

# NORTH DAKOTA LEGISLATIVE COUNCIL

## Minutes of the

### **BUDGET COMMITTEE ON HUMAN SERVICES**

Tuesday and Wednesday, November 4-5, 2003

West Central Human Service Center

Roughrider Room, State Capitol

Bismarck, North Dakota

Representative Clara Sue Price, Chairman, called the meeting to order at the West Central Human Service Center at 1:00 p.m.

**Members present:** Representatives Clara Sue Price, Jeff Delzer, William R. Devlin, Gary Kreidt, Vonnie Pietsch, Robin Weisz, Alon Wieland; Senators Bill L. Bowman, Richard Brown, Tom Fischer, Joel C. Heitkamp, Aaron Krauter, Russell T. Thane

**Members absent:** Representatives Louise Potter, Wayne W. Tieman; Senators Judy Lee, Harvey Tallackson

**Others present:** See attached appendix

**It was moved by Representative Delzer, seconded by Representative Kreidt, and carried on a voice vote that the minutes of the previous meeting be approved as distributed.**

#### **BUDGET TOUR**

Mr. Tim Sauter, Director, West Central Human Service Center, presented an overview of the West Central Human Service Center programs, number of individuals served, current status of its 2003-05 budget, and major program changes and needs for the 2005-07 biennium.

Mr. Sauter reviewed the services and programs of the human service center, including:

1. The regional intervention service, which provides crisis and emergency services and screens all requests for admission to the State Hospital or to the human service center.
2. Acute outpatient services, including assessments, therapies, domestic violence programs, and sexual abuse treatment programs.
3. Adult addiction services, including alcohol and drug evaluations, day treatment programs, therapy programs, residential and crisis residential services, social detoxification, and drug and alcohol education programs.
4. Extended care and treatment for individuals with serious mental illness, including case management, psychiatric services, supported employment, supportive living services,

residential services, case aide services, and psychosocial rehabilitation center services.

5. Psychiatric and psychological services, including consultations, evaluations, and medication reviews.
6. Aging services, including congregate and home-delivered meals, transportation, outreach, and health maintenance services.
7. Rehabilitation consulting and services, which assist individuals with disabilities to improve their employment opportunities and assist businesses in solving disability issues.
8. Developmental disabilities services, including case management, regional planning, family subsidy, and residential day and family support programs.
9. County social service program supervision, which supervises, monitors, and provides technical assistance for county programs relating to foster care, child abuse and neglect, and family preservation services.
10. A partnership program, which provides services to children who have been identified as having a serious emotional disorder, including care coordination, case aide, respite care, parent aide, safe beds, and flexible funding.
11. Specialized child/family services unit, which provides specialized treatment services to children, youth, and their families.

Mr. Sauter said the center served 5,332 individuals in calendar year 2002. He said the number of State Hospital admissions from the West Central Human Service Center decreased from 427 in calendar year 1988 to 20 in calendar year 2002.

Mr. Sauter said in calendar year 2002, 23 residents of the Developmental Center were originally from the west central region. He said the significant factors that have resulted in a reduction of the number of individuals receiving services at the State Hospital or the Developmental Center include the development of new medications to treat mental illness and local partnerships which enable individuals to receive services in the community.

Mr. Sauter reviewed the 2003-05 biennium budget for the West Central Human Service Center. He said

the budget totals \$17.6 million, of which \$8.5 million is from the general fund. He anticipates the center operating within its 2003-05 biennium budget.

Mr. Sauter said areas of concern in the west central region include:

1. Access to medications.
2. Transportation services.
3. Medical fragility.
4. Alcohol and drug issues.
5. Aging population.

A copy of the report is on file in the Legislative Council office.

Chairman Price asked that the Department of Human Services provide additional information to the committee at future meetings and as the committee travels to other human service centers on the space utilization of each human service center, including whether each facility is owned or leased, the cost per square foot if leased, and floor plans of each facility identifying the use of the space. In addition, she asked for information on the full-time equivalent (FTE) positions at each human service center, including a description of each position's duties, the percentage of time spent on direct care services, and on FTE positions filled and vacant.

Senator Bowman expressed concern that the number of children being served by the West Central Human Service Center increased by 107 percent in the last 10 years.

In response to a question from Representative Delzer, Mr. Sauter said that an individual is counted as a client served even if the individual receives only an initial visitation.

Representative Price expressed concern that the center does not collect and evaluate information on the reasons clients' cases are closed.

Representative Price asked for a funding comparison of the 2001-03 and 2003-05 bienniums excluding costs relating to the Manchester House which are no longer included in the West Central Human Service Center budget. Excluding funding of \$2 million relating to the Manchester House, the West Central Human Service Center's 2003-05 biennium budget totals \$17.6 million compared to \$16.7 million in 2001-03, a \$900,000 increase.

## BUDGET REPORT

Mr. Tim Sauter, Director, Badlands Human Service Center, reported on the Badlands Human Service Center programs, numbers of individuals served, status of its 2003-04 budget, and major program changes and needs.

Mr. Sauter reviewed the services and programs of the Badlands Human Service Center, including:

1. Acute outpatient services that are designed to provide appropriate psychotherapeutic intervention, usually on a time-limited basis, to assist individuals with specific problems

that may be negatively impacting daily functions.

2. Family-based services that strengthen families to fulfill their caregiving function and provide a healthy growth-producing and safe environment for family members.
3. Outpatient alcohol and drug services at either intensive or low-intensive levels.
4. Extended care and treatment services that provide community-based services for individuals with serious mental illness.
5. Developmental disabilities case management services that assist eligible individuals and their families in identifying, coordinating, and monitoring the support services necessary to meet the individuals' determined outcomes.
6. Aging services that assist individuals aged 60 and over.
7. Community services that supervise and direct the human services provided by the eight southwest county social service boards.
8. Rehabilitation counseling and services that assist individuals with disabilities to achieve their employment, independence, and economic goals.

Mr. Sauter said the Badlands region had 77 State Hospital admissions in 1990, which has been reduced to 11 in 2003. He said the Badlands region currently has nine individuals residing at the Developmental Center.

Mr. Sauter said the Badlands Human Service Center's 2003-05 budget totals \$8.9 million, \$4.4 million of which is from the general fund.

Mr. Sauter identified the following areas of concern in the Badlands region:

1. Recruitment of qualified staff.
2. Managing caseloads with reduced FTE positions.
3. Managing fiscal resources available, including third-party reimbursements.
4. The potential impact of coal development in the Badlands region.
5. Developing services for an aging population.
6. Access to medication.
7. Need for a residential program for individuals with chronic alcoholism.
8. Services for vulnerable children.
9. Parental capacity evaluations.
10. Participation in community prevention and intervention activities.
11. Rural transportation primarily for the elderly in smaller communities.

Mr. Dana Rivinius, Business Manager, Badlands Human Service Center, provided information on the community partnerships of the Badlands Human Service Center. He said the Badlands Human Service Center has community partnerships with:

1. St. Joseph's Hospital.
2. County social service agencies.

3. Community action programs.
4. Schools.
5. Law enforcement agencies.
6. Job Service North Dakota.

A copy of the report is on file in the Legislative Council office.

Senator Krauter asked for the challenges Mr. Sauter has identified being director of two human service centers. Mr. Sauter said the challenges include:

1. The personal effect on his family.
2. Personnel management if issues occur simultaneously at both centers.
3. The development of community relationships in the community for which the director is not residing.
4. Time for future planning since much time is spent in meetings.

Mr. Sauter believes the shared director concept is working well primarily because both centers have highly qualified people in place to make decisions in the director's absence and because the department has a strategic plan in place to guide its activities. Mr. Sauter said positive aspects of the shared position include the financial savings and more sharing and exchange of information between employees of the two centers.

Chairman Price asked that the Department of Human Services provide the same types of information and comparisons on each human service center as the committee receives information at future meetings.

## **DEPARTMENT OF HUMAN SERVICES STRATEGIC PLAN**

Ms. Yvonne Smith, Deputy Director, Department of Human Services, reviewed the history of the human service centers. She said the centers were established in 1982. Previously, she said, services were offered through area social service centers, the regional vocational rehabilitation offices, and mental health and retardation centers. She said the centers were developed to coordinate, avoid duplication, and enhance the comprehensive approach to serving clients.

Ms. Smith reviewed the department's strategic planning process. She said in the development of the department's strategic plan in 2002, each of the department's programs developed program purpose statements which clearly identified the reason for each program's existence. The department's strategic plan includes expectations for achievement for each program. As part of the planning process, she said, the department has created guiding principles based upon input from regional stakeholder input meetings. She said these principles provide the basis for creation of the human service center core services. She said the department's five guiding principles are:

1. The Department of Human Services has the responsibility to serve our state's most vulnerable people.
2. Planning, evaluation, budgeting, and best practices regarding service delivery and allocation of resources are data-driven, evidence-based, and results-oriented.
3. Essential core services are based on individual needs with full consumer involvement and aimed at optimizing self-sufficiency and independence.
4. Local and natural support systems will be fully engaged and partnerships generated to maximize resources and efficiency.
5. Services will be designed to accommodate specific regional needs with resources allocated in a cost-effective manner to create alternative solutions to reach rural and urban populations.

Ms. Smith provided examples of the types of achievement measurements for each of the department's Program and Policy Division programs, including aging services, children and family services, economic assistance policy, child support enforcement, disability services, medical services, and mental health and substance abuse.

Ms. Smith said strategic planning is a process, not a product. She said the department regularly reviews the results of program measures, obtains feedback from stakeholders, evaluates its progress, and uses the information to adjust the department's plans. She said as the department begins its 2005-07 budget request development, the department will be conducting stakeholder meetings, analyzing program results, and developing its priorities based on this information. A copy of the report is on file in the Legislative Council office.

Senator Heitkamp asked who determined the measurement indicators that are used for each program. Ms. Smith said the program managers, based on stakeholder meeting input, identified the measurement indicators that are included in the strategic plan.

The committee recessed at 4:45 p.m. and reconvened at 9:00 a.m. on Wednesday, November 5, in the Roughrider Room, State Capitol.

Ms. Smith presented demographic information by county and human service region, including information on the population of various age categories, population of people in poverty, and population trends and projections.

Ms. Smith said it is estimated that 11.9 percent or approximately 73,000 North Dakotans live in poverty based on calendar year 1999 information. She said this is a decrease of one percentage point from the 12.9 percent in calendar year 1998.

Senator Krauter asked for the definition of poverty. Ms. Smith said the Department of Human Services will provide that information to committee members.

Ms. Smith presented information on funding for human service centers from the 1995-97 biennium through the 2003-05 biennium. She said on average, funding for human service center operations has increased 3 percent per year over the 10-year period.

Representative Wieland asked why the southeast region has almost twice the population of the northeast region, but funding for the Southeast Human Service Center is only slightly more than the funding for the Northeast Human Service Center. Ms. Smith said a number of factors affect the funding level for human service centers. While in total, she said, the Southeast Human Service Center budget totals \$20.6 million and the Northeast Human Service Center budget totals \$19.4 million, the Northeast Human Service Center operates a statewide children's residential treatment center, which totals \$1.9 million, and also operates unique programs such as a youth chemical dependency program (\$720,000) and a foster grandparent program (\$840,000). She said if these items are excluded, the Northeast Human Service Center budget would total \$15.9 million.

Ms. Smith reviewed the core services of the regional human service centers, including:

#### Aging services

- Aging services administration.
- Vulnerable adult protective services.
- Long-term care ombudsman program.
- Adult family foster care licensure.

#### Developmental disabilities

- Case management.
- Day supports (southeast).
- Extended services (northwest and Badlands).
- Infant development (northwest, northeast, southeast, south central).

#### Vocational rehabilitation

- Assessment for eligibility and rehabilitation needs.
- Counseling and guidance.
- Information and referral.
- Job-related services.
- Vision services.
- Supported employment services (Badlands and northwest).
- Rehabilitation technology services (Badlands and west central).
- Business services, including Americans with Disabilities Act consultation and assessment.

#### Child welfare services

- Program supervision - Regional representatives and child care licensing specialists.
- Parental capacity evaluation.
- Foster parent support services.
- Acute/clinical services as deemed clinically appropriate.

#### Children's mental health

- Level I criteria.
  - Care coordination.

Acute/clinical services as deemed appropriate.

- Level II criteria.
  - Care coordination.
  - Case aide services.
  - Crisis residential/safe beds.
  - Flexible funding.
  - Acute clinical services as deemed appropriate.

Serious mental illness (extended care coordination)

- Care coordination.
- Case aide services.
- Needs-based array of residential services.
- Community support services.
- Medical management.
- Acute/clinical services as deemed clinically appropriate.

#### Acute clinical services

- Core populations.
  - Self-harm/suicide.
  - Child abuse and neglect.
  - Foster care/subsidized adoption.
  - Acute psychiatric.
- Services.
  - Psychological evaluation and testing.
  - Psychiatric evaluation.
  - Clinical evaluation.
  - Individual therapy.
  - Group therapy.
  - Family therapy.
  - Clinical case management.
  - Medication management.
  - Crisis residential.
  - Short-term hospital.
  - Laboratory and clinical screening.

#### Substance abuse services

- Care coordination/case aide.
- Evaluation.
- Social and medical detoxification services.
- Needs-based array of primary treatment services.
  - Low-intensity outpatient.
  - Intensive outpatient.
  - Day treatment.
- Needs validated residential services.
- Medication/medical monitoring/management.

#### Crisis/emergency response services

- 24 hours a day seven days a week crisis call response from a designated, trained center employee.
- Regional intervention services.
  - Screening.
  - Gatekeeping/referral.

Ms. Smith also reviewed the cooperative efforts of the human service centers, county social services, and private providers as well as the number of clients

served for each core service area and a history of the number of clients served by region since 1995.

Representative Price asked for information on the departmental contracts with developmental disabilities services providers across the state by type of service. Ms. Smith said the department would provide this information.

Representative Delzer asked for the number of clients that receive both developmental disabilities and vocational rehabilitation services. Mr. Gene Hysjulien, Disabilities Services Director, Department of Human Services, said the department would provide the requested information.

Ms. Smith provided information on the regional human service center contracts for the 2001-03 biennium and the obligations for the 2003-05 biennium. She said for the 2001-03 biennium, the human service centers contracted for a total of \$16.8 million and are obligated for contracts totaling \$19.4 million for the 2003-05 biennium.

Ms. Smith provided a listing of other organizations and private providers that offer services similar to the services offered by the human service centers by region and cooperative efforts of the human service centers, county social services, and private providers to meet the human service needs of each region.

Ms. Smith provided information on waiting lists of the human service centers. She said that waiting lists vary depending on the type of service. She said for crisis situations, human service centers respond immediately. For nonemergency service needs, she said, waiting lists may vary from no waiting time to two months.

Regarding service capacity of human service centers, Ms. Smith said because services and caseloads vary depending on the complexity and intensity of service needs of the clients, the human service centers continue to identify ways to serve more clients within existing resources.

Ms. Smith discussed the methods used by the department to determine when consolidating or sharing services between specific human service centers occurs and the reasons why certain centers are chosen to share or consolidate services. She said generally consolidation of functions between the human service centers occurs when an opportunity presents itself through a resignation or retirement of an employee. She said shared positions and consolidated services do not need to be between the same centers as other shared positions or consolidated services. A copy of the report is on file in the Legislative Council office.

Representative Wieland asked for a copy of the statutory provision requiring human service centers to review county social service board activity regarding child welfare services.

Senator Krauter asked for additional information on contracts of the human service centers, including a history of funding for contracts since 1995 by region

and service type. Ms. Smith said the department would provide the information to the extent available.

Representative Price asked for information on how the various clients of human service centers are served, whether through contracts or at the human service center, and the funding that is used for the services.

Ms. Kathy Hogan, President, North Dakota County Social Service Directors Association, presented information on the role and responsibility of county social services. She said counties have been involved in the delivery of human services for many years. She said there is very little duplication of services between the human service centers and counties because the roles and functions are distinct. She said, however, that the counties and the human service centers may be providing different types of services to the same families. A copy of the report is on file in the Legislative Council office.

Mr. Larry Bernhardt, Stark County Social Services Director, Dickinson, presented information on economic assistance programs administered by county social services. He said the major economic assistance programs include:

1. Temporary assistance for needy families (TANF).
2. Medicaid.
3. Food stamps.
4. Low-income home energy assistance program (LIHEAP).
5. Child care assistance program.

Mr. Bernhardt said the counties have just under 300 eligibility workers in 51 county social service offices responsible for determining eligibility and authorizing benefits for clients receiving benefits through these economic assistance programs. He said policy development and training as well as the computer development and maintenance is done by the Department of Human Services.

Mr. Bernhardt reviewed the number of clients receiving services through these economic assistance programs. In addition to the five major programs, he said, county social services also are responsible for the child support program, basic care payments, and county general assistance program.

Mr. Bernhardt presented information on the number of recipients of economic assistance benefits by county by fiscal year since 1999.

Mr. Bernhardt discussed cooperative efforts of counties, human service centers, and private providers to meet the human service needs of a county. He said counties are the primary resource for low-income individuals and families in need of public benefits. He said human service centers and private providers are the major referral sources. He said counties collaborate with Job Service North Dakota for the job opportunities and basic skills (JOBS) program and TANF benefits. A copy of the report is on file in the Legislative Council office.

Senator Krauter asked why the number of Medicaid recipients has not increased proportionally with the number of Medicaid-eligible individuals in June 2003 compared to June 2002. Mr. Bernhardt said he would work with the Department of Human Services to respond to the question. Representative Devlin asked that the Department of Human Services provide information on Medicaid-eligible individuals and individuals receiving services for the past five fiscal years.

Ms. Shari Doe, Burleigh County Social Services Director, presented information on child welfare programs of the counties. She said counties are the primary service provider of child welfare services in North Dakota. She said the four major components of child welfare include:

1. Child protective services.
2. Foster care services.
3. Family preservation/support services.
4. Regulatory functions.

Ms. Doe said county social services provides direct service of these programs with oversight from the regional human service center.

Ms. Doe discussed the cooperative efforts of counties, human service centers, and private providers to meet the children and family services needs of a county. She said in this area counties as well as local law enforcement, county state's attorneys, juvenile court, human service centers, and a number of private providers collaborate to provide services to meet the needs of the children and their families. A copy of the report is on file in the Legislative Council office.

Ms. Mary Rothmann, Bottineau County Social Services Director, reviewed home and community-based services provided by counties. She discussed the history of home and community-based services in North Dakota. She said home and community-based services are a part of a continuum of care providing choice for individuals to receive services in their home and community and to delay or prevent institutional care. She said access to services is available through county social services case management. She said the counties coordinate referrals, complete assessments, determine eligibility, develop service plans, and authorize payments for in-home care services. She said the majority of counties also directly provide in-home care services to their residents. She said in March 2003, 116.4 FTE in-home care specialist positions were employed by county social services. She said the types of home and community-based services available include:

1. Case management.
2. Homemaker.
3. Personal care.
4. Respite care.
5. Chore services.
6. Emergency response system.
7. Family home care.
8. Adult foster care.

9. Adult day care.

10. Information and referral.

Ms. Rothmann said persons must meet the functional requirements as well as certain income and asset criteria in order to be eligible to receive the services.

Ms. Rothmann said the funding sources available for in-home services include service payments for elderly and disabled (SPED), expanded SPED, Medicaid waiver, and county-funded home and community-based programs. She provided information on the number of individuals and funding for home and community-based services since 1997. She said a total of 4,619 individuals was served in fiscal year 2002, 3,247 of which were in programs receiving funding from federal, state, and county sources and 1,372 of which were in programs receiving county or social service block grant funds.

Ms. Rothmann discussed the cooperative efforts of counties, human service centers, and private providers to meet the human service needs of the elderly and disabled. She said counties collaborate with qualified service providers, medical providers, and human service centers to provide the continuum of care services for these individuals. A copy of the report is on file in the Legislative Council office.

In response to a question from Senator Krauter, Ms. Rothmann said a number of counties continue to provide home and community-based services with county funds to individuals who would otherwise not have access to in-home services. She said the Department of Human Services did not accept any new clients on the SPED or expanded SPED program in 2002 and 2003 due to funding shortfalls. She said some individuals are also not eligible for the SPED and expanded SPED programs because their functional impairments are not severe enough to meet the eligibility guidelines. She said in some instances the counties will provide funding for these individuals to receive the needed services. She said that in order to be eligible for SPED or expanded SPED services, an individual must be impaired in three to five activities of daily living (ADLs) or instrumental activities of daily living (IADLs).

Representative Delzer suggested counties collect data on the income and asset levels of the individuals that the counties are serving with county funds. Representative Price said this type of information is very useful for the Legislative Assembly.

Senator Thane asked for the impact of the federal Adoption Safe Families Act on the foster care program. Ms. Doe said counties do more permanency planning for individuals in foster care and as a result subsidized adoptions have increased.

Senator Krauter asked that the counties gather information on home and community-based services that counties provide at their own expense, which counties provide services, and what effect provisions of 2003 Senate Bill No. 2083 have had on the

caseloads of county-funded home and community-based services.

The committee recessed for lunch at 12:15 p.m. and reconvened at 1:00 p.m.

Ms. Hogan reported on shared county services and client waiting lists. Ms. Hogan said 27 counties share a county social services director, 29 counties share child protective services and child abuse and neglect services, and 18 counties share adult protective services. She said counties are continuing to expand their sharing of services. She said nine counties in the northeast region are currently conducting a collaboration study relating to a number of county services.

Regarding waiting lists, Ms. Hogan said the majority of county programs have externally established timelines that counties are required to meet. Therefore, she said, there are no waiting lists. A copy of the report is on file in the Legislative Council office.

In response to a question from Representative Devlin, Ms. Hogan said the reason that some counties are not sharing a director position may be that in some small counties the director is also providing direct services. Ms. Hogan said the association will provide information on those counties in which the director also provides direct services.

Mr. Marlowe Kro, Associate State Director, American Association of Retired Persons (AARP), commented on the human service center study. Mr. Kro said a 2000 survey of AARP members identified the following primary concerns:

1. Having enough money to pay bills.
2. Accessing health care services.
3. Being able to stay safely at home.

Mr. Kro said county social services are a critical component of the continuum of care for the elderly in North Dakota.

Mr. Kro said North Dakota needs to develop a plan to serve the growing number of elderly in North Dakota. He said by the year 2020 the number of North Dakotans aged 85 and over will increase from 14,726 to 24,258. A copy of the testimony is on file in the Legislative Council office.

### STUDY OF HUMAN SERVICES PROGRAMS ADMINISTRATIVE COSTS

Ms. Brenda Weisz, Fiscal Administration Director, Department of Human Services, presented information on the administrative costs and FTE positions with administrative responsibilities at the department's central office, State Hospital, Developmental Center, and human service centers.

Ms. Weisz said departmentwide 410.12 FTE positions and \$95.3 million or 6.23 percent of the department's budget relate to administration. A copy of the report is on file in the Legislative Council office.

Representative Delzer asked why administrative costs at the State Hospital and Developmental Center are substantially more than administrative costs of human service centers that have a similar number of FTE positions involved in administration. Ms. Weisz said the department would provide that information for inclusion in the minutes. The information provided by the department identifies \$1.2 million of costs at each institution that is included in administration but relates to all areas of the budget, including temporary and shift-differential employee costs, motor pool, telephone, insurance, clothing and hygiene supplies, and professional development.

Ms. Deb McDermott, Assistant Fiscal Administration Director, Department of Human Services, presented information on the grant costs of economic assistance programs included in the "swap" agreement by funding source for each biennium since 1995-97 and welfare reform-related computer systems costs paid by the Department of Human Services since the 1995-97 biennium.

Ms. McDermott presented the following schedule showing the effects of the swap agreement on the county and state share of funding for economic assistance programs.

### COMPARISON OF ECONOMIC ASSISTANCE GRANT COSTS AND COUNTY ADMINISTRATION

Economic Assistance Grants - "Previously" the County Share			
	Actual Expenditures for 1999-2001 Biennium	Actual Expenditures for 2001-03 Biennium	Estimated Expenditures for 2003-05 Biennium
Traditional Medicaid	\$19,018,277	\$23,046,095	\$26,966,119
Developmental disabilities	3,237,525	3,602,696	4,446,576
Basic care	1,835,862	456,552	428,040
TANF	1,132,032	1,326,077	1,329,506
JOBS	335,878	636,532	704,321
State Hospital	292,355	311,836	233,474
Child care	833,904	1,178,536	1,259,306
Total additional grants costs assumed by the state	\$26,685,833	\$30,558,324	\$35,367,342

County Administrative Cost - "Previously" State Reimbursement			
	Reimbursement for 1999-2001 Biennium	Reimbursement for 2001-03 Biennium	Estimated Reimbursement for 2003-05 Biennium
Federal funds for economic assistance programs	\$24,286,907	\$25,218,052	\$25,954,276
State funds for IV-D regional units	1,526,632	1,653,300	1,712,074
<b>Total additional administrative costs assumed by county</b>	<b>\$25,813,539</b>	<b>\$26,871,352</b>	<b>\$27,666,350</b>

Overall Effect on Counties and State			
	Reimbursement for 1999-2001 Biennium	Reimbursement for 2001-03 Biennium	Estimated Reimbursement for 2003-05 Biennium
Grant costs in excess of administrative reimbursement	\$872,295	\$3,686,972	\$7,700,992
Additional funds for countywide cost allocation plan fee	\$232,880	\$71,828	
Additional computer costs in excess of fiscal year 1995 costs inflated at consumer price index	\$893,828	\$1,648,387	\$1,675,766
Additional Indian county funds provided in excess of \$440,000	\$1,336,421	\$2,040,976	\$2,309,176
Avoided county expenditures and corresponding additional state costs	\$3,335,424	\$7,448,163	\$11,685,934

During this time period, Ms. McDermott said the county share of the social service block grant decreased as follows:

- Calendar year 1998 - \$2,230,706.
- Calendar year 1999 - \$2,230,858.
- Calendar year 2000 - \$1,690,676.
- Calendar year 2001 - \$1,619,546.
- Calendar year 2002 - \$1,543,084.
- Calendar year 2001 - \$1,506,392.

A copy of the report is on file in the Legislative Council office.

Ms. Hogan presented information on administrative costs of economic assistance programs included in the "swap" agreement for each year since 1997, adjustments to county administrative costs or administrative functions since 1997, and the number of counties that have combined services since 1997.

Ms. Hogan said in state fiscal year 2002 administrative costs of county economic assistance programs totaled \$21.7 million.

Ms. Hogan said a number of county economic systems programs are administered across county lines, including Health Tracks - 13 counties, TANF eligibility - 16 counties, foster care eligibility - 11 counties, and economic assistance supervision - 15 counties.

Ms. Hogan provided information on the number of eligibility workers in economic assistance programs. She said the total number of eligibility staff has increased by 6.9 percent from 1997 to 2003; however, she said, the distribution of the eligibility workers has changed. She said smaller counties have fewer or shared workers and larger counties have increased their staff to reflect client need.

In addition to the increased number of clients that counties are serving, Ms. Hogan said program

expectations have also increased. She said less time is allowed for assessing food stamp cases, increased emphasis is placed on case management for TANF cases, and significantly more time is spent monitoring assets for elderly individuals on medical assistance.

Ms. Hogan expressed county concerns regarding the various computer systems that counties must use for administering these programs. She said the Department of Human Services has attempted to integrate the various economic assistance programs into one but because of budget constraints has been unable to complete many of the projects.

Ms. Hogan said during the past six years county social service costs have increased primarily as a result of cost increases relating to foster care and home and community-based services. She said the association is attempting to gather data to document the overall funding impact on the counties. A copy of the report is on file in the Legislative Council office.

Mr. Terry Traynor, North Dakota Association of Counties, commented on county administrative costs of economic assistance programs. Mr. Traynor said the administrative cost of economic assistance programs administered by the counties is only one component of social services costs being incurred by the counties. He said counties are also responsible for paying for services for the elderly and child welfare services that should be considered when comparing costs.

Representative Delzer asked for the funding increases that counties have received from the state aid distribution fund. The Legislative Council staff said that in the 1995-97 biennium cities and counties were allocated \$51.5 million from the state aid distribution fund and for the 2003-05 biennium cities and



counties are anticipated to receive \$69.4 million from the state aid distribution fund.

Senator Krauter asked that information be provided to committee members on recruitment and retention bonuses paid to Department of Human Services staff. Ms. Weisz said the information would be provided to the Legislative Council staff to distribute to committee members.

Mr. Joe Balfour, Ramsey County Commissioner, Devils Lake, commented on the sharing of county services. He said nine counties in the northeastern part of the state are studying possibilities for additional sharing of services.

Representative Delzer asked that the committee receive information on the status of the performance of the Lake Region Child Support Enforcement Unit at future meetings. Chairman Price said the committee will request this information for future meetings. Chairman Price also said the committee would request information at future meetings on the status of the sharing of services among the nine northeastern counties.

**DEVELOPMENTAL DISABILITIES  
PAYMENT SYSTEM**

The Legislative Council staff distributed copies of the workgroup minutes relating to the development of a payment system for developmental services providers. Copies of the minutes are available in the Legislative Council office.

**STATUS OF TEMPORARY ASSISTANCE  
FOR NEEDY FAMILIES  
REAUTHORIZATION**

Mr. Blaine Nordwall, Economic Assistance Policy Director, Department of Human Services, presented information on the status of the TANF program reauthorization by Congress. Mr. Nordwall said TANF was initially created in 1996 and authorized through September 30, 2002. He said Congress has not yet agreed on the detail of changes to the TANF program and has continued funding for the program temporarily through continuing resolutions. He said the current resolution in effect extends the program under existing rules and funding through March 31, 2004.

Mr. Nordwall said three versions of the TANF reauthorization are currently under consideration. Consensus appears to be on:

1. Maintaining present funding levels.
2. Increasing work requirements.
3. Decreasing education allowances.

4. Reducing the kinds of bonuses and the amounts of bonus money made available to states and shifting funding to efforts such as marriage enhancements and fatherhood programs.
5. Offering incentives to encourage states to pass more child support collections onto families.
6. Increasing reporting requirements imposed on states.

Mr. Nordwall said a number of issues remain unresolved and will be considered in Congress prior to the reauthorization being approved. A copy of the report is on file in the Legislative Council office.

Chairman Price asked that the department provide additional information on the status of TANF reauthorization at the next meeting and provide information on changes to TANF educational provisions and funding for the committee at its next meeting.

**COMMITTEE DISCUSSION**

Representative Wieland suggested the committee receive information on the number of Department of Human Services FTE positions involved in child welfare supervision of the counties.

Representative Delzer suggested the committee receive information on third-party reimbursements for each human service center.

Representative Delzer suggested the committee consider receiving information from one human service center or one program on the effect on the community if the human service center did not provide these services.

Chairman Price asked that the committee receive information at its next committee meeting on the Williams and Cass Counties TANF pilot projects.

Chairman Price announced that the next committee meeting will be tentatively scheduled for February 24-25, 2004, in Bismarck. The committee adjourned subject to the call of the chair at 2:30 p.m.

---

Allen H. Knudson  
Assistant Legislative Budget Analyst and Auditor

---

Jim W. Smith  
Legislative Budget Analyst and Auditor

ATTACH:1