

1999 HOUSE HUMAN SERVICES

HB 1373

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1373

House Human Services Committee

Conference Committee

Hearing Date February 2, 1999

Tape Number	Side A	Side B	Meter #
1	X		0.0 - End
Committee Clerk Signature <i>Susann Lindteigen</i>			

Minutes:

Chairman Rep. CLARA SUE PRICE called the committee to order at 10:00 AM.

Present were Reps. Clara Sue Price, Robin Weisz, William Devlin, Pat Galvin, Dale Henegar, Roxanne Jensen, Amy Kliniske, Chet Pollert, Todd Porter, Blair Thoreson, Bruce Eckre, Ralph Metcalf, Carol Niemeier, Wanda Rose, and Sally Sandvig.

Rep. WILLIAM DEVLIN, District 23, introduced the bill. One of the key components to making Welfare Reform work was counties take over the administration of local programs. It was a good agreement for almost everyone concerned. It gave counties the flexibility to control costs at the local level based on their particular needs. That was a crucial agreement which allowed counties to slow the growth of property taxes while still meeting the needs of their citizens. When we passed that agreement, we knew that we would have to revisit the administrative cost question in regards to counties administrating programs related to cases

involving Native Americans living within the boundaries of federally recognized Indian Reservations or property tax-exempt tribal trust lands. An agreement between the Association of Counties and the counties across the state allowed the sharing of Title 20 and other funds to help the counties involved with those funds. That was a temporary fix. What we have is an unfair situation with the local county property tax payers in certain areas are providing higher and higher tax moneys to cover the cost for administration. Yet, they have a very limited amount of property to assess for those programs. So, if those counties find property taxes rising at a much greater level than in any other part of the state because much of the property where the people live that they serve is tax exempt. I don't think anyone can truthfully say that the counties in the area of the reservations and tribal trust lands should be meeting those costs by themselves. That is why we have brought forth this bill. We believe that the state of ND must provide the money to cover those costs because it is the only fair thing to do. I believe there should be dollars in the current budget to meet those needs. You only have to look at the rapidly declining number of people on assistance in the state to see that somebody should be freed up and available without increasing other taxes. My purpose for bringing forth this bill along with the other sponsors is to see that the people of these counties are treated fairly and appropriately. None of those areas I or Rep. Weisz represent are affected by this legislation. However, it is a priority issue for both of us. I hope you will give this bill your favorable consideration.

Rep. MERLE BOUCHER, District 9, testified (Testimony attached). We should hold harmless these counties that are negatively impacted. Because we have experienced savings in the whole process as a result of Welfare Reform, we could probably use some of these dollars to deal with

the inequities that were produced as a result of the swap. Formulas do create disparities and this bill is a good attempt to correct one of those disparities.

TERRY TRAYNOR, Assistant Director, ND Association of Counties, testified (Testimony and proposed amendment attached). This bill appears to affect 6-7 counties directly and all counties indirectly. Three legs of financial support in county social services are: (1) economic assistance - 1/3 of county social services, (2) elderly services, and (3) children family services.

Rep. ROBIN WEISZ asked were the 6 Indian Reservation Counties excluded when the average mill levy was determined? TERRY TRAYNOR said yes, 15.88 is the average without the six.

Rep. CLARA SUE PRICE asked how did you determine the county expense on Table 3 and 5?

TERRY TRAYNOR said we got it from the department because the counties report all their administrative costs monthly. This is calendar year 1998 costs inflated to the whole biennium based on 3%. The percentage of the cases are based on those that were reported by the county as being Indian cases living in nontax reservation or tribal trust lands.

MICHON SAX, County Social Service Director, McKenzie and Williams Counties, testified (Testimony attached).

Rep. CLARA SUE PRICE asked what is your case load? MICHON SAX stated our TANF case load in McKenzie County was at a high of 120+ and dropped to about 105 and has been about 95 for the past two years. We have the same staff size for nine years.

BETTY KEEGAN, Director, Rolette County Social Services, testified (Testimony attached).

Rep. RALPH METCALF asked are you in support of the ND Association of Counties proposed amendment? BETTY KEEGAN stated she didn't have time to review it.

ELDON MOORS, Chairman, Rolette County Board of Commissioners, testified (Testimony attached). In 1997 we lost land to Fish and Wildlife which is no longer taxable.

Rep. TODD PORTER asked isn't true when Fish and Wildlife buy land, they prepay the county taxes? ELDON MOORS stated when they purchase land they give a one-time sum of \$10,000+ that they pay in lieu of taxes and its different each year.

EDWARD FORDE, Director of Ramsey, Towner, and Benson Counties Social Services, testified (Testimony attached).

Rep. DOUG LEMIUX, District 9, testified that when we imposed the Rule of 65, it created a hardship in Rolette County. I compliment Betty Keegan for doing a fantastic job in Rolette County as far as doing the social services. This bill address the needs in Rolette County. It has been a difficult task for the social services board to try to fix what got messed up in this whole thing. I appreciate the efforts of Representative Devlin. This would help in the county that has some of the most severe economic hardship.

OPPOSITION - None

Rep. CLARA SUE PRICE asked was the average cost per case load for reimbursement used in Tables 3 & 4 of the ND Association of Counties testimony? LEROY BOLLINGER, Research and Statistics, Dept. of Human Services, stated we met with county directors. The problem now is the administrative costs include indirect costs. The allocation of these costs is a contention.

We used a Random Moment Time Study where the counties record what program the employee is working on rather than a full-time time study under pressure from the federal government. We used the actual county cost and allocated to the various programs on a statewide percentage, i.e., 20% of allocation to TANF. We made adjustment on statewide for the Indian counties.

Page 5

House Human Services Committee

Bill/Resolution Number HB 1373

Hearing Date February 2, 1999

Rep. CLARA SUE PRICE stated my concern is that you have one county that is way out of the norm from the other counties, maybe because that county chooses a case load of 50 to 1 as an example? Do you think you will be able to tell that when the time studies start coming in?

LEROY BOLLINGER stated that's what we used in this one. We had the Lisbon Time Study which was 65 to 1 but that was based 4,450 case studies. We only have 3,000 now on TANF. I don't think anyone was that comfortable with the results.

Rep. CLARA SUE PRICE asked if the information would be available by January 1, 2000, if we pass the amendment?

Hearing Closed.

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. HB 1373

House Human Services Committee

Conference Committee

Hearing Date February 3, 1999

Tape Number	Side A	Side B	Meter #
1		X	5.0 - 14.6
Committee Clerk Signature <i>Susann Lindteigen</i>			

Minutes:

TERRY TRAYNOR, ND Association of Counties, passed out proposed amendment (attached).

Their concern is the implementation and the counties receiving quarterly allocation based on taxable valuation.

Rep. CHET POLLERT asked about the savings on TANF and does it offset the \$548,000?

TERRY TRAYNOR responded that he was not aware of any savings.

Rep. TODD PORTER asked about new report forms changing this. TERRY TRAYNOR stated reporting itself wouldn't change this. The department would like to see a "per case reimbursement." The time study would show that based on total salaries, fringe benefits, etc.

Rep. ROBIN WEISZ moved to ADOPT AMENDMENT

Rep. TODD PORTER second the motion.

VOICE VOTE: Unanimous 15-0.

Page 2

House Human Services Committee

Bill/Resolution Number HB 1373

Hearing Date February 3, 1999

Rep. RALPH METCALF asked if this would effectively reduce the fiscal note? Rep. CLARA SUE PRICE said the state share.

Rep. WILLIAM DEVLIN stated we knew for two years this was coming because of Welfare Reform.

Rep. WILLIAM DEVLIN moved DO PASS As AMENDED and REREFERRED TO APPROPRIATIONS.

Rep. ROBIN WEISZ second the motion.

ROLL CALL VOTE #2: 15-0-0

CARRIER: Rep. WILLIAM DEVLIN

FISCAL NOTE

(Return original and 14 copies)

Bill / Resolution No.: _____

Amendment to: HB 1373

Requested by Legislative Council

Date of Request: 02/08/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This amended bill requires the Department to reimburse counties for all of their expenses of locally administered economic assistance programs for cases involving Indians living within the boundaries of an Indian Reservation or tribal trust lands in excess of the statewide average of the costs for all other counties, expressed in mills. The Department estimates the cost of this bill, with an effective date of January 1, 2000 would be \$1,815,040 payable to six counties.

The budget request contained in SB 2012 includes \$1,243,392 to reimburse counties for administrative costs relating to native american cases for eighteen months. An additional \$571,648 in general funds is needed to implement this bill as amended.

2. State fiscal effect in dollar amounts:

	1997-1999		1999-2001		2001-2003	
	Biennium		Biennium		Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:						
Expenditures:	-0-		571,648	1,243,392	793,920	1,738,954

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1997-99 biennium:	-0-
b. For the 1999-01 biennium:	1,815,040
c. For the 2001-03 biennium:	2,532,874

4. County, City, and School District fiscal effect in dollar amounts:

	1997-1999			1999-2001			2001-2003		
	Biennium			Biennium			Biennium		
	Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
Revenues	-0-			1,815,040			2,532,874		

If additional space is needed, attach a supplemental sheet.

Signed

Brenda M. Weisz

Typed Name

Brenda M. Weisz

Date Prepared: February 10, 1999

Department

Human Services

Phone No.

328-2397

FISCAL NOTE

(Return original and 14 copies)

Bill / Resolution No.: HB 1373

Amendment to: _____

Requested by Legislative Council

Date of Request: 01/18/99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill requires the Department to reimburse counties for all of their expenses of locally administered economic assistance programs related to cases involving Indians living within the boundaries of an Indian Reservation or tribal trust lands. The Department estimates the cost of this bill would be \$3,496,187 payable to seven counties. The budget request contained in SB 2012 includes \$1,657,856 to reimburse counties for administrative costs relating to native american cases. An additional \$1,838,331 in general funds is needed to implement this bill.

2. State fiscal effect in dollar amounts:

	1997-1999		1999-2001		2001-2003	
	<u>Biennium</u>		<u>Biennium</u>		<u>Biennium</u>	
	<u>General</u>	<u>Special</u>	<u>General</u>	<u>Special</u>	<u>General</u>	<u>Special</u>
	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>	<u>Fund</u>	<u>Funds</u>
Revenues:						
Expenditures:	-0-		1,841,533	1,654,654	1,940,319	1,738,954

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

a. For rest of 1997-99 biennium:	-0-
b. For the 1999-01 biennium:	3,496,187
c. For the 2001-03 biennium:	3,679,273

4. County, City, and School District fiscal effect in dollar amounts:

	1997-1999			1999-2001			2001-2003		
	<u>Biennium</u>			<u>Biennium</u>			<u>Biennium</u>		
	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>	<u>Counties</u>	<u>Cities</u>	<u>School Districts</u>
Revenues	-0-			3,496,187			3,679,273		

If additional space is needed, attach a supplemental sheet.

Signed

Brenda M. Weisz

Typed Name

Brenda M. Weisz

Date Prepared: January 27, 1999

Department

Human Services

Phone No.

328-2397

PROPOSED AMENDMENTS TO SENATE BILL NO. 1373

Page 1, line 2, after "boards" insert "; and provide an effective date"

Page 2, line 14, remove "one hundred percent of the"

Page 2, after line 18, insert:

"The reimbursement shall be such that:

- a. All county expenses of locally administered economic assistance programs in excess of the statewide average of such costs for all other counties, expressed in mills, will be reimbursed at one hundred percent;
- b. Affected counties will receive quarterly allocations based on the actual county expenses of the state fiscal year ending the previous June first and the most recent taxable valuations published pursuant to 57-13-07 available on that date; and
- c. The reimbursement will be calculated for each county and reported to the county social service board prior to August first of the year preceding the allocation.

SECTION 2. EFFECTIVE DATE. This Act becomes effective on January 1, 2000."

Renumber accordingly

V/R
2/3/99

HOUSE AMENDMENTS TO HOUSE BILL NO. 1373 HUMSER 2-4-99

Page 1, line 2, after "boards" insert "; and to provide an effective date"

HOUSE AMENDMENTS TO HOUSE BILL NO. 1373 HUMSER 2-4-99

Page 2, line 14, remove "one hundred percent of the"

Page 2, line 18, after "lands" insert ". The department shall provide that:

- a. All county expenses of locally administered economic assistance programs in excess of the statewide average of the costs for all other counties, expressed in mills, are reimbursed at one hundred percent;
- b. Affected counties receive quarterly allocations based on the actual county expenses of the state fiscal year ending the previous June first and the most recent taxable valuations published pursuant to section 57-13-07 available on that date; and
- c. The reimbursement is calculated for each county and reported to the county social service board before August first of the year preceding the allocation"

Page 2, after line 18, insert:

"SECTION 2. EFFECTIVE DATE. This Act becomes effective on January 1, 2000."

Re-number accordingly

Date: 2-3-99
Roll Call Vote #: 2

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1373

House Human Services Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass as Amended Refer to Appn

Motion Made By William Devlin Seconded By Robin Weisz

Representatives	Yes	No	Representatives	Yes	No
Clara Sue Price - Chairwoman	X		Bruce A. Eckre	X	
Robin Weisz - Vice Chairman	X		Ralph Metcalf	X	
William R. Devlin	X		Carol A. Niemeier	X	
Pat Galvin	X		Wanda Rose	X	
Dale L. Henegar	X		Sally M. Sandvig	X	
Roxanne Jensen	X				
Amy N. Kliniske	X				
Chet Pollert	X				
Todd Porter	X				
Blair Thoreson	X				

Total Yes 15 No 0
Absent 0

Floor Assignment William Devlin

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

REPORT OF STANDING COMMITTEE

HB 1373: Human Services Committee (Rep. Price, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (15 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1373 was placed on the Sixth order on the calendar.

Page 1, line 2, after "boards" insert "; and to provide an effective date"

Page 2, line 14, remove "one hundred percent of the"

Page 2, line 18, after "lands" insert ". The department shall provide that:

- a. All county expenses of locally administered economic assistance programs in excess of the statewide average of the costs for all other counties, expressed in mills, are reimbursed at one hundred percent;
- b. Affected counties receive quarterly allocations based on the actual county expenses of the state fiscal year ending the previous June first and the most recent taxable valuations published pursuant to section 57-13-07 available on that date; and
- c. The reimbursement is calculated for each county and reported to the county social service board before August first of the year preceding the allocation"

Page 2, after line 18, insert:

"**SECTION 2. EFFECTIVE DATE.** This Act becomes effective on January 1, 2000."

Renumber accordingly

1999 HOUSE APPROPRIATIONS

HB 1373

1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 1373

House Appropriations Committee

Conference Committee

Hearing Date 2/10/99

Tape Number	Side A	Side B	Meter #
1		x	25.1-60.0
2	x		0.0-0.2
2	x		22.1-35.9
Committee Clerk Signature <i>Kevin Zaul</i>			

Minutes:

Chairman Dalrymple opened the hearing on HB 1373 in the Roughrider Room.

(25.3) Rep. Devlin testified in support of HB 1373, as one of the sponsors. He gave a brief explanation of the bill.

(29.8) Terry Traynor appeared in favor of the bill (see attached testimony).

(42.5) John Gramh of Social Services appeared in support of the bill as amended.

(45.6) Edward Forde appeared in favor of the bill (see attached testimony)

(tape 2--29.0) Reps. Carlson and Boehm moved for a DO NOT PASS.

HB 1373 was moved as a DO NOT PASS, and the hearing was closed.

Date: 2/10/99
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 1373

House Appropriations Committee

Subcommittee on _____
or

Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By Carlson Seconded By Boehm

Representatives	Yes	No	Representatives	Yes	No
Chairman Dalrymple	X		Nichols		X
Vice-Chairman Byerly	X		Poolman	X	
Aarsvold		X	Svedjan	X	
Bernstein	X		Timm	X	
Boehm	X		Tollefson	X	
Carlson	X		Wentz	X	
Carlisle	X				
Delzer	X				
Gulleson		X			
Hoffner		X			
Huether		X			
Kerzman		X			
Lloyd	X				
Monson	X				

Total (Yes) 14 No 6

Absent 0

Floor Assignment Svedjan

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

REPORT OF STANDING COMMITTEE (410)
February 10, 1999 3:46 p.m.

Module No: HR-27-2511
Carrier: Svedjan
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

HB 1373, as engrossed: Appropriations Committee (Rep. Dalrymple, Chairman)
recommends **DO NOT PASS** (14 YEAS, 6 NAYS, 0 ABSENT AND NOT VOTING).
Engrossed HB 1373 was placed on the Eleventh order on the calendar.

1999 TESTIMONY

HB 1373

TESTIMONY FOR HOUSE BILL 1373
Prepared By representative Merle Boucher
Tuesday - February 2, 1999

Chairman Price and members of the House Human Services Committee for the record I am Representative Merle Boucher, from District 9 which is all of Rolette County.

It seems like forever since this legislature started discussing what we refer to as the "county swap initiative." This effort involved good faith commitments by many parties representing a wide sector of interests.

Since the inception of the concept the objective has been to make all parties whole, and that there should be no one negatively impacted. Unfortunately it hasn't turned out that way. We do have a number counties that have been negatively impacted in spite of all promises and good intentions.

House Bill 1373 addresses the situation of those counties that have been negatively impacted by the legislature's action when it passed the "county swap" legislation. This bill is a reasonable and a responsible effort to hold all of our counties harmless in the wake of our own actions.

Chairman Price and committee members, I urge a DUE PASS on HB 1373.

**TESTIMONY TO THE
HOUSE HUMAN SERVICES COMMITTEE**

**Prepared February 2, 1999 by the
North Dakota Association of Counties
Terry Traynor, NDACo Assistant Director**

CONCERNING HOUSE BILL NO. 1373

Chair Price and members of the committee; thank you for the opportunity to appear before you today. With your permission, I would like to take just a few moments to retrace the reasons and results of legislation passed last session, that has been termed the human services "Swap". This is important to your consideration of HB1373 because; while the Swap did not create the issue we hope this bill will address, its impact on human services financing certainly magnified the problem.

As you may be aware, our office, the County Commissioners Association, the County Social Service Director's Association and the Department of Human Services participated in 1997 and 1998 with the Interim Budget Committee on Human Services in an intensive study of our State supervised, county administered, human service system. The result of this effort was House Bill 1041, which was passed last session with both county and Department of Human Services support. This bill restructured county "economic assistance" financing responsibilities, beginning January 1, 1998.

The concept behind HB1041, simply stated, was the placement of funding responsibility at the governmental level that has the greatest degree of control over the actual expenditure of funds. While counties have a certain degree of control over the staffing, travel, equipment, and supply costs of administration, counties cannot set eligibility, benefit levels, payment rates, or service guidelines for the grants and contracts portion of federal and state economic assistance programs.

Since the early 1980's each county has paid a portion of Medicaid grant costs, based on a fixed historical percentage that had become increasingly out-dated. After Basic Care was made a statewide program by the Legislature six years ago, counties struggled greatly with the development of a formula to spread 30 percent of the grant costs among all 53 counties, impacting a number of counties that had no residents in a basic care facility.

The concept of restructuring in HB1041 eliminated the existing, very arbitrary, distribution of grant costs among the counties, without the need to create another series of formulas. It also shifted 100% of staff costs associated with economic assistance programs to the counties, allowing the State to retain the approximately 50% in Federal funds that was reimbursed to counties for program administration. Placing all administrative costs at the county level forces a more critical examination of the level of staffing needed in each county, and the desirability of coordinating services with other counties. The concept also removed the counties from the middle of Legislative deliberations about the appropriate benefit levels, payment rates, and eligibility criteria.

For the economic assistance "third" of human service programming, I am convinced the Swap accomplished much of what was hoped, although the counties did not avoid the magnitude of costs that were projected last session. If I may turn your attention to the first of the attached tables, I would like to illustrate the impacts of the change in statewide generalities.

Table one examines county costs and reimbursements in millions of dollars. In calendar year 1997, before the Swap, counties expended \$31 million in grants and administrative costs for economic assistance programs only. Through the Department of Human Services, the federal government reimbursed counties \$10.9 million that year, leaving counties with a net cost of \$20.1 million. Please bear in mind that all of the numbers I am discussing involve only economic assistance programs such as

Medicaid, Food Stamps, Fuel Assistance, TANF, and Basic Care. Counties have other major funding responsibilities in such children and family service programs as Foster Care, Subsidized Adoption, and Child Protective Services; as well as various Homemaker and Home Health services for the elderly that were not addressed in the Swap and are not addressed by HB1373.

By state assumption of grant costs, counties reduced their economic assistance costs in 1998 to \$20.4 million, but they “swapped” most of their administrative reimbursement, retaining only \$2 million. Their net cost for these programs was therefore \$18.4 million. Collectively, the Department calculates that counties avoided \$800,000 in costs. I use the term “avoided”, because some individual counties still saw costs increase, but in most the increase was less than would have taken place without the Swap.

As the table illustrates, even without the Swap, statewide, net county costs would have decreased in comparison to CY97 due to generally reduced welfare caseloads. These reductions exceeded projections and largely account for a smaller total county cost avoidance than the \$3 million projected by the Department last session.

If we carry this out into CY99, we expect somewhat greater “cost avoidance”, and this is the desired and expected result. By getting counties out of the business of paying Medicaid and Basic Care grants, over which they have virtually no control, we had hoped to concentrate county responsibility on staff costs that historically have grown less rapidly, and have a degree of county control.

As the original House Bill 1041 was developed, it became clear that “swapping” these costs would likely benefit counties collectively, however due to the affects of the out-dated grant formulas that spread the costs among the counties, individual counties could be impacted while others would see reduced costs. This was most obvious in what have been identified in statute as “Indian Counties”, those that have significant amounts of non-taxable land on reservations. The State had historically paid much of

the grant costs for those living on reservations, and had already been providing some level of enhanced administrative reimbursement to the three most seriously effected. The Swap therefore impacted those county budgets negatively.

The temporary solution was the result of tremendous cooperation among the counties, and with the Department. First the Legislature included a greater appropriation for "Indian County Administrative Costs" in the 1997-99 budget, and counties agreed to shift almost \$1 million dollars of Title XX block grant funds from those counties positively effected.

Table 2 on that same page provides a quick picture of the disparity, and the efforts made to address it. The table compares 1998 costs for two counties of roughly equal population; Benson, a reservation county, and McHenry, a county that contains no reservation land. As the table shows, both counties had a dramatic reduction in costs, but the reductions in reimbursements to Benson were disproportionately large. The swapping of responsibilities left Benson with net costs \$87,000 more than without the Swap; McHenry however avoided \$134,000 in net costs. While the shifting of \$60,000 in Title XX funds from the other counties (\$17,000 from McHenry) brought their net costs fairly close together, the lack of valuation in a reservation county such as Benson forces the mill rate needed to cover their costs much higher than McHenry's. The continued shifting of Title XX funds has, of course, the result of increasing property taxes in other counties, and is becoming increasingly difficult because of federal action to reduce Title XX block grant revenues to nothing over the next several years.

That is the essence of the problem, and now our solution. HB1373 would require the Department to reimburse counties for 100% of the administrative costs for those cases involving Indians living on reservation or non-taxable tribal trust land. You have seen the fiscal note prepared by the Department; I would like to use those same numbers to look at what those dollars mean with respect to property taxes.

Table 3 takes the Department's estimate for 99-01 county administrative costs, (economic assistance programs only) and turns those costs into mills, based on the 1997 valuations used for 1998 property taxes. Column A contains total county costs, column B is the Indian County Funding currently in the DHS budget, column C is the net county cost, and column D are those costs in mills. Please take special note of the mills needed in Benson, Dunn, McKenzie, McLean, Mountrail, Rolette, and Sioux Counties. These seven counties have Indian cases living on non-taxable land. As a reference point, I would like to note that counties have the authority to levy 20 mills for all "human services", not just economic assistance. Counties can however use an unlimited deficiency levy, but obviously there are also social and political limits to property taxation.

If we increase the reimbursement to the level suggested by HB1373, (Column E) we see that the necessary mills for these seven counties (Column G) are reduced below (well below in some cases) the statewide average. Our intention has been to provide equity but quite possibly, as written, this proposal goes too far. With the additional impact to the DHS budget (Column H), it also may be unrealistic.

We thought that we could possibly propose an amendment to reduce the requirement to 80% of the costs, rather than 100%. Table 4 however will show you that this would work for some counties, but would actually provide Rolette County with less reimbursement than it is currently receiving. It became obvious that the amount of non-taxable land does not correlate very well with the number of economic assistance cases involved.

Our Association would therefore ask for your consideration of the attached amendment that would approach the problem from a different angle. This language maintains the requirement that the Department reimburse counties for these cases, but only to the level necessary to reduce the counties' costs in mills to the statewide

average of those counties without such cases. Table 5 illustrates our estimation of the effect of this change.

As you can see, it maintains a fairly significant increase in state funding for the most seriously impacted counties, but provides a much more minimal reimbursement to the others. Since counties have already budgeted for CY99, and agreed to further shift Title XX funds for this year, the effective date of this bill could be delayed by six months, further reducing the fiscal impact. Based on the allocation in the current fiscal note, a delayed effective date, and discussions with the Department, we estimate the bill with the amendment would require slightly less than \$550,000 in funding over the Governor's DHS budget. Since all county expenditures are already claimed for federal reimbursement, it is my understanding that additional federal funds would be unavailable for these costs.

While our Association would greatly appreciate passage of HB1373 as introduced, this much more modest proposal addresses our concerns about overall equity. We would therefore urge your serious consideration of the amendment and ultimately a "do pass" recommendation on the bill. Thank you for your patience in listening to this lengthy testimony, I will attempt to answer any questions you may have.

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1373

Page 1, line 2, after "boards" insert "; and provide an effective date"

Page 2, line 18, after "lands" insert ", to the extent that such reimbursement reduces these counties' costs to the statewide average of these costs for all other counties expressed in mills"

Page 2, after line 18 insert::

"SECTION 2. EFFECTIVE DATE. This Act becomes effective on January 1, 2000."

Renumber accordingly

TABLE 3

table 1-2 with feb 10 testimony

Analysis of Proposed Administrative Human Service Funding Based on Case on Reservations and Tribal Trust Lands

County	A	B			C			D	E			F	G
	Estimated Total 99-01 County Admin. Costs Econ. Assistance Programs <u>Only</u>	Current "Indian Co. Admin. Funding" Effects			Proposed "Indian Co. Admin. Funding" Effects			Net Impact to DHS Budget					
		CY99 Indian Co. Funding - Based on DHS Budget	Estimated Net County Costs		CY99 Indian Co. Funding Provided @ 100%	Estimated Net County Costs							
In Dollars	In Mills *		In Dollars	In Mills *									
Adams	\$184,914		184,914	14.52	0	184,914	14.52	0					
Barnes	\$718,177		718,177	15.05	0	718,177	15.05	0					
Benson	\$709,896	(188,101)	521,795	23.75	(618,426)	91,470	4.16	430,325					
Billings	See Golden Valley												
Bottineau	\$439,503		439,503	12.07	0	439,503	12.07	0					
Bowman	\$283,293		283,293	12.65	0	283,293	12.65	0					
Burke	\$123,627		123,627	8.26	0	123,627	8.26	0					
Burleigh	\$3,336,439		3,336,439	16.10	0	3,336,439	16.10	0					
Cass	\$5,767,978		5,767,978	14.21	0	5,767,978	14.21	0					
Cavalier	\$527,767		527,767	14.80	0	527,767	14.80	0					
Dickey	\$372,521		372,521	14.88	0	372,521	14.88	0					
Divide	\$158,175		158,175	9.50	0	158,175	9.50	0					
Dunn	\$323,147		323,147	16.00	(136,851)	186,296	9.22	136,851					
Eddy	\$191,809		191,809	17.21	0	191,809	17.21	0					
Emmons	\$229,875		229,875	9.85	0	229,875	9.85	0					
Foster	\$223,588		223,588	12.58	0	223,588	12.58	0					
G. Valley	\$189,984		189,984	10.38	0	189,984	10.38	0					
G. Forks	\$3,466,785		3,466,785	18.20	0	3,466,785	18.20	0					
Grant	\$217,021		217,021	15.19	0	217,021	15.19	0					
Griggs	\$272,496		272,496	17.24	0	272,496	17.24	0					
Hettinger	\$206,900		206,900	14.24	0	206,900	14.24	0					
Kidder	\$192,072		192,072	12.16	0	192,072	12.16	0					
LaMoure	\$279,408		279,408	10.39	0	279,408	10.39	0					
Logan	\$141,357		141,357	11.48	0	141,357	11.48	0					
McHenry	\$308,022		308,022	11.17	0	308,022	11.17	0					
McPherson	\$222,187		222,187	13.47	0	222,187	13.47	0					
Minnehaha	\$663,900		663,900	22.06	(435,322)	228,578	7.60	435,322					
Moore	\$491,738		491,738	12.79	(131,543)	360,195	9.37	131,543					
Mercer	\$430,876		430,876	15.76	0	430,876	15.76	0					
Morton	\$1,758,164		1,758,164	21.11	0	1,758,164	21.11	0					
Mountrail	\$577,251		577,251	22.61	(375,915)	201,336	7.89	375,915					
Nelson	\$246,918		246,918	11.95	0	246,918	11.95	0					
Oliver	\$150,309		150,309	16.94	0	150,309	16.94	0					
Pembina	\$654,419		654,419	13.35	0	654,419	13.35	0					
Pierce	\$234,143		234,143	11.11	0	234,143	11.11	0					
Ramsey **	\$987,096		987,096	22.85	0	987,096	22.85	0					
Ransom	\$281,234		281,234	11.81	0	281,234	11.81	0					
Renville	\$147,925		147,925	9.04	0	147,925	9.04	0					
Richland	\$756,440		756,440	10.72	0	756,440	10.72	0					
Rolette	\$1,503,253	(1,077,981)	425,272	24.42	(1,305,945)	197,308	11.33	227,964					
Sargent	\$225,435		225,435	10.07	0	225,435	10.07	0					
Sheridan	\$127,960		127,960	12.02	0	127,960	12.02	0					
Sioux	\$504,592	(333,358)	171,234	42.82	(492,185)	12,407	3.10	158,827					
Slope	See Bowman County												
Stark	\$2,037,259		2,037,259	38.35	0	2,037,259	38.35	0					
Steele	\$139,543		139,543	7.84	0	139,543	7.84	0					
Stutsman	\$1,494,444		1,494,444	19.24	0	1,494,444	19.24	0					
Towner	\$187,268		187,268	9.31	0	187,268	9.31	0					
Traill	\$352,541		352,541	9.00	0	352,541	9.00	0					
Walsh	\$669,120		669,120	12.41	0	669,120	12.41	0					
Ward	\$3,149,168		3,149,168	19.39	0	3,149,168	19.39	0					
Wells	\$349,115		349,115	12.74	0	349,115	12.74	0					
Williams	\$1,758,297		1,758,297	27.71	0	1,758,297	27.71	0					
Unallocated ***		(58,416)						(58,416)					
Total	38,965,349	(1,657,856)	37,307,493	16.23	(3,496,187)	35,469,162	15.43	1,838,331					

* Dollar costs are for the two years of the biennium - mills are calculated as if they were levied for two years at equal levels.
 ** Ramsey costs are reduced by the funding provided for the special IV-D project.
 *** Additional Indian Co. funding unallocated - see footnote 11 in fiscal note

Estimated New State Funds

TABLE 4

Analysis of Proposed Administrative Human Service Funding Based on Case on Reservations and Tribal Trust Lands

County	A	B		C		D		E		F		G	H
	Estimated Total 99-01 County Admin. Costs Econ. Assistance Programs <u>Only</u>	Current "Indian Co. Admin. Funding" Effects				Proposed "Indian Co. Admin. Funding" Effects				Net Impact to DHS Budget			
		CY99 Indian Co. Funding - Based on DHS Budget	Estimated Net County Costs		CY99 Indian Co. Funding Provided @ 80%	Estimated Net County Costs							
In Dollars	In Mills *		In Dollars	In Mills *									
Adams	\$184,914		184,914	14.52	0	184,914	14.52	0					
Barnes	\$718,177		718,177	15.05	0	718,177	15.05	0					
Benson	\$709,896	(188,101)	521,795	23.75	(494,741)	215,155	9.79	306,640					
Billings	See Golden Valley												
Bottineau	\$439,503		439,503	12.07	0	439,503	12.07	0					
Bowman	\$283,293		283,293	12.65	0	283,293	12.65	0					
Burke	\$123,627		123,627	8.26	0	123,627	8.26	0					
Burleigh	\$3,336,439		3,336,439	16.10	0	3,336,439	16.10	0					
Cass	\$5,767,978		5,767,978	14.21	0	5,767,978	14.21	0					
Cavalier	\$527,767		527,767	14.80	0	527,767	14.80	0					
Dickey	\$372,521		372,521	14.88	0	372,521	14.88	0					
Divide	\$158,175		158,175	9.50	0	158,175	9.50	0					
Dunn	\$323,147		323,147	16.00	(109,481)	213,666	10.58	109,481					
Eddy	\$191,809		191,809	17.21	0	191,809	17.21	0					
Emmons	\$229,875		229,875	9.85	0	229,875	9.85	0					
Foster	\$223,588		223,588	12.58	0	223,588	12.58	0					
G. Valley	\$189,984		189,984	10.38	0	189,984	10.38	0					
G. Forks	\$3,466,785		3,466,785	18.20	0	3,466,785	18.20	0					
Grant	\$217,021		217,021	15.19	0	217,021	15.19	0					
Griggs	\$272,496		272,496	17.24	0	272,496	17.24	0					
Hettinger	\$206,900		206,900	14.24	0	206,900	14.24	0					
Kidder	\$192,072		192,072	12.16	0	192,072	12.16	0					
LaMoure	\$279,408		279,408	10.39	0	279,408	10.39	0					
Logan	\$141,357		141,357	11.48	0	141,357	11.48	0					
McHenry	\$308,022		308,022	11.17	0	308,022	11.17	0					
McPherson	\$222,187		222,187	13.47	0	222,187	13.47	0					
Minzie	\$663,900		663,900	22.06	(348,258)	315,642	10.49	348,258					
McLean	\$491,738		491,738	12.79	(105,234)	386,504	10.05	105,234					
Mercer	\$430,876		430,876	15.76	0	430,876	15.76	0					
Morton	\$1,758,164		1,758,164	21.11	0	1,758,164	21.11	0					
Mountrail	\$577,251		577,251	22.61	(300,732)	276,519	10.83	300,732					
Nelson	\$246,918		246,918	11.95	0	246,918	11.95	0					
Oliver	\$150,309		150,309	16.94	0	150,309	16.94	0					
Pembina	\$654,419		654,419	13.35	0	654,419	13.35	0					
Pierce	\$234,143		234,143	11.11	0	234,143	11.11	0					
Ramsey **	\$987,096		987,096	22.85	0	987,096	22.85	0					
Ransom	\$281,234		281,234	11.81	0	281,234	11.81	0					
Renville	\$147,925		147,925	9.04	0	147,925	9.04	0					
Richland	\$756,440		756,440	10.72	0	756,440	10.72	0					
Rolette	\$1,503,253	(1,077,981)	425,272	24.42	(1,044,756)	458,497	26.33	(33,225)					
Sargent	\$225,435		225,435	10.07	0	225,435	10.07	0					
Sheridan	\$127,960		127,960	12.02	0	127,960	12.02	0					
Sioux	\$504,592	(333,358)	171,234	42.82	(393,748)	110,844	27.72	60,390					
Slope	See Bowman County												
Stark	\$2,037,259		2,037,259	38.35	0	2,037,259	38.35	0					
Steele	\$139,543		139,543	7.84	0	139,543	7.84	0					
Stutsman	\$1,494,444		1,494,444	19.24	0	1,494,444	19.24	0					
Towner	\$187,268		187,268	9.31	0	187,268	9.31	0					
Traill	\$352,541		352,541	9.00	0	352,541	9.00	0					
Walsh	\$669,120		669,120	12.41	0	669,120	12.41	0					
Ward	\$3,149,168		3,149,168	19.39	0	3,149,168	19.39	0					
Wells	\$349,115		349,115	12.74	0	349,115	12.74	0					
Williams	\$1,758,297		1,758,297	27.71	0	1,758,297	27.71	0					
Unallocated ***		(58,416)						(58,416)					
Wide	38,965,349	(1,657,856)	37,307,493	16.23	(2,796,950)	36,168,399	15.73	1,139,094					

* Dollar costs are for the two years of the biennium - mills are calculated as if they were levied for two years at equal levels.

** Ramsey costs are reduced by the funding provided for the special IV-D project.

*** Additional Indian Co. funding unallocated - see footnote 11 in fiscal note

Estimated New State Funds

TABLE 5

Analysis of Proposed Administrative Human Service Funding Based on Average Mill Levies

County	A	B			C		D	E		F	G	H
	Estimated Total 99-01 County Admin. Costs Econ. Assistance Programs Only	Current "Indian Co. Admin. Funding" Effects				Proposed "Indian Co. Admin. Funding" Effects				Impact to DHS Budget		
		CY99 Indian Co. Funding - Based on DHS Budget	Estimated Net County Costs		CY99 Indian Co. Funding Provided for Mill Equalization	Estimated Net County Costs						
In Dollars	In Mills *		In Dollars	In Mills *								
Adams	\$184,914		184,914	14.52	-	\$184,914	14.52	-	-			
Barnes	\$718,177		718,177	15.05	-	\$718,177	15.05	-	-			
Benson	\$709,896	(188,101)	521,795	23.75	(360,903)	\$348,993	15.88	172,802	-			
Billings	See Golden Valley											
Bottineau	\$439,503		439,503	12.07	-	\$439,503	12.07	-	-			
Bowman	\$283,293		283,293	12.65	-	\$283,293	12.65	-	-			
Burke	\$123,627		123,627	8.26	-	\$123,627	8.26	-	-			
Burleigh	\$3,336,439		3,336,439	16.10	-	\$3,336,439	16.10	-	-			
Cass	\$5,767,978		5,767,978	14.21	-	\$5,767,978	14.21	-	-			
Cavalier	\$527,767		527,767	14.80	-	\$527,767	14.80	-	-			
Dickey	\$372,521		372,521	14.88	-	\$372,521	14.88	-	-			
Divide	\$158,175		158,175	9.50	-	\$158,175	9.50	-	-			
Dunn	\$323,147		323,147	16.00	(2,409)	\$320,738	15.88	2,409	-			
Eddy	\$191,809		191,809	17.21	-	\$191,809	17.21	-	-			
Emmons	\$229,875		229,875	9.85	-	\$229,875	9.85	-	-			
Foster	\$223,588		223,588	12.58	-	\$223,588	12.58	-	-			
G. Valley	\$189,984		189,984	10.38	-	\$189,984	10.38	-	-			
G. Forks	\$3,466,785		3,466,785	18.20	-	\$3,466,785	18.20	-	-			
Grant	\$217,021		217,021	15.19	-	\$217,021	15.19	-	-			
Griggs	\$272,496		272,496	17.24	-	\$272,496	17.24	-	-			
Hettinger	\$206,900		206,900	14.24	-	\$206,900	14.24	-	-			
Kidder	\$192,072		192,072	12.16	-	\$192,072	12.16	-	-			
LaMoure	\$279,408		279,408	10.39	-	\$279,408	10.39	-	-			
Logan	\$141,357		141,357	11.48	-	\$141,357	11.48	-	-			
McHenry	\$308,022		308,022	11.17	-	\$308,022	11.17	-	-			
McIntosh	\$222,187		222,187	13.47	-	\$222,187	13.47	-	-			
McKenzie	\$663,900		663,900	22.06	(185,930)	\$477,970	15.88	185,930	-			
Mean	\$491,738		491,738	12.79	-	\$491,738	12.79	-	-			
Mer	\$430,876		430,876	15.76	-	\$430,876	15.76	-	-			
Morton	\$1,758,164		1,758,164	21.11	-	\$1,758,164	21.11	-	-			
Mountrail	\$577,251		577,251	22.61	(171,843)	\$405,408	15.88	171,843	-			
Nelson	\$246,918		246,918	11.95	-	\$246,918	11.95	-	-			
Oliver	\$150,309		150,309	16.94	-	\$150,309	16.94	-	-			
Pembina	\$654,419		654,419	13.35	-	\$654,419	13.35	-	-			
Pierce	\$234,143		234,143	11.11	-	\$234,143	11.11	-	-			
Ramsey **	\$987,096		987,096	22.85	-	\$987,096	22.85	-	-			
Ransom	\$281,234		281,234	11.81	-	\$281,234	11.81	-	-			
Renville	\$147,925		147,925	9.04	-	\$147,925	9.04	-	-			
Richland	\$756,440		756,440	10.72	-	\$756,440	10.72	-	-			
Rolette	\$1,503,253	(1,077,981)	425,272	24.42	(1,226,667)	\$276,586	15.88	148,686	-			
Sargent	\$225,435		225,435	10.07	-	\$225,435	10.07	-	-			
Sheridan	\$127,960		127,960	12.02	-	\$127,960	12.02	-	-			
Sioux	\$504,592	(333,358)	171,234	42.82	(441,080)	\$63,512	15.88	107,722	-			
Slope	See Bowman County											
Stark	\$2,037,259		2,037,259	38.35	-	\$2,037,259	38.35	-	-			
Steele	\$139,543		139,543	7.84	-	\$139,543	7.84	-	-			
Stutsman	\$1,494,444		1,494,444	19.24	-	\$1,494,444	19.24	-	-			
Towner	\$187,268		187,268	9.31	-	\$187,268	9.31	-	-			
Traill	\$352,541		352,541	9.00	-	\$352,541	9.00	-	-			
Walsh	\$669,120		669,120	12.41	-	\$669,120	12.41	-	-			
Ward	\$3,149,168		3,149,168	19.39	-	\$3,149,168	19.39	-	-			
Wells	\$349,115		349,115	12.74	-	\$349,115	12.74	-	-			
Williams	\$1,758,297		1,758,297	27.71	-	\$1,758,297	27.71	-	-			
Unallocated***		(58,416)							(58,416)			
Statewide	\$38,965,349	(1,657,856)	37,307,493	16.23	(2,388,833)	\$36,576,516	15.91	730,977	-			
Without 6	\$34,683,310		34,624,894	15.88				18-month Cost	548,233			

* Dollar costs are for the two years of the biennium - mills are calculated as if they were levied for two years at equal levels.

** Ramsey costs are reduced by the funding provided for the special IV-D project.

*** Additional Indian Co. funding unallocated - see footnote 11 in fiscal note

Estimated New State Funds with Delayed Effective Date

February 2, 1999

Testimony

HB 1373

Michon C. Sax

Chairman Price, members of the committee, my name is Michon C. Sax. I am employed as the county social service director for McKenzie and Williams Counties. In my capacity as a county director, I am a member of the North Dakota County Social Service Directors Association of which I am currently serving as president.

The issue of funding for Indian counties is one which we, as an association, have spent a great deal of time discussing. Our association has a very hard-working committee which deals with finance issues. This committee is chaired by Kathy Hogan, director of the Cass County Social Service Board. In the past six months we have met as a Finance Committee on three occasions and have also met with a committee comprised of county directors, state personnel, and interested legislators along with staff from the Association of Counties. These meetings have focused on SWAP issues and the need for funding for Indian counties above and beyond the limited traditional funding for the three largest Indian counties. The counties truly appreciate the concern and support which the Department of Human Services has given this issue.

The County Directors Association has voted as a group to unanimously support funding for Indian counties. It is a major concern of our association and a priority issue with all of us. Some of the counties which have a large Indian caseload and also have reservation lands within their county boundaries are among the counties which have been negatively impacted by SWAP. The counties which I serve are prime examples of that negative impact.

Prior to the days of SWAP, counties received federal administrative reimbursement for economic assistance programs based on the program which was being administered by workers. This reimbursement in my two counties was, usually, about fifty (50) percent of the administrative cost.

House Bill 1373
Testimony, Sax
February 2, 1999

In addition, for a defined Indian county with reservation land within its county boundaries, the state through the Department of Human Services funding assumed total payment for the non-federal share of program costs for an Indian case. With the onset of SWAP, the state now assumes the program costs while the county assumes administrative costs. There is a misconception that the state has picked up program costs which all counties had been paying. However, in Indian counties, most of those program costs were already being paid by the state. When the SWAP figures were calculated, the program expenditures are shown as a savings to the Indian counties, when, in fact, it was previously assumed by the state. Therefore, Indian counties, in assuming full cost for the administration of the programs, suffered a major loss of federal administrative revenue to the counties.

McKenzie County is the largest surface area county in the state of North Dakota. Approximately 38% of the surface acres are federally or state owned or designated Reservation lands. In McKenzie County approximately 96,000 acres are within the Reservation boundaries of Fort Berthold. Over 512,000 acres are federal or state, including state school lands.

Of the total economic assistance caseload, 64.58% of the Native American caseload resides within the boundaries of Fort Berthold. 73.10% of the total county caseload is Native American. The taxable land in McKenzie County has 35.5% of the total caseload residing on it, but, it supports the administration of the programs for the total caseload.

As economic assistance programs have grown and become more complex, some counties have had to have additional staff. This is an additional expense to the county cost of administration and one that isn't always able to be met. Therefore, some counties have difficulty meeting the caseload guidelines that have been put in place.

House Bill 1373
Testimony, Sax
February 2, 1999

There is a fear with some counties that they will meet the cost of administration for economic assistance programs at the expense of a reduced service delivery system. Counties with a low tax structure are not always able to find ways to add staff and receive new monies for service delivery. Without additional monies for Indian counties it is possible that the overall service delivery system in all counties will suffer.

As an association, the County Directors strongly support additional funding for identified Indian counties.

I appreciate the opportunity to present before you. If you have any questions, I will attempt to respond.

TESTIMONY BEFORE THE
HOUSE HUMAN SERVICES COMMITTEE

HOUSE BILL 1373

FEBRUARY 02, 1999

Chairperson Price and Members of the Committee:

For the record my name is Betty Keegan. I am employed as County Social Services Director in Rolette County, home to the Turtle Mountain Indian Reservation.

Today I want to present information to you which may assist you in understanding both the workload size and the fiscal impact, and thus the necessity for this legislation before you.

First, I need to clarify that Federal Civil Rights legislation guarantees that all persons, regardless of race, color, creed, etc., who meet eligibility requirements of a federally assisted economic assistance program, shall be provided such assistance by the administering entity.

Therefore as County Social Service agencies, we administer the federally assisted programs of,

Temporary Assistance for Needy Families (TANF), known as TEEM in

North Dakota

Medical Assistance Program

Food Stamp Program

Low Income Home Energy Assistance Program

Child Care Assistance Program

and certify eligibility in behalf of all eligible persons in our counties for the above programs.

I have attached tables as Exhibit A. to which I wish to refer you at this time. Each of these tables represent one of the above mentioned programs, and breaks down caseload by County as well as by race for each county in North Dakota.

Since I appear today as a representative of Rolette County, I wish to draw your focus to the Rolette County statistics on each page. I have added a column to the right side of the page that shows the percentage of our Native American clients who reside "within the boundaries of the Reservation or on property tax-exempt tribal trust lands" within Rolette County.

Although Turtle Mountain Reservation is not the largest of North Dakota's Reservations in landmass, it's (population) is the largest by far of any of the North Dakota Reservations. I have attached as Exhibit B. the Population Estimates by Race for North Dakota by County for the years 1990 through 1996. I refer you to that exhibit.

Calculations show that 69% of the estimated Rolette County population in 1996 was made up of persons of Native American heritage. The next census (year 2000) will verify that the number as well as the percentage has increased considerably since the last census.

There are 71,766 acres of Reservation and Indian Trust land in Rolette County. That is non-taxable real estate.

In summary, I want to add that when SWAP legislation was passed two years ago, Rolette County was the county who sustained the largest negative impact. It resulted in a loss of \$226,000.00 annually (federal administrative reimbursement funds) for the operation of our County Social Services economic assistance administrative unit. (See Exhibit C.)

Our county is unable to raise that type of revenue by further tax levy. For this reason I urge a do pass of the bill you have before you. Thank You.

In the event you have questions I would be happy to respond to them.

EXHIBIT A.

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) CASES BY RACE AND COUNTY

NOVEMBER 1998

DEC. 1998
% RESIDING
RESERVA./TR.

County	Total	American Indian	Asian/Pacific Islander	Black	Hispanic	Southeast Asian	White	Not Identified
1 Adams	0	0	0	0	0	0	0	0
2 Barnes	27	3	0	0	0	0	24	0
3 Benson	174	169	0	0	0	0	5	0
4 Billings	0	0	0	0	0	0	0	0
5 Bottineau	19	5	0	0	0	0	13	1
6 Bowman	2	0	0	0	0	0	2	0
7 Burke	3	0	0	0	0	0	3	0
8 Burleigh	231	125	0	3	1	0	101	1
9 Cass	292	34	1	39	7	5	203	3
10 Cavalier	5	3	0	0	0	0	2	0
11 Dickey	7	0	0	0	0	0	7	0
12 Divide	7	0	0	0	0	0	7	0
13 Dunn	14	10	0	0	0	0	4	0
14 Eddy	4	2	0	0	0	0	2	0
15 Emmons	0	0	0	0	0	0	0	0
16 Foster	10	1	0	0	0	0	9	0
17 Golden Valley	2	0	0	0	0	0	2	0
18 Grand Forks	180	57	2	3	14	0	104	0
19 Grant	5	1	0	0	1	0	3	0
20 Griggs	2	0	0	0	0	0	2	0
21 Hettinger	4	0	0	0	0	0	4	0
22 Kidder	1	0	0	0	0	0	1	0
23 LaMoure	7	0	0	0	0	0	7	0
24 Logan	0	0	0	0	0	0	0	0
25 McHenry	14	1	0	0	0	0	13	0
26 McIntosh	1	0	0	0	0	0	1	0
27 McKenzie	90	77	0	0	0	0	12	1
28 McLean	32	17	0	0	1	0	14	0
29 Mercer	23	4	0	0	0	0	19	0
30 Morton	111	37	0	0	1	0	73	0
31 Mountrail	80	73	0	0	0	0	7	0
32 Nelson	3	0	0	0	0	0	3	0
33 Oliver	7	0	0	0	1	0	6	0
34 Pembina	14	2	0	1	2	0	9	0
35 Pierce	8	2	0	0	0	0	6	0
36 Ramsey	68	31	0	0	1	0	36	0
37 Ransom	8	1	0	0	0	0	7	0
38 Renville	4	0	0	0	0	0	4	0
39 Richland	44	3	0	0	3	0	38	0
40 Rolette	747	720	0	0	2	0	24	1
41 Sargent	5	0	0	0	0	0	5	0
42 Sheridan	4	0	0	0	0	0	4	0
43 Sioux	191	189	0	0	0	0	1	1
44 Slope	1	0	0	0	0	0	0	0
45 Stark	77	11	0	1	0	0	64	1
46 Steele	3	0	0	0	0	0	3	0
47 Stutsman	60	6	0	0	0	0	54	0
48 Towner	6	1	0	0	0	0	4	1
49 Traill	19	4	0	0	5	0	10	0
50 Walsh	29	3	0	0	5	0	21	0
51 Ward	295	81	0	9	3	0	198	3
52 Wells	3	0	0	0	0	0	3	0
53 Williams	78	21	0	0	2	0	55	0
Total	3,021	1,693	3	56	50	5	1,200	13
Percent	99.97%	56.04%	0.10%	1.85%	1.64%	0.17%	39.73%	0.44%

90.95%

Source of data is the monthly statistical reports FR007 for Non-TEEM and FR032 for TEEM. This data does not include race, so these totals are proportionately adjusted for Race from report MR014 off the TECS system.

**MEDICAID ELIGIBLE RECIPIENTS (Not Cases)
BY RACE AND COUNTY
NOVEMBER 1998**

(Including Eligible TANF and Foster Care Recipients)

DEC. 1998
% RESIDING ON
RESERVA. / TRUST

County	Total	American Indian	Asian/Pacific Islander	Black	Hispanic	Southeast Asian	White	Not Identified
1 Adams	132	1	0	0	0	0	131	0
2 Barnes	789	32	1	15	7	0	733	0
3 Benson	1,136	924	0	0	3	0	209	0
4 Billings	34	0	0	0	0	0	34	0
5 Bottineau	473	22	0	1	2	0	447	0
6 Bowman	130	0	0	0	1	0	129	0
7 Burke	90	1	0	0	0	0	89	0
8 Burleigh	3,952	884	13	28	28	4	2,995	0
9 Cass	5,702	369	30	359	150	93	4,702	0
10 Cavalier	226	13	1	3	0	0	209	0
11 Dickey	419	7	5	0	24	0	383	0
12 Divide	130	1	0	0	0	0	129	0
13 Dunn	176	61	0	0	0	0	115	0
14 Eddy	223	13	3	2	2	0	203	0
15 Emmons	132	1	0	0	0	0	131	0
16 Foster	203	2	0	1	11	0	189	0
17 Golden Valley	55	0	0	0	0	0	55	0
18 Grand Forks	3,265	454	13	67	163	2	2,563	2
19 Grant	194	11	0	0	5	0	178	0
20 Griggs	138	0	0	1	7	0	130	0
21 Hettinger	112	0	0	0	1	0	111	0
22 Kidder	127	2	0	0	0	0	125	0
23 LaMoure	197	1	0	1	2	0	193	0
24 Logan	122	3	0	0	0	0	119	0
25 McHenry	380	10	0	2	4	0	364	0
26 McIntosh	234	0	0	0	0	0	234	0
27 McKenzie	704	459	0	0	3	0	241	0
28 McLean	593	133	0	0	11	0	449	0
29 Mercer	366	16	0	2	2	0	345	0
30 Morton	1,775	263	3	6	8	2	1,493	0
31 Mountrail	695	429	0	0	0	0	266	0
32 Nelson	156	5	0	0	0	0	150	1
33 Oliver	50	0	0	0	2	0	48	0
34 Pembina	290	20	0	2	10	0	258	0
35 Pierce	367	6	1	2	2	0	356	0
36 Ramsey	1,126	293	0	6	6	0	821	0
37 Ransom	234	6	0	1	2	0	225	0
38 Renville	117	3	2	1	0	0	111	0
39 Richland	920	53	3	0	25	5	831	3
40 Rolette	3,799	3,529	0	2	9	0	259	3
41 Sargent	129	1	0	4	6	0	118	0
42 Sheridan	133	3	0	0	0	0	130	0
43 Sioux	986	948	0	0	1	0	37	0
44 Slope	22	0	0	0	0	0	22	0
45 Stark	1,840	79	3	13	16	0	1,728	0
46 Steele	80	0	0	8	7	0	65	0
47 Stutsman	1,478	51	0	5	17	0	1,402	2
48 Towner	183	6	0	3	2	0	171	0
49 Traill	383	22	1	0	57	0	303	0
50 Walsh	839	37	0	0	154	0	646	2
51 Ward	3,702	524	15	97	59	1	3,006	0
52 Wells	323	5	0	1	0	0	317	0
53 Williams	1,431	205	1	8	18	0	1,197	1
TOTAL	41,492	9,912	96	643	829	107	29,894	11
PERCENT	100.00%	23.89%	0.23%	1.55%	2.00%	0.26%	72.05%	0.03%

100%

Source of data is monthly MA234 report. Includes AFDC and Foster Care. Excludes Qualified Medicare Beneficiaries Only and Special Low-Income Medicare Beneficiaries Only. Race data is not given in this report, so the totals, by county, are proportionately adjusted by race from a monthly adhoc statistical report run by IMD(KA).

These Eligibles refer to all persons on the TECS file open for Medicaid. The person may not have received a Medicaid service in the eligible report month. The recipient's county was determined by county who is administering the care as shown on TECS.

**FOOD STAMP CASES BY RACE AND COUNTY
NOVEMBER 1998**

DEC. 1998
96 RESIDING IN
RESERVE / TRU

County	Total	American Indian	Asian/Pacific Islander	Black	Hispanic	Southeast Asian	White	Not Identified
1 Adams	33	0	0	0	0	0	33	0
2 Barnes	229	4	1	3	1	0	220	0
3 Benson	271	200	0	0	0	0	71	0
4 Billings	13	0	0	0	0	0	13	0
5 Bottineau	133	11	0	0	1	0	121	0
6 Bowman	42	0	0	0	0	0	42	0
7 Burke	33	0	0	0	0	0	33	0
8 Burleigh	1,359	291	6	7	10	1	1,044	0
9 Cass	1,795	107	5	84	33	20	1,545	1
10 Cavalier	67	9	0	0	0	0	58	0
11 Dickey	126	3	2	0	4	0	117	0
12 Divide	44	0	0	0	0	0	44	0
13 Dunn	49	17	0	0	0	0	32	0
14 Eddy	60	9	1	0	0	0	50	0
15 Emmons	46	0	0	0	0	0	46	0
16 Foster	56	1	0	1	0	0	54	0
17 Golden Valley	26	1	0	0	1	0	24	0
18 Grand Forks	1,259	168	6	24	47	0	1,014	0
19 Grant	68	1	0	0	1	0	66	0
20 Griggs	57	0	0	0	0	0	57	0
21 Hettinger	39	0	0	0	0	0	39	0
22 Kidder	27	0	0	0	0	0	27	0
23 LaMoure	48	0	0	0	0	0	48	0
24 Logan	34	1	0	0	0	0	33	0
25 McHenry	149	8	0	0	3	0	138	0
26 McIntosh	45	0	0	0	0	0	45	0
27 McKenzie	190	111	0	0	1	0	78	0
28 McLean	178	39	0	0	2	0	137	0
29 Mercer	101	6	0	0	0	0	95	0
30 Morton	608	73	0	1	3	2	529	0
31 Mountrail	153	92	0	1	1	0	59	0
32 Nelson	34	3	0	0	0	0	31	0
33 Oliver	28	0	0	0	1	0	27	0
34 Pembina	101	8	0	1	6	0	86	0
35 Pierce	81	2	0	0	0	0	79	0
36 Ramsey	388	86	0	1	2	0	299	0
37 Ransom	61	1	0	0	0	0	60	0
38 Renville	46	1	0	0	0	0	45	0
39 Richland	321	18	1	0	10	1	291	0
40 Rolette	1,291	1,194	0	2	5	0	90	0
41 Sargent	47	0	0	0	2	0	45	0
42 Sheridan	50	0	0	0	0	0	50	0
43 Sioux	317	305	0	1	0	0	11	0
44 Slope	13	0	0	0	0	0	13	0
45 Stark	679	26	1	2	6	0	644	0
46 Steele	36	0	0	0	0	0	36	0
47 Stutsman	522	12	0	1	4	0	505	0
48 Towner	52	4	0	0	0	0	48	0
49 Traill	122	6	1	1	17	0	96	0
50 Walsh	190	9	0	0	26	0	155	0
51 Ward	1,441	172	5	24	14	0	1,226	0
52 Wells	103	1	0	0	0	0	102	0
53 Williams	535	58	0	1	5	0	471	0
Total	13,796	3,059	30	155	209	24	10,318	1
Percent	100.00%	22.17%	0.22%	1.12%	1.51%	0.17%	74.80%	0.01%

94.53 %

source of data is the monthly report from the Food Stamps Program. This data does not include Race, so these totals, by county are proportionately adjusted for Race from statistical report MR014 off the TEC system.

**LIHEAP CASES BY RACE* AND COUNTY
NOVEMBER 1998**

DEC. 1999

TRIBE ADMIN'S
RESERVA. LIHEAP

County	Total	American Indian**	Asian	Black	Hispanic	White	Other	Not Identified
1 Adams	64					64		
2 Barnes	157	1				155		1
3 Benson	43					43		
4 Billings	11					11		
5 Bottineau	199	6		1	1	191		
6 Bowman	41					41		
7 Burke	41					41		
8 Burleigh	396	46	2	1		334	11	2
9 Cass	519	4	12	17	5	475	6	
10 Cavalier	59	3				54	2	
11 Dickey	71	1				70		
12 Divide	66				2	64		
13 Dunn	50	3	1	2		44		
14 Eddy	39	3			1	35		
15 Emmons	132	1				131		
16 Foster	36					36		
17 Golden Valley	34				1	33		
18 Grand Forks	331	16		1	7	307		
19 Grant	47					47		
20 Griggs	58	1				57		
21 Hettinger	51					51		
22 Kidder	52					52		
23 LaMoure	74					74		
24 Logan	50	1				49		
25 McHenry	154	2			1	151		
26 McIntosh	93					93		
27 McKenzie	76	6			1	69		
28 McLean	115	2				113		
29 Mercer	93	2				91		
30 Morton	217	11			1	205		
31 Mountrail	77	3		1	1	72		
32 Nelson	53	1				52		
33 Oliver	20	1				19		
34 Pembina	80	2			1	77		
35 Pierce	143	1			1	141		
36 Ramsey	163	23		1		138	1	
37 Ransom	52					52		
38 Renville	60	1		2		57		
39 Richland	168	2	1		1	164		
40 Rolette	236	154				82		
41 Sargent	42			1		41		
42 Sheridan	33					33		
43 Sioux	18					18		
44 Slope	18					18		
45 Stark	209	4			2	203		
46 Steele	26					26		
47 Stutsman	165	5				159	1	
48 Towner	54	1				53		
49 Traill	32				1	31		
50 Walsh	178	4		1	16	156	1	
51 Ward	399	23	1	3	5	365	1	1
52 Wells	77					77		
53 Williams	245	27	1	1	1	215		
Total	5,917	361	18	34	47	5,430	23	4
Percent	100.00%	6.10%	0.30%	0.57%	0.79%	91.78%	0.39%	0.07%

67.03%
OF TOTAL OFF-RESERVA. CASES

Source of data is the monthly statistical report SS4880AA (including only Heating Assistance).

* LIHEAP data are recorded at the household rather than individual level. Racial identification is recorded only for the member of each household who signs the application for assistance. For purposes of this table, all persons in a household are assumed to be of same race.

** American Indian recipients residing within the boundaries of a reservation are served by the Tribes and are not included in these counts.

CHILD CARE ASSISTANCE

DECEMBER, 1998

RESIDING ON RESERVATION/TRUST LAND

82.36%

TOTALS: 194 FAMILIES

409 CHILDREN

EXHIBIT B.

Population Estimates by Race for North Dakota, 1990-1996

The racial distribution in North Dakota is slowly changing. In 1990 whites comprised roughly 95.0 percent of total population. That proportion dropped ever so slightly to 94.0 percent in 1996. This is the result of the continued growth in minority populations in the state. Between 1990 and 1996, the Black population within North Dakota (comprising less than 1 percent) rose 16 percent, Native Americans (comprising 4.1 percent of total population) rose 13.7 percent and the Asian population rose 47 percent.

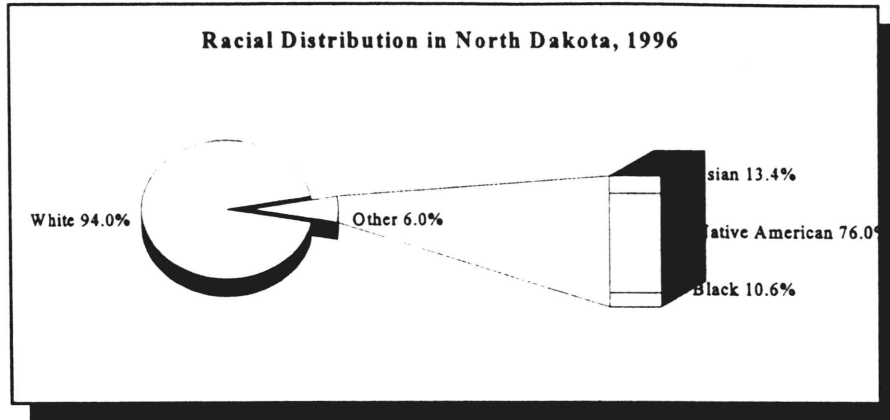


Table 1. Population Estimates by Race and Age for North Dakota, 1990-1996

Race by Age	1990	1991	1992	1993	1994	1995	1996	%Change 1990-'96
All Races	637,369	634,101	635,326	637,066	639,695	641,506	643,539	1.0
Under 20	190,980	189,794	189,337	189,604	189,603	189,298	189,051	-1.0
20 to 64	355,295	352,524	353,596	354,671	356,861	358,932	361,134	1.6
65 and over	91,094	91,783	92,393	92,791	93,031	93,276	93,354	2.5
White	604,452	600,059	600,035	601,325	603,215	604,185	604,844	0.1
Under 20	175,901	174,086	172,963	172,913	172,817	171,841	171,024	-2.8
20 to 64	338,626	335,419	335,922	336,877	338,657	340,372	341,817	0.9
65 & over	89,925	90,554	91,150	91,535	91,741	91,972	92,003	2.3
Black	3,543	3,708	4,073	4,007	3,988	3,913	4,111	16.0
Under 20	1,471	1,493	1,605	1,550	1,498	1,425	1,459	-0.8
20 to 64	2,044	2,185	2,436	2,407	2,435	2,432	2,580	26.2
65 & over	28	30	32	50	55	56	72	157.1
Native American	25,841	26,460	27,029	27,288	27,970	28,525	29,392	13.7
Under 20	12,363	12,802	13,220	13,429	13,765	14,176	14,597	18.1
20 to 64	12,402	12,530	12,684	12,752	13,091	13,237	13,669	10.2
65 & over	1,076	1,128	1,125	1,107	1,114	1,112	1,126	4.6
Asian	3,533	3,874	4,189	4,446	4,522	4,883	5,192	47.0
Under 20	1,245	1,413	1,549	1,712	1,723	1,856	1,971	58.3
20 to 64	2,223	2,390	2,554	2,635	2,678	2,891	3,068	38.0
65 & over	65	71	86	99	121	136	153	135.4
Hispanic*	4,643	5,101	5,170	5,375	5,360	5,919	6,359	37.0
Under 20	2,242	2,447	2,383	2,417	2,338	2,613	2,774	23.7
20 to 64	2,265	2,520	2,651	2,833	2,887	3,148	3,429	51.4
65 & over	136	134	136	125	135	158	156	14.7

Note: *Hispanic origin may be of any race. Source: U.S. Bureau of the Census, Population Division, Population Estimates Program, December 1997.

Table 2. Population Estimates by Race for North Dakota by County, 1996

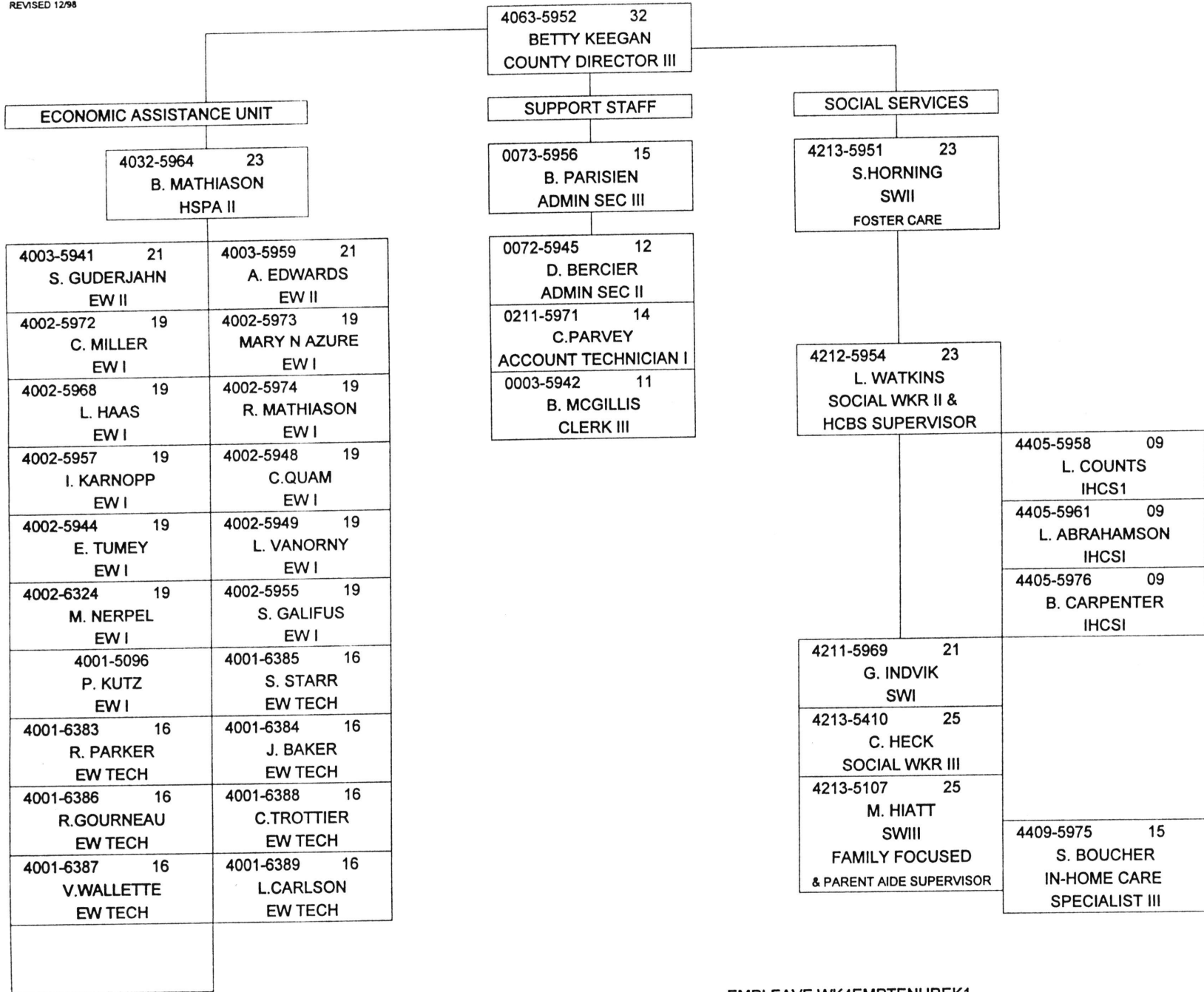
Area	Total Population	Race				Hispanic Origin (of any race)
		White	Black	Native American	Asian/Pacific Islander	
North Dakota	643,539	604,844	4,111	29,392	5,192	6,359
Adams	2,841	2,828	3	10	0	2
Barnes	12,114	11,966	32	61	55	41
Benson	6,905	4,017	0	2,884	4	17
Billings	1,129	1,126	0	3	0	0
Bottineau	7,538	7,458	5	59	16	18
Bowman	3,303	3,294	0	5	4	6
Burke	2,469	2,445	2	12	10	15
Burleigh	65,681	63,213	100	1,989	379	487
Cass	113,343	110,149	396	1,230	1,568	1,091
Cavalier	5,270	5,217	2	47	4	6
Dickey	5,676	5,628	9	21	18	37
Divide	2,523	2,507	0	9	7	7
Dunn	3,751	3,332	0	410	9	30
Eddy	2,876	2,820	0	55	1	4
Emmons	4,443	4,434	0	5	4	7
Foster	3,866	3,840	0	23	3	12
Golden Valley	1,932	1,911	0	13	8	1
Grand Forks	71,450	67,042	1,640	1,513	1,255	1,506
Grant	3,114	3,075	0	32	7	9
Griggs	2,984	2,969	0	8	7	4
Hettinger	2,982	2,968	0	7	7	3
Kidder	2,997	2,994	0	0	3	7
LaMoure	4,970	4,963	0	5	2	8
Logan	2,443	2,437	1	4	1	7
McHenry	6,161	6,127	6	13	15	17
McIntosh	3,642	3,627	2	6	7	8
McKenzie	5,851	4,903	6	939	3	49
McLean	9,897	9,276	7	602	12	37
Mercer	9,548	9,215	21	248	64	50
Morton	24,422	23,827	17	498	80	102
Mountrail	6,753	5,235	4	1,497	17	25
Nelson	3,905	3,893	2	7	3	6
Oliver	2,234	2,193	0	41	0	6
Pembina	8,741	8,558	13	157	13	106
Pierce	4,718	4,675	3	23	17	2
Ramsey	12,455	11,737	23	652	43	49
Ransom	5,794	5,759	4	20	11	30
Renville	2,843	2,785	13	32	13	6
Richland	18,162	17,546	34	458	124	69
* Rolette	14,029	4,257	33	9,717	22	80
Sargent	4,441	4,418	1	16	6	14
Sheridan	1,859	1,849	0	9	1	1
Sioux	4,095	890	3	3,179	23	33
Slope	827	824	0	3	0	1
Stark	22,694	22,351	36	171	136	181
Steele	2,277	2,263	0	11	3	5
Stutsman	21,338	21,001	55	147	135	122
Towner	3,209	3,147	2	54	6	4
Traill	8,706	8,614	13	49	30	139
Walsh	12,799	12,596	25	101	77	533
Ward	59,734	56,098	1,569	1,177	890	1,207
Wells	5,271	5,261	1	6	3	8
Williams	20,534	19,286	28	1,154	66	144

Source: U.S. Bureau of the Census, Population Division, December 1997.

EXHIBIT C.

ROLETTE COUNTY # 40

REVISED 12/98



TESTIMONY IN REGARD
TO H.B. 1373

Chairman and Members of the Committee:

For the record, my name is Eldon Moors and I serve as Chairman of the Rolette County Board of Commissioners.

Two years ago SWAP legislation was passed in the legislature. The outcome of that legislation result is that the most extreme negative fiscal impact fell upon Rolette County. The negative impact to our county was a loss of \$226,000.00 for county social services operations.

The bill before you is an effort to reduce real estate tax burden for those counties containing Indian Reservation lands, where ability to levy fully is restricted by the acres of Reservation and Trust lands.

I have attached a copy of Tax levy information for you so that you may have an example of impact of levies.

I urge your support of this legislation which is most important to our County. If you have questions I will be happy to answer them.

1997 Taxes Collected in 1998

Fund	1203	1220	1222	Total Human Service Levies	Mills Over (Under) Average
	Human Service Within General Fund	Human Service Levy	Emerg. Human Services		
Adams		22.42	6.77	29.19	7.42
Barnes		20.00		20.00	(1.77)
Benson		20.00	6.43	26.43	4.66
Billings		15.36		15.36	(6.41)
Bottineau		20.00		20.00	(1.77)
Bowman		14.44		14.44	(7.33)
Burke		17.36		17.36	(4.41)
Burleigh	6.24	11.66		17.90	(3.87)
Cass	18.14			18.14	(3.63)
Cavalier		21.41		21.41	(0.36)
Dickey		20.00	2.43	22.43	0.66
Divide		17.12		17.12	(4.65)
Dunn		27.73		27.73	5.96
Eddy		22.80	10.49	33.29	11.52
Emmons		15.86		15.86	(5.91)
Foster		19.60		19.60	(2.17)
Golden Valley		21.77		21.77	0.00
Grand Forks		16.08		16.08	(5.69)
Grant	6.28	13.94		20.22	(1.55)
Griggs		20.00		20.00	(1.77)
Kettinger		20.00	9.00	29.00	7.23
Kidder		19.74	4.95	24.69	2.92
LaMoure		17.72		17.72	(4.05)
Logan		22.18		22.18	0.41
McHenry		21.33		21.33	(0.44)
McIntosh		23.51		23.51	1.74
McKenzie	16.54			16.54	(5.23)
McLean	4.64	11.30		15.94	(5.83)
Mercer				-	(21.77)
Morton		18.12	4.83	22.95	1.18
Mountrail		20.00	3.19	23.19	1.42
Nelson		22.10		22.10	0.33
Oliver		17.21		17.21	(4.56)
Pembina		20.00		20.00	(1.77)
Pierce		22.45	3.14	25.59	3.82
Ramsey		20.00	7.00	27.00	5.23
Ransom		23.69		23.69	1.92
Renville	11.41			11.41	(10.36)
Richland		20.00		20.00	(1.77)
Rolette		23.09	12.93	36.02	14.25
Sargent		18.10		18.10	(3.67)
Sheridan		24.59		24.59	2.82
Sioux			41.10	41.10	19.33
Slope		13.61		13.61	(8.16)
Stark		20.00	24.08	44.08	22.31
Steele		15.39		15.39	(6.38)
Stutsman		19.97	4.99	24.96	3.19
Towner			20.04	20.04	(1.73)
Traill		16.70		16.70	(5.07)
Walsh		4.90	16.91	21.81	0.04
Ward	19.89		4.20	24.09	2.32
Wells		20.00	0.37	20.37	(1.40)
Williams		20.00	14.47	34.47	12.70

21.77

Testimony before the
House Human Services Committee
Related to HB-1373
February 2, 1999

Chairman Price, and members of the committee, my name is Edward Forde, I am director of Ramsey, Towner and Benson Counties. As you are aware the bulk of the Spirit Lake Nation is located in Benson County. I thank you for the opportunity to address with you today the issue of funding of the administrative costs of services to Native Americans residing on the reservation or non-taxable Indian trust land. Representatives of the Benson County Social Service Board and County Commissioners would also have liked to have been here but are conducting their regular board meeting, as do most county commissioners on the first Tuesday of each month.

The key issues seems to be the relief to counties which are called upon to provide services to a significant caseload with a funding source derived from taxes of property when the county, for the most part, is unable to derive tax from the land the population resides on. Another issue is the restoring a longstanding promise, or at least an agreement, that the county not be required to fund in full the services to Native Americans residing on the reservation.

This issue is all the more significant to Benson County as an agricultural dependent community is beset with problems of agricultural pricing, disease and additionally a significant loss of productive farm land, and loss of infrastructure necessary to provide access to it.

Benson County appreciates relief that the Department of Human Services has provided in the current biennium, but we believe that taking from Social Service Block Grant funding for this purpose does not constitute a permanent fix. This temporary fix simply transfers the problem from one service to another, and from

one county to another. It is also the belief of Benson County that this relief needs to be based on the actual costs of service delivery rather than an arbitrary amount or estimate.

96% of our TANF (AFDC) households are Native American compared to average of 56% statewide. 74% of our Food Stamp households are Native American compared to 22% statewide. 73% of our Medical Assistance recipients are Native American compared to 25% statewide (February 1998). According to July 1998 statistics there are 28 foster care payment cases in Benson County 27 of which (96%) are Native American.

Benson County would also like you to be aware although this relief is directed primarily to public assistance programs that they are also impacted through the provision of social services to Native Americans residing on the reservation, in the area of Home and Community Based Services. Also Benson County's share of the multi-county child support unit is affected by the caseload of Native Americans residing on the reservation. With county shares being determined by caseload. Increased funding for child support services impacted by reservations cases loads would be desirable.

Benson County is striving to achieve economies that will allow them to maintain services, but are feeling pressure of local taxpayers that are insisting on tax reductions. Benson County cannot sustain county funding of human services at the current level.

I should also note that Ramsey and Towner Counties, which I also direct, also encourage a remedy to this problem, as the adverse situation for reservation counties has implications for all counties.

TABLE 5a

Analysis of Proposed Administrative Human Service Funding Based on Average Mill Levies

	A	B	C	D	E	F	G	H
	Estimated Total 99-01 County Admin. Costs Econ. Assistance Programs Only	Current "Indian Co. Admin. Funding" Effects		Proposed "Indian Co. Admin. Funding" Effects				
		CY99 Indian Co. Funding - Based on DHS Budget	Estimated Net County Costs		Mill Equalization 100% of Costs Over Statewide Average	Estimated Net County Costs		Budget
			In Dollars	In Mills *		In Dollars	In Mills *	
Adams	\$184,914		184,914	14.52	-	\$184,914	14.52	-
Barnes	\$718,177		718,177	15.05	-	\$718,177	15.05	-
Benson	\$709,896	(188,101)	521,795	23.75	(360,903)	\$348,993	15.88	172,802
Billings	See Golden Valley							
Bottineau	\$439,503		439,503	12.07	-	\$439,503	12.07	-
Bowman	\$283,293		283,293	12.65	-	\$283,293	12.65	-
Burke	\$123,627		123,627	8.26	-	\$123,627	8.26	-
Burleigh	\$3,336,439		3,336,439	16.10	-	\$3,336,439	16.10	-
Cass	\$5,767,978		5,767,978	14.21	-	\$5,767,978	14.21	-
Cavalier	\$527,767		527,767	14.80	-	\$527,767	14.80	-
Dickey	\$372,521		372,521	14.88	-	\$372,521	14.88	-
Divide	\$158,175		158,175	9.50	-	\$158,175	9.50	-
Dunn	\$323,147		323,147	16.00	(2,409)	\$320,738	15.88	2,409
Eddy	\$191,809		191,809	17.21	-	\$191,809	17.21	-
Emmons	\$229,875		229,875	9.85	-	\$229,875	9.85	-
Foster	\$223,588		223,588	12.58	-	\$223,588	12.58	-
G. Valley	\$189,984		189,984	10.38	-	\$189,984	10.38	-
G. Forks	\$3,466,785		3,466,785	18.20	-	\$3,466,785	18.20	-
Grant	\$217,021		217,021	15.19	-	\$217,021	15.19	-
Griggs	\$272,496		272,496	17.24	-	\$272,496	17.24	-
Hettinger	\$206,900		206,900	14.24	-	\$206,900	14.24	-
Kidder	\$192,072		192,072	12.16	-	\$192,072	12.16	-
LaMoure	\$279,408		279,408	10.39	-	\$279,408	10.39	-
Logan	\$141,357		141,357	11.48	-	\$141,357	11.48	-
McHenry	\$308,022		308,022	11.17	-	\$308,022	11.17	-
McIntosh	\$222,187		222,187	13.47	-	\$222,187	13.47	-
McKenzie	\$663,900		663,900	22.06	(185,930)	\$477,970	15.88	185,930
	\$491,738		491,738	12.79	-	\$491,738	12.79	-
	\$430,876		430,876	15.76	-	\$430,876	15.76	-
	\$1,758,164		1,758,164	21.11	-	\$1,758,164	21.11	-
Mountrail	\$577,251		577,251	22.61	(171,843)	\$405,408	15.88	171,843
Nelson	\$246,918		246,918	11.95	-	\$246,918	11.95	-
Oliver	\$150,309		150,309	16.94	-	\$150,309	16.94	-
Pembina	\$654,419		654,419	13.35	-	\$654,419	13.35	-
Pierce	\$234,143		234,143	11.11	-	\$234,143	11.11	-
Ramsey **	\$987,096		987,096	22.85	-	\$987,096	22.85	-
Ransom	\$281,234		281,234	11.81	-	\$281,234	11.81	-
Renville	\$147,925		147,925	9.04	-	\$147,925	9.04	-
Richland	\$756,440		756,440	10.72	-	\$756,440	10.72	-
Rolette	\$1,503,253	(1,077,981)	425,272	24.42	(1,226,667)	\$276,586	15.88	148,686
Sargent	\$225,435		225,435	10.07	-	\$225,435	10.07	-
Sheridan	\$127,960		127,960	12.02	-	\$127,960	12.02	-
Sioux	\$504,592	(333,358)	171,234	42.82	(441,080)	\$63,512	15.88	107,722
Slope	See Bowman County							
Stark	\$2,037,259		2,037,259	38.35	-	\$2,037,259	38.35	-
Steele	\$139,543		139,543	7.84	-	\$139,543	7.84	-
Stutsman	\$1,494,444		1,494,444	19.24	-	\$1,494,444	19.24	-
Towner	\$187,268		187,268	9.31	-	\$187,268	9.31	-
Trail	\$352,541		352,541	9.00	-	\$352,541	9.00	-
Walsh	\$669,120		669,120	12.41	-	\$669,120	12.41	-
Ward	\$3,149,168		3,149,168	19.39	-	\$3,149,168	19.39	-
Wells	\$349,115		349,115	12.74	-	\$349,115	12.74	-
Williams	\$1,758,297		1,758,297	27.71	-	\$1,758,297	27.71	-
Unallocated***		(58,416)						(58,416)
Statewide	\$38,965,349	(1,657,856)	37,307,493	16.23	(2,388,833)	\$36,576,516	15.91	730,977
Without 6	\$34,683,310		34,624,894	15.88			18-month Cost	548,233

* Dollar costs are for the two years of the biennium - mills are calculated as if they were levied for two years at equal levels.

** Ramsey costs are reduced by the funding provided for the special IV-D project.

*** Additional Indian Co. funding unallocated - see footnote 11 in fiscal note

Estimated New State Funds with Delayed Effective Date

House Appropriation Committee – February 10, 1999
House Bill 1373

Chairman Dalrymple, members of the committee, my name is Edward Forde, County Social Service Director, for Ramsey, Benson, and Towner counties. Benson County contains the major portion of the Spirit Lake Nation.

The presense of the reservation significantly affects Benson County in that it substantially increases its public assistance caseload without the taxing authority to support it.

Traditionally, prior to SWAP, the Department of Human Services funded the costs of administering assistance to native Americans residing on the reservation. This funding was lost through the SWAP legislation but was restored, in part, by shifting of Social service Block Grant funds from other counties to the affected counties. That was a temporary solution, a pemanent one is needed now.

I believe HB 1373 is a fair method of restoring this much needed funding. County taxes alone cannot bear this cost and would place an unfair burden on the property owners of the county. They are already struggling with the poor farm economy beset by low prices and desease plus the additional burden of significant farm acerage and infrastructure lost due to Devils Lake flooding.

I would be glad to respond to questions you may have. Thank you.

**TESTIMONY TO THE
HOUSE APPROPRIATIONS COMMITTEE**
Prepared February 10, 1999 by the
North Dakota Association of Counties
Terry Traynor, NDACo Assistant Director

CONCERNING HOUSE BILL NO. 1373

Chairman Dalrymple and members of the committee; thank you for the opportunity to appear before you today. With your permission, I would like to take just a few moments to retrace the reasons and results of legislation passed last session, that has been termed the human services "Swap". This is important to your consideration of HB1373 because; while the Swap did not create the issue we hope this bill will address, its impact on human services financing certainly magnified the problem.

As you may be aware, our office, the County Commissioners Association, the County Social Service Director's Association and the Department of Human Services participated in 1997 and 1998 with the Interim Budget Committee on Human Services in an intensive study of our State supervised, county administered, human service system. The result of this effort was House Bill 1041, which was passed last session with both county and Department of Human Services support. This bill restructured county "economic assistance" financing responsibilities, beginning January 1, 1998.

The concept behind HB1041, simply stated, was the placement of funding responsibility at the governmental level that has the greatest degree of control over the actual expenditure of funds. While counties have a certain degree of control over the staffing, travel, equipment, and supply costs of administration, counties cannot set eligibility, benefit levels, payment rates, or service guidelines for the grants and contracts portion of federal and state economic assistance programs.

Since the early 1980's each county has paid a portion of Medicaid grant costs, based on a fixed historical percentage that had become increasingly out-dated. After Basic Care was made a statewide program by the Legislature six years ago, counties struggled greatly with the development of a formula to spread 30 percent of the grant costs among all 53 counties, impacting a number of counties that had no residents in a basic care facility.

The concept of restructuring in HB1041 eliminated the existing, very arbitrary, distribution of grant costs among the counties, without the need to create another series of formulas. It also shifted 100% of staff costs associated with economic assistance programs to the counties, allowing the State to retain the approximately 50% in Federal funds that was reimbursed to counties for program administration. Placing all administrative costs at the county level forces a more critical examination of the level of staffing needed in each county, and the desirability of coordinating services with other counties. The concept also removed the counties from the middle of Legislative deliberations about the appropriate benefit levels, payment rates, and eligibility criteria.

For the economic assistance "third" of human service programming, I am convinced the Swap accomplished much of what was hoped, although the counties did not avoid the magnitude of costs that were projected last session. If I may turn your attention to the first of the attached tables, I would like to illustrate the impacts of the change in statewide generalities.

Table one examines county costs and reimbursements in millions of dollars. In calendar year 1997, before the Swap, counties expended \$31 million in grants and administrative costs for economic assistance programs only. Through the Department of Human Services, the federal government reimbursed counties \$10.9 million that year, leaving counties with a net cost of \$20.1 million. Please bear in mind that all of the numbers I am discussing involve only economic assistance programs such as

Medicaid, Food Stamps, Fuel Assistance, TANF, and Basic Care. Counties have other major funding responsibilities in such children and family service programs as Foster Care, Subsidized Adoption, and Child Protective Services; as well as various Homemaker and Home Health services for the elderly that were not addressed in the Swap and are not addressed by HB1373.

By state assumption of grant costs, counties reduced their economic assistance costs in 1998 to \$20.4 million, but they “swapped” most of their administrative reimbursement, retaining only \$2 million. Their net cost for these programs was therefore \$18.4 million. Collectively, the Department calculates that counties avoided \$800,000 in costs. I use the term “avoided”, because some individual counties still saw costs increase, but in most the increase was less than would have taken place without the Swap.

As the table illustrates, even without the Swap, statewide, net county costs would have decreased in comparison to CY97, due generally to reduced welfare caseloads. These reductions exceeded projections and the total costs avoided by the counties were somewhat less than expected.

If we carry this out into CY99, we project somewhat greater “cost avoidance”, and this is the desired and expected result. By getting counties out of the business of paying Medicaid and Basic Care grants, over which they have virtually no control, we had hoped to concentrate county responsibility on staff costs that historically have grown less rapidly, and have a degree of county control.

As the original House Bill 1041 was developed, it became clear that “swapping” these costs would likely benefit counties collectively, however due to the affects of the out-dated grant formulas that spread the costs among the counties, individual counties could be impacted while others would see reduced costs. This was most obvious in what have been identified in statute as “Indian Counties”, those that have significant amounts of non-taxable land on reservations. The State had historically paid much of

the grant costs for those living on reservations, and had already been providing some level of enhanced administrative reimbursement to the three most seriously effected. The Swap therefore impacted those county budgets negatively.

The temporary solution was the result of tremendous cooperation among the counties, and with the Department. First the Legislature included a greater appropriation for "Indian County Administrative Costs" in the 1997-99 budget, and counties agreed to shift almost \$1 million dollars of Title XX block grant funds from those counties positively effected.

Table 2 on that same page provides a quick picture of the disparity, and the efforts made to address it. The table compares 1998 costs for two counties of roughly equal population; Benson, a reservation county, and McHenry, a county that contains no reservation land. As the table shows, both counties had a dramatic reduction in costs, but the reductions in reimbursements to Benson were disproportionately large. The swapping of responsibilities left Benson with net costs \$87,000 more than without the Swap; McHenry however avoided \$134,000 in net costs. While the shifting of about \$60,000 in Title XX funds from the other counties (\$17,000 from McHenry) brought their net costs fairly close together, the lack of valuation in a reservation county such as Benson forces the mill rate needed to cover their costs much higher than McHenry's.

The continued shifting of Title XX funds has, of course, the result of increasing property taxes in other counties, and is becoming increasingly difficult because of federal action to reduce Title XX block grant revenues to nothing over the next several years.

That is the essence of the problem, and HB1373 contains our proposed solution. As it has been amended, the bill would require the Department to reimburse those counties with non-taxed reservation land for 100% of the administrative costs of economic assistance programs that exceed the statewide average for those costs in mills.

As introduced the bill would have created a greater State obligation, and reduced some of the county obligations well below the statewide average. Since our intention is create some degree of equity for the property taxpayers of these counties, and avoid raising other county property taxes by shifting funds, we feel the amendments create a more equitable solution and a much more reasonable fiscal note.

On my Table 3, which is part of the Department's analysis of the amended bill, you quickly see in the "number of mills" column, that the counties of Benson, Dunn, McKenzie, Mountrail, Rolette, and Sioux are in a very difficult position without State funding. I would like to note that counties have the authority to levy 20 mills for all "human services", not just economic assistance. Counties can however use an unlimited deficiency levy, but obviously there are also social and political limits to property taxation.

As the amendments state, and Table 3 illustrates, the additional reimbursement generated by this bill would become effective on January 1, 2000. The Department has included in its budget \$1.6 million for Indian County reimbursements, and the bill would require \$571,648 in additional funding. Since the Department is already claiming the counties total administrative expenditures for the federal reimbursement they retain to cover their increased grant costs, it is my understanding that this additional funding would have to be from State funds.

Since counties have already budgeted for CY99, and have agreed to further shift Title XX funds for this year, the effective date of this bill would fit with county budgets and commitments already established

Our Association therefore urges your support of the amended bill and ultimately a "do pass" recommendation. Thank you for your patience in listening to this lengthy testimony, I will attempt to answer any questions you may have.

STATEWIDE SWAP ANALYSIS

TABLE 1

Impact of HB1041 on County Economic Assistance Costs - Dollars in Millions
 Assuming a 1998 to 1999 Growth in Staff Costs of: 3.0%

	Calendar Year 1997	Calendar Year 1998		Calendar Year 1999	
		With SWAP	Without SWAP	With SWAP	Without SWAP
<u>COUNTY COSTS</u>	31.0	20.4	31.2	20.1	32.8
<u>REIMBURSEMENTS TO COUNTIES</u>	(10.9)	(2.0)	(11.9)	(0.9)	(12.4)
NET COUNTY COSTS (EA)	20.1	18.4	19.2	19.2	20.4
☞ County Costs "Avoided"		0.8		1.2	

TWO COUNTY SWAP ANALYSIS

TABLE 2

Impact of HB1041 on County Economic Assistance Costs - Dollars in Thousands
 Calendar 1998 Costs & Reimbursements

	Benson Co. Population 7,198		McHenry Co. Population 6,528	
	With SWAP	Without SWAP	With SWAP	Without SWAP
<u>COUNTY COSTS</u>	397	521	187	404
<u>REIMBURSEMENTS TO COUNTIES</u>	(129)	(340)	(9)	(92)
☞ County Cost (Econ.Assist.) <i>in Mills</i>	268 24.39	181 16.47	178 12.91	312 22.63
☞ County Costs (Avoided)/Increased the XX Funds Shifted (To)/From Other Counties	87 (60)		(134) 17	
☞ Net County Cost (Econ.Assist) <i>In Mills</i>	208 18.93		195 14.14	

DEPARTMENT OF HUMAN SERVICES

FIRST ENGROSSMENT HOUSE BILL 1373

18 MONTH PERIOD JANUARY 2000 - JUNE 2001

	18 MONTHS OF ADMIN	VALUE OF A MILL	NUMBER OF MILLS	ABOVE OR BELOW AVERAGE	MILL EQUALIZATION
Row					
Adams	1	135,466	8,366	14.19	0.34
Barnes	2	512,320	23,858	14.32	0.47
Benson	3	515,466	10,987	31.28	17.43
Billings					287,255
Botineau	5	319,907	18,206	11.71	(2.14)
Bowman / Slope	6	205,794	11,201	12.25	(1.60)
Burke	7	91,758	7,486	8.17	(5.68)
Burleigh	8	2,406,893	103,603	15.49	1.64
Cass	9	4,215,343	202,917	13.85	0.00
Cavalier	10	384,295	17,835	14.36	0.51
Dickey	11	270,335	12,520	14.39	0.54
Divide	12	111,638	8,322	8.94	(4.91)
Dunn	13	234,187	10,097	15.48	1.61
Eddy	14	138,797	5,571	16.81	2.76
Emmons	15	166,461	11,668	9.51	(4.34)
Foster	16	160,322	8,888	12.03	(1.82)
G. Valley / Billings	17	138,281	9,149	10.08	(3.77)
G. Forks	18	2,517,915	95,223	17.63	3.78
Grant	19	156,928	7,145	14.64	0.79
Griggs	20	197,336	7,903	16.65	2.80
Hettinger	21	150,922	7,266	13.85	0.00
Kidder	22	140,589	7,897	11.87	(1.98)
LaMoure	23	200,719	13,447	9.95	(3.90)
Logan	24	101,086	6,155	10.95	(2.90)
McHenry	25	226,789	13,786	10.97	(2.88)
McIntosh	26	160,542	8,249	12.97	(0.88)
McKenzie	27	425,601	15,047	18.86	5.01
McLean	28	363,196	19,224	12.60	(1.25)
Mercer	29	315,967	13,669	15.41	1.58
Morton	30	1,272,063	41,651	20.36	6.51
Mountrail	31	427,705	12,763	22.34	8.49
Nelson	32	180,195	10,329	11.63	(2.22)
Oliver	33	109,333	4,436	16.43	2.58
Pembina	34	475,983	24,506	12.95	(0.90)
Pierce	35	170,228	10,541	10.77	(3.08)
Ramsey	36	832,549	21,597	25.70	11.85
Ransom	37	204,369	11,904	11.45	(2.40)
Renville	38	107,045	8,178	8.73	(5.12)
Richland	39	554,627	35,291	10.48	(3.37)
Rolette	40	1,083,028	8,707	82.92	69.07
Sargent	41	164,648	11,190	9.81	(4.04)
Sheridan	42	93,836	5,324	11.75	(2.10)
Sioux	43	367,221	1,999	122.47	108.62
Slope				SEE BOWMAN	
Stark	45	1,462,502	26,565	36.70	22.85
Steele	46	107,590	8,903	8.06	(5.79)
Stutsman	47	1,080,036	38,844	18.54	4.69
Towner	48	133,472	10,061	8.84	(5.01)
Trail	49	261,403	19,586	8.90	(4.95)
Walsh	50	489,294	26,950	12.10	(1.75)
Ward	51	2,277,147	81,210	18.69	4.84
Wells	52	254,280	13,705	12.37	(1.48)
Williams	53	1,155,872	31,731	24.28	10.43
Total	54	28,229,279	21,692	17.27	3.42

13.85 AVG. MILLS * SEVEN COUNTRIES IGNORED

TOTAL NEEDED ADJUST MILL LEVY 1,815,040

TOTAL AMOUNT IN BUDGET FOR INDIAN COUNTIES FOR 99-01 BIENNIUM (1,657,856) three fourths of Indian funds for biennium (1,243,392)

TOTAL ADDITIONAL FUNDS 571,648

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Mills values in Bowman/Slope and in Golden Valley/ Billings are combined.