1012 ([Appendix A](#)) provides for a comprehensive study of public human services. The study must include:

- A review of the continuum of services for each population served, the delivery method for those services, and the efficiency and effectiveness of the services;
- The involvement of federal, state, and local governments and for-profit and nonprofit entities in the provision and funding of services;
- An analysis of the funding levels for the programs and services included in the delivery system;
- Consideration of the appropriate role for each of the entities involved in the delivery system; and
- The development of a comprehensive master structure for the system.

COUNTY AUTHORITY AND STATE BOARD OF PUBLIC WELFARE

In the 1860s, the territorial legislature authorized counties as overseers of the poor in their county and were authorized to generate revenue for such purpose. From 1913 to 1933, the duties of overseeing the poor were transferred from counties to townships.

In 1933 the Legislative Assembly created the State Board of Public Welfare and authorized the board to accept and disburse federal funds for human services. In 1935 the Legislative Assembly authorized counties to create county welfare boards to accept funds from the State Board of Public Welfare to administer aid to the poor. From 1933 through 1981, the duties of the State Board of Public Welfare were adjusted to provide for the administration of new programs. In 1971 the name of the State Board of Public Welfare was changed to the Social Services Board of North Dakota.

Counties had a major role in the delivery of human services. In 1963 the Community Mental Health Act resulted in counties establishing community mental health centers. A board of directors was established for each center, which consisted of members appointed by the governing body of the political subdivision where the center was located.

Statutory provisions also allowed local government entities to enter into joint powers agreements to operate human service centers. The human service centers combined the services of social service centers and mental health centers in one location. The centers were under the general supervision of a local board of directors appointed by the local county commission and state social service board.

DEPARTMENT OF HUMAN SERVICES

The Department of Human Services (DHS) was created in 1981 through the enactment of House Bill No. 1418. The bill created a new Department of Human Services which, on January 1, 1981, consolidated a number of agencies previously organized under several separate areas of state government. The department assumed the functions, duties, powers, and control of the following agencies:

1. The Social Services Board (including the regional human service centers);
2. The Governor's Council on Human Resources; and
3. Portions of the Department of Health (the Division of Mental Health and Retardation, including the State Hospital; the Division of Alcoholism and Drug Abuse; and the State Council on Developmental Disabilities).

The bill further provided that the Executive Director of DHS, who is appointed by and serves at the pleasure of the Governor, is the administrative head of the department and provided for the structure of the new department. The 1981 legislation provided that the department was to be divided into three sections--the State Hospital, the Office of Human Services, and the Office of Economic Assistance and County Administration. Contained within the Office of Human Services were the following divisions--developmental disabilities, mental health, social services (including an aging services unit and a children and family services unit), vocational rehabilitation, and alcohol and drug abuse. The Office of Economic Assistance and County Administration included the Public Assistance Division (including a food stamp unit, a housing assistance unit, an assistance payments unit, an energy assistance unit, and a child support unit) and a Medical Assistance Division.

Since DHS was created, the duties and responsibilities of the department have been adjusted multiple times, including the transfer of the administrative control of the Grafton State School (Life Skills and Transition Center) and San Haven from the Director of Institutions to DHS on July 1, 1989.

Department Structure and Services

North Dakota Century Code Section 50-16-01.3 provides for the Governor to appoint an executive director to oversee the operations of DHS. The department is structured into various divisions with different responsibilities. An organizational chart of the department is attached as [Appendix B](#).

The following is a summary of divisions within DHS:

Division/Area	Major Programs/Services
Administration/Management	• Executive office; • Fiscal administration; • Human resources; • Information technology services; • Legal; and • Public information.
Aging services	• Adult foster care licensing; • Dementia care; • Family caregiver support program; • Home- and community-based long-term care services paid for by Medicaid, service payments for the elderly and disabled (SPED), and expanded SPED; • Long-term care ombudsman program; • Older Americans Act services; and • Vulnerable adult protective services.
Behavioral health	• Prevention and promotion projects including Parents Listen, Educate, Ask, Discuss and statewide community prevention; • Gambler's choice; • Robinson Recovery Center; • Substance use disorder voucher program; and • Brain injury supports.
Child support	• Establishment of paternity, child support, and medical support; • Enforcement of support orders; • Parent locate services; and • Receipt and distribution of child support payments.
Children and Family Services	• Adoption; • Child protection; • Early childhood services including child care licensing; • Family preservation services; and • Foster care and placement of children.
Developmental disabilities	• Development disability home- and community-based Medicaid waivers services; • Early intervention; • Medicaid funding of intermediate care facility services for individuals with intellectual disabilities; • Provider licensing and regulation; and • Training and technical assistance.
Economic assistance	• Alternatives to abortion; • Basic care assistance eligibility; • Child care assistance;

	• Low-income home energy assistance; • Medicaid and children's health insurance program eligibility; • Supplemental nutrition assistance program; and • Temporary assistance for needy families.
Medical services	• Assisted living facility licensing; • Base care assistance funding; • Children with disabilities coverage; • Healthy steps funding; • Money follows the person program; • Medicaid autism waiver; • Medicaid primary care provider program; • Medicaid coverage, ratesetting, and program integrity; • Medically fragile children coverage and children's hospice waiver coverage; • Program of all-inclusive care for the elderly; • Qualified service provider training; and • Workers with disabilities coverage program.
Vocational rehabilitation	• Centers for Independent Living funding; • Consultation services for businesses; • Rehabilitation services to assist disabled people to become employed; • Vision services; and • Federally contracted disability determination services.
Field services	• Regional human service centers - Emergency services including crisis lines and support, social and medical detoxification, and State Hospital admissions screening; - Chronic disease management, including targeted case management, addiction counseling, psychotherapy, psychosocial rehabilitation, medication management, and housing services; and - Special services, including intellectual disabilities case management, vocational rehabilitation, adult protective services, regional supervision of child welfare services, and court-ordered psychological assessment. • Life Skills and Transition Center - Residential services and supported living arrangements in other communities for people with developmental disabilities; - Vocational and outreach services; - Independent supported living arrangement program; - CARES Medical Clinic; and - Intellectual disabilities behavioral health service. • State Hospital - Inpatient services for adults with mental illness and substance use disorders whose needs exceed local resources; - Psychiatric rehabilitation services for adults with persistent and serious mental illness; - Transitional living services for adults with persistent and serious mental illness; - Evaluation and treatment services for civilly committed sexually dangerous individuals; and - Residential addiction treatment services provided by the Tompkins Rehabilitation and Corrections Center through contract with the Department of Corrections and Rehabilitation.

The Department of Human Services operates eight human service centers which each serve a different region of the state. Attached as [Appendix C](#) is a map detailing the locations of each of the centers.

Delivery of Services

Human services programs are delivered through a combination of methods. Counties are the first point of contact for individuals seeking economic assistance and family services programs. Services for programs are provided through direct services by DHS, by the county, or by contracted private providers.

State Takeover of Human Services Costs

The Legislative Assembly has authorized several changes which resulted in the state paying certain social services costs rather than counties. In 1997 the counties assumed the cost of administering selected economic assistance programs in exchange for the state to pay for the direct programs costs. In 2007 the state assumed the costs of administering child support enforcement. In 2015 the state assumed costs of foster care and subsidized adoption assistance payments, medical assistance payments for therapeutic foster care services, SPED, county administrative costs for providing family preservation services, computer processing costs for the technical eligibility system, and the costs of electronic benefit transfers for the supplemental nutrition assistance program.

In 2017 the Legislative Assembly approved Senate Bill No. 2206 which creates a 2-year pilot program for the state payment of county-funded economic assistance and social services costs. The bill also removes the authority of counties to levy a property tax for social services programs.

Department Funding and Full-Time Equivalent Positions

The 2017-19 biennium appropriations for DHS total \$3,913,112,132, of which \$1,339,231,350 is from the general fund. The schedule below provides information regarding funding for DHS since the 2007-09 biennium:

	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium	2015-17 Biennium Adjusted	2017-19 Biennium
General fund	\$650,645,814	\$932,025,219	\$1,171,116,129	\$1,281,017,188	\$1,339,231,350
Other funds	1,637,100,137	1,673,400,832	1,778,336,465	2,246,039,963	2,573,880,782
Total	\$2,287,745,951	\$2,605,426,051	\$2,949,452,594	\$3,527,057,151	\$3,913,112,132

The schedule below details the full-time equivalent (FTE) positions authorized for DHS since the 2009-11 biennium:

	2009-11 Biennium	2011-13 Biennium	2013-15 Biennium	2015-17 Biennium	2017-19 Biennium
FTE positions	2,216.88	2,189.35	2,201.08	2,211.08	2,162.23

PREVIOUS STUDIES

1985-86 Study of the Delivery of Human Services - Dawes Report

The 1985-86 Budget Committee on Human Services contracted with Dr. Kenneth J. Dawes, University of North Dakota, to conduct an indepth survey of the programs, staff, and structure of DHS. Dr. Dawes identified the strengths and weaknesses of the human services delivery system and provided recommendations to enhance the delivery of human services in the state.

1990 Study of the Human Services Delivery System

During the 1989-90 interim, the Budget Committees on Long-Term Care and Human Services conducted a joint review of alternatives for restructuring the human service delivery system in North Dakota. The committees were assigned this responsibility after the December 1989 tax referrals and the potential impacts on human service programs of budget reductions resulting from the tax referrals. The committees reviewed social service responsibilities, programs, and funding in North Dakota, Minnesota, Montana, South Dakota, and Iowa.

The committee recommended, and the 1991 Legislative Assembly passed, Senate Bill No. 2033 that created Section 50-01.1-02.1 to provide financial incentives for the creation of multicounty social service districts. The bill included a \$200,000 appropriation from the state aid distribution fund for the 1991-93 biennium. The financial incentives were to be based on achieved economies of scale, adherence to caseload standards, reduced administrative costs, specialized staff qualifications, and quality of services provided. The incentives were limited to a 6-year period. The \$200,000 appropriation was not spent and financial incentives were not provided to establish any multicounty districts.

1991-92 Update of Dawes Recommendations

The 1991-92 Budget Committee on Human Services contracted with Dr. Dawes for a report on the status of the 1987 legislative recommendations regarding DHS. Dr. Dawes provided the committee a historical review of the development of social services in North Dakota and of DHS, conducted a review of the status of recommendations

contained in the 1987 report, and conducted interviews of personnel of the department and county social service agencies. Dr. Dawes provided several recommendations to continue to improve the delivery of human services in the state.

The committee, as a result of Dr. Dawes' study and a State Auditor's office performance review of DHS, recommended 1993 Senate Concurrent Resolution No. 4004 encouraging improvements by DHS.

1995-96 Budget Committee on Human Services Study

The Budget Committee on Human Services studied the responsibilities of county social service agencies, regional human service centers, and DHS regarding economic assistance programs. The committee received detailed information regarding central office, human service center, and county social service administrative costs and caseloads for calendar year 1994. The committee recommended, and the 1997 Legislative Assembly passed, House Bill No. 1041 (known as the "SWAP" agreement) requiring counties, effective January 1, 1998, to assume the financial responsibility for the cost of administration of certain economic assistance programs and requiring the state to assume complete financial responsibility for the nonfederal share of the grant costs of medical assistance and basic care and to contribute additional support of administrative costs for counties with Indian land. The state assumed financial responsibility for grant programs, including temporary assistance for needy families, basic care, child care assistance, and Medicaid.

1997-98 Budget Committee on Human Services Study

The 1997-98 Budget Committee on Human Services conducted a study of DHS in which Public Administration Services was selected to study the department's organizational structure. The Public Administration Services study identified opportunities for improvements for the department and provided 18 recommendations relating to DHS' administrative structure and budget presentation methods. The 1997-98 interim committee recommended, and the 1999 Legislative Assembly passed, Senate Concurrent Resolution No. 4003, which urged DHS to implement the recommendations resulting from the Public Administration Services study.

The resolution urged DHS to develop a strategic business plan that includes the identification of departmental goals and objectives; client service needs; and strategies for service delivery, monitors performance, adjusts service delivery to provide priority client services in a cost-effective and efficient manner, and included the consideration of the following recommendations:

1. Adopt an organizational structure that reduces the Executive Director's span of control and improves coordination, communications, and control of staff and field services;
2. Improve the budget presentation to the Legislative Assembly by using "Budget in Brief" technology-assisted presentations; maximum use of available software; and information on an Internet website which includes a review of the Governor's budget guidelines, identification of departmental goals and significant changes from the previous biennium, trend and projection analysis, executive summary of expenditures and revenues, identification of specific initiatives, new programs and major modifications to existing programs, and programs and services recommended for elimination;
3. Develop and use an executive decision system that provides summary information to management and policymakers, allowing access to the information from an Internet website or data warehousing;
4. Identify core and essential services, inform legislative committees, and disseminate this information to the public;
5. Improve county and private sector collaboration by emphasizing and searching for ways to involve the counties and the private sector in planning and implementing programs;
6. Improve private provider relations by requiring department staff to explain payment rate calculations and audit findings to providers and by providing basic information and new rules on the department's Internet website;
7. Review inspection and licensing requirements for programs and facilities to provide for consistent administration of programs, decentralizing of inspections, and retaining centralized standard setting and quality control authority;
8. Implement a strategic planning, evaluation, and review capability that may include:
 - a. A budgeting, planning, and evaluation division, under the control of a newly created assistant director position, which includes quality control and research and statistics functions and provides through a new position that could be filled on a temporary basis from university personnel long-range vision and strategic planning;

- b. An ombudsman/troubleshooter position and an enhanced public information function to provide information regarding department programs and serve as an informal appeals and complaint resolution function; and
- c. An information resource management unit, which includes the technical eligibility computer system, to improve the quality of public and internal information;
- 9. Develop an information technology master plan that supports department goals and objectives and the systematic planning process and prioritizes technology needs;
- 10. Improve client satisfaction survey methodology and encourage counties and private providers to conduct client satisfaction surveys;
- 11. Consider the consolidation of the Medical Services and Public Assistance Divisions, including the training, education, employment, and management function, into a Financial and Medical Assistance Division and the consolidation of Finance and Office Services and centralized collections in a Management Support Division;
- 12. Consider merging children's special health services into the Children and Family Services Division;
- 13. Address key person succession planning by developing department staff through the possible use of "career ladders," training incentives, and performance bonuses or obtaining executives "on detail" from the private sector and universities;
- 14. Review and make recommendations for implementation of other states' innovative methods of service provision;
- 15. Review and make recommendations regarding the Medicaid spending reduction techniques identified by the consultant and their applicability to North Dakota;
- 16. Consider child protection fund shift initiatives that are based upon shifting eligible "kinship" foster care from temporary assistance for needy families child-only grants to foster care payments;
- 17. Consider providing incentives for public/private collaborative operation of integrated service centers at the district level, incorporating managed care techniques, and including a pilot project with performance goals; and
- 18. Consider supporting and assisting in the implementation of a performance management system that includes measurement criteria that assist in setting departmental goals, allocate and prioritize resources, and provide for reporting on the success in meeting goals.

2003-04 Study of Human Services Administrative Costs

The 2003-04 Budget Committee on Human Services studied the administrative costs of human services programs, including costs incurred by the DHS central office, human service centers, and county social services. The committee received and reviewed information regarding the administrative costs of various programs administered by the department. The committee also reviewed costs incurred by counties relating to the delivery of human service programs. The committee did not have any formal recommendations resulting from the study.

PROPOSED STUDY PLAN

The following is a proposed study plan for consideration by the committee:

- 1. Receive information regarding the history of human services in the state.
- 2. Receive an overview of the constitutional and statutory provisions relating to human services.
- 3. Receive an overview of the current structure of DHS.
- 4. Review the populations served by human services programs and the continuum of services for those populations.
- 5. Receive information regarding the key components of the current delivery methods of major human services programs.
- 6. Review the structure of human services programs in other states.
- 7. Consider alternative administrative and funding structures for the department.
- 8. Receive testimony from other interested persons regarding the study.
- 9. Develop recommendations and any bill drafts necessary to implement the recommendations.
- 10. Prepare a final report for submission to the Legislative Management.

ATTACH:3