



SB 2206

Report to Legislative Management

October 31, 2018
Prepared for the
State of North Dakota



Executive Summary

The Senate Bill 2206 study process involved collaboration with stakeholders including both counties and the state while maintaining a consistent focus on the North Dakota Department of Human Services' mission to provide quality, efficient, and effective human services, which improve the lives of people. To meet this mission, all operational levers within DHS and the counties have been examined including funding, organizational structure, process and culture.

Changes to the process and culture have been identified and key changes are being tested in pilots using the Theory of Constraints, a model for implementation that identifies barriers to achieving goals. However, the current organizational and funding structure limit scalability, sustainability of improvements, efficiency and effectiveness.

The organizational structure sets up silos that do not promote collaboration, specialization or consistency in delivery across the state. In addition, the rate-by-case funding formula does not enable innovation in service delivery.

Going forward, all access points across the state will remain, and in some cases expand to meet clients where they are. Zonal organization and funding will lay the foundation for continuous improvement by removing silos and moving to a structure that will shift service delivery from 47 primarily single-county units to no more than 19 multi-county units. Funding will be made more flexible than the rate-by-case formula to promote innovation and to meet the community needs of different zones.

This new organizational structure and funding in zones will promote:

- **Collaboration:** Instead of rigid county boundaries for the delivery of service, organization in zones will enable collaboration to meet the needs of citizens and scale best practices.
- **Specialization:** The new funding formula will enable specialization in areas like long-term care eligibility, subsidized adoption or child care licensing.
- **Utilization of Capacity:** Shared workload will ensure that all parts of the system are efficiently utilized.

When efficiency is achieved, money will be redirected to direct client services.

Background: Introduction

Before November 1, 2018, the department of human services shall report to the legislative management on the status of the pilot program and the development of a plan for permanent implementation of the formula established in section 50-34-04.

The implementation plan must include recommendations for caseloads and outcomes for social services, designated child welfare services, and economic assistance; considerations regarding the delivery of county social services to ensure appropriate and adequate levels of service continue; options for efficiencies and aggregation; analysis of the potential reduction in social service offices, organizations, and staff due to consolidations; the feasibility and desirability of, and potential timeline for, transitioning county social service staff to the department of human services; and considerations for oversight and chain of command within social services and human services.

The implementation plan must be submitted to the sixty-sixth legislative assembly as part of the department of human services budget request and identify the estimated biennial cost of the plan.

Source: <https://www.legis.nd.gov/assembly/65-2017/documents/17-0760-07000.pdf>

Since the early 1990s, counties have been pushing hard for a more equitable funding plan for the delivery of county social services. As the property tax cost of social service delivery has historically been the largest single item in many counties' budgets, and one that was growing much faster than property values, counties worked for legislation to shift that burden to statewide collected taxes.

In 1997, counties were relieved of the local share of Medicaid payments to hospitals, doctors and nursing homes – the fastest growing piece of a fast-growing budget. This was an area over which counties had no authority to approve, disapprove, set rates or change in any way. In 2007, the costs and employees of regional child support enforcement offices were shifted to the State.

In 2015, the county share of foster care maintenance payments – again, a cost that counties had little control over, and one that was simply allocated to every county on a formula – was shifted. This left counties (and property tax payers) with about \$80 million per year in personnel and staff costs. While more manageable, the inequities remained, with some taxpayers paying eight mills and others over 45 mills for the same services.

In 2017, counties asked the legislature to again look at a financing plan that removed property tax entirely from social service support. Gov. Jack Dalrymple proposed a long-term plan for a state funding formula to do this without service delivery or structural changes, however the 2017 Legislature replaced that proposal with a two-year pilot (block grant) program and an interim study.

In the ongoing 18-month study process, involving over 40 committee meetings of county social service directors, county staff, regional supervisors and state policy staff, the focus has been improving service and preserving access by shifting administrative resources to service delivery. Along the way, outside consultants, statewide webinars and regional presentations were used to test ideas, communicate progress and solicit input.

Committee / Event	Meetings	Time Frame
SB 2206 Pilot Kickoff		Oct. 12, 2017
Administrative	10 meetings	October 2017 - September 2018
Children and Family Services (CFS)	12 meetings	October 2017 - September 2018
<ul style="list-style-type: none"> Child Protection Services (CPS) Pilot Task Force 	13 meetings	June 2018 - September 2018
<ul style="list-style-type: none"> Childcare Licensing Pilot 	6 meetings	July 2018 - October 2018
Economic Assistance	12 meetings	October 2017 - September 2018
<ul style="list-style-type: none"> EA Pilot Task Force 	1 meeting	October 2018
Adult Services (Older adults and people with developmental disabilities and other disabilities)	12 meetings	October 2017 - September 2018

Several broad things came though on this study. It seemed apparent that, in contrast with other states, North Dakota devote a greater share of our state and county resources to budgeting, management, documentation, and multiple levels of approvals and reviews. As a result, we devote a smaller share of our resources to face-to-face delivery of services to our citizens.

We are now approaching the end of that study and several pilot projects focused on service delivery improvements are underway. Additional delivery changes are under consideration, and the state, committees, county social service directors, and now county government must consider the administrative structure that should “wrap around” and support social service delivery.

With respect to the county delivery of social services, essentially three distinct, although preliminary, administrative structure options have risen to the top. Generally, they are:

- Do nothing – let the pilot project “sunset” and return to a largely county-based, county directed delivery system with the degree of county board control that was in place before;
- Turn all costs and all employees over to the state and shift to a state administered system like most other states, without a formal role for counties; or
- Expand the use of multi-county units, or “zones” (seven already exist or will be in place by January 2019) to increase the size or critical mass of social service units to support the changing delivery models that are being proposed, while preserving county employment, guaranteeing local access and a local governance role through county or multi-county boards.

There will be supporters of each of these options in counties and the legislature. However, the legislature, as a body, would likely not support a return to the previous system. There is little appetite for the property tax increase that would result if North Dakota returns to a property tax funded delivery system. Counties could argue for a continuation of the “block grant” approach the state is operating under for the pilot, however key legislators have suggested that they would oppose such a continuation.

At the other extreme, while several legislators would support full state administration, it is unlikely many (or possibly any) county staff or commissioners would. This disconnects social services from the local non-governmental resources and loses the “local advocacy” for services that is vital.

The idea of expanding the multi-county social service delivery structure, already in place in some locations, along with some additional modifications, would preserve local social service jobs and may be more likely to guarantee access and preserve (to a degree) the local connection.

It is therefore critical for counties to collectively agree on what they can support as essential elements of any plan moving forward. This is the direction the NDCCA Policy Committee took with their draft resolution – essentially spelling out the “bottom line” as they saw it at that time. This may see some revision before final adoption.

2018-15. Human Service Financing. *County officials applaud the legislative action that temporarily shifts almost all of county social service costs from the property tax to statewide funding sources. Counties clearly demonstrated the shift of these costs in their budgets and related mill levy reductions. This legislation, however, is only temporary; and the Legislature directed that a study be conducted for legislative review examining the possible redesign of human service delivery. This Association has been supportive of the study, to ensure that the poor and vulnerable population in every county have access to the best human services possible. This Association supports the following as essential components of any plan to redesign the delivery of human services.*

- *Citizen access to essential human services, at a minimum, in all existing delivery locations in every county,*
- *State funding of 100% of all human services authorized and mandated by state law,*
- *A funding structure that provides adequate resources to recruit and retain quality human services staff and address the local operational costs necessary to support that staff,*
- *Retention and, as possible, the strengthening of services unique to individual counties large and small, urban and rural, that fill the gaps between state programs and local non-profit and charitable organization services,*
- *Appropriate county elected official control to ensure local needs are adequately addressed, and*
- *Retention of county employment of human service delivery professionals to the greatest extent possible.*

Background: SB 2206 Study Proposed Process

Vision

The goal and over-arching vision of the proposed process is the client-centered improvement of the delivery of state-supported human services. As stated in SB 2206, the effort must result in recommendations for caseloads and outcomes to ensure that appropriate and adequate levels of service continue, while implementing efficiencies and aggregation where feasible. Successful implementation of this study’s recommendations will have a measurable and positive impact on thousands of North Dakotans served by government-funded human services, the 3,000 state and county employees delivering those services, and the taxpayers supporting the almost \$4 billion investment in these services.

Process

Phase I. Review current services and standards, review alternative models and structure options

1. Establish an oversight “Leadership Committee” chaired by the DHS executive director and composed of legislators, subcommittee chairs and key stakeholders
 - a. Leadership team sets parameters, core values, protocols, formats and timelines – 1-day meeting.
2. Establish four subcommittees focused on: children/families, economic assistance, aged/disabled and administration
3. Under the direction of the Leadership Committee, each subcommittee will identify and collect needed information on similar format (grids); including
 - a. Services provided
 - b. Clients served and type (i.e. individual, family)
 - c. Service initiator (i.e. client needs, law enforcement, corrections, court involvement, etc.)
 - d. Essential characteristics/need for each service
 - e. Federal/state standards for each service
 - f. Key links/community partnerships needed to provide each service (law enforcement, state’s attorneys, contracted providers, food pantries, etc.)
 - g. Staffing skill level for the provision of each service (generic/specialized)

Phase II. Study models for aggregation, service delivery changes and prioritize changes

1. Leadership Committee reviews data and identifies “national experts” and “thought leaders” to be solicited for presentations and input.
 - a. National standards and models from other states are reviewed by the Leadership Committee and pertinent subcommittees

2. Under the direction of the Leadership Committee, subcommittees rank services for possible aggregation, restructuring and reassignment to other programs.
 - a. Funding/reimbursement mechanisms are developed for funding each service based on proposed structure.

Phase III. Develop and structure funding recommendation for the 2019 North Dakota Legislative Session

1. Leadership Committee receives subcommittee recommendations and prioritizes each service for immediate, intermediate or longer-term implementation.
2. Leadership Committee reviews recommended funding reimbursement mechanisms and finalizes recommendations.
3. Leadership Committee determines aggregate cost of each service for budgeting.
4. Leadership Committee prepares draft report for DHS executive director's final consideration, approval and submittal to the North Dakota Legislature.

SB 2206 Study Participants

Name	Organization/Title	Committee / Role
Chris Jones	ND DHS, executive director	All
Sara Stolt	The Project Co.	Facilitator and project manager
Jason Matthews	JM Strategies	Facilitator
Terry Traynor	ND Association of Counties (NDACo), director	All
Lukas Gemar	DHS Administration	All
Amy Erickson	DHS Human Resources (HR), administrator	Administrative Committee
Steve Reiser	Dakota Central Social Services, director	Administrative Committee
Joe Morrisette	Office of Management and Budget, director	Administrative Committee
Kim Jacobson	Trail and Steele County Social Services, director	Administrative Committee
Laural Sehn	DHS Fiscal, accountant	Administrative Committee
Marcie Wuitschick	DHS HR, director	Administrative Committee
Tom Solberg	DHS, deputy director	Administrative Committee
Heidi Delorme	DHS Fiscal, deputy director	Administrative Committee
Jonathan Alm	DHS Legal, director	Administrative Committee
Kim Osadchuck	Burleigh County Social Services, director	Administrative Committee
Michelle Masset	Emmons County Social Services, director	Administrative Committee
Rhonda Allery	Lake Region Social Services, director	Administrative Committee
Tom Eide	DHS, chief financial officer	Administrative Committee
Chip Ammerman	Cass County Social Services, director	Children and Family Services Committee
Marlys Baker	DHS Children and Family Services (CFS), child protection services program administrator	Children and Family Services Committee
Dennis Meier	Morton County Social Services, director	Children and Family Services Committee
Em Burkett	Stutsman County Social Services, director	Children and Family Services Committee
Karin Stave	DHS CFS, regional representative	Children and Family Services Committee
Peter Tunseth	UND CFS Training Center, director	Children and Family Services Committee
Diana Weber	DHS CFS, in-home program administrator	Children and Family Services Committee
Kelsey Bless	DHS CFS, permanency program administrator	Children and Family Services Committee
Amanda Carlson	DHS CFS, early childhood services program administrator	Children and Family Services Committee
Monica Goesen	DHS CFS, regional representative	Children and Family Services Committee
Vince Gillette	Sioux County Social Services, director	Economic Assistance Committee
Brenda Peterson	Morton County Social Services, eligibility manager	Economic Assistance Committee
Sidney Schock	Cass County Social Services, eligibility manager	Economic Assistance Committee
LuEllen Hart	Grand Forks County Social Services, eligibility manager	Economic Assistance Committee
Michelle Gee	DHS Economic Assistance, director	Economic Assistance Committee
Linda Brew	DHS Economic Assistance, regional representative and system support and development director	Economic Assistance Committee
Diane Mortenson	Stark County Social Services, director	Adult Services Committee
Doug Wegh	Hettinger County Social Services, director	Adult Services Committee
Joyce Johnson	DHS Economic Assistance, Medicaid policy director	Adult Services Committee
Kristen Hasbargen	Richland County Social Services, director	Adult Services Committee
Nancy Nikolas-Maier	DHS Aging Services, director	Adult Services Committee
Karla Kalanek	DHS Developmental Disabilities, program administrator	Adult Services Committee
Heather Steffl	DHS, public information officer	Adult Services Committee

Motivation for Change:

Senate Bill (SB) 2206 was introduced, in-part, to focus on the funding formula of county social services. We are in a time where we continuously hear there aren't enough staff to address the current demand for human services, and there aren't enough resources to provide lower cost prevention and early intervention services. Upon conducting a deep dive, we found tremendous opportunity for improvement and hidden capacity at both the county and state (DHS) level that went beyond the funding formula.

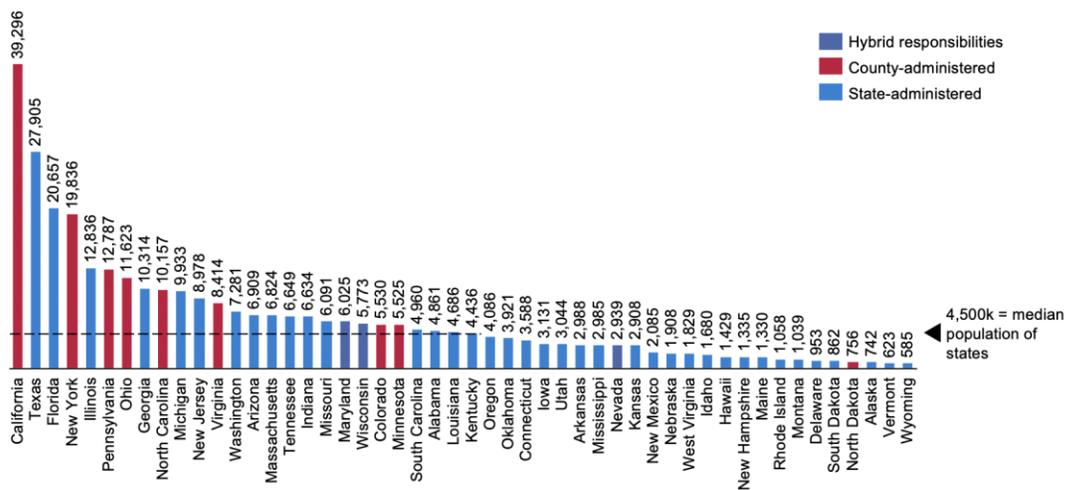
North Dakota has the third highest cost per case for SNAP according to USDA Food and Nutrition Services.

North Carolina	701,555	\$20,177,861	\$28.74
North Dakota	25,262	\$18,929,631	\$62.44
Ohio	793,923	\$205,027,626	\$21.52
Oklahoma	276,268	\$71,699,362	\$21.63
Oregon	419,778	\$165,281,501	\$32.81
Pennsylvania	950,739	\$322,953,063	\$28.31
Rhode Island	100,433	\$20,969,763	\$17.40
South Carolina	378,328	\$67,495,064	\$14.87
South Dakota	42,234	\$15,626,981	\$30.83
Tennessee	547,850	\$136,946,027	\$20.83
Texas	1,588,116	\$371,701,318	\$19.50
Utah	86,244	\$30,952,166	\$29.91
Vermont	42,976	\$20,256,399	\$39.28
Virginia	387,633	\$211,479,111	\$45.46
Virgin Islands	13,068	\$10,928,635	\$69.69
Washington	546,931	\$184,104,725	\$28.05
West Virginia	178,274	\$36,672,434	\$17.14
Wisconsin	359,933	\$145,959,593	\$33.79
Wyoming	14,367	\$12,176,753	\$70.63
U.S.	21,777,938	\$7,834,958,746	\$29.98

<https://fns-prod.azureedge.net/sites/default/files/snap/FY16-State-Activity-Report.pdf>

ND does not have comparable scale to states that have maintained state-supervised, county-administered programs

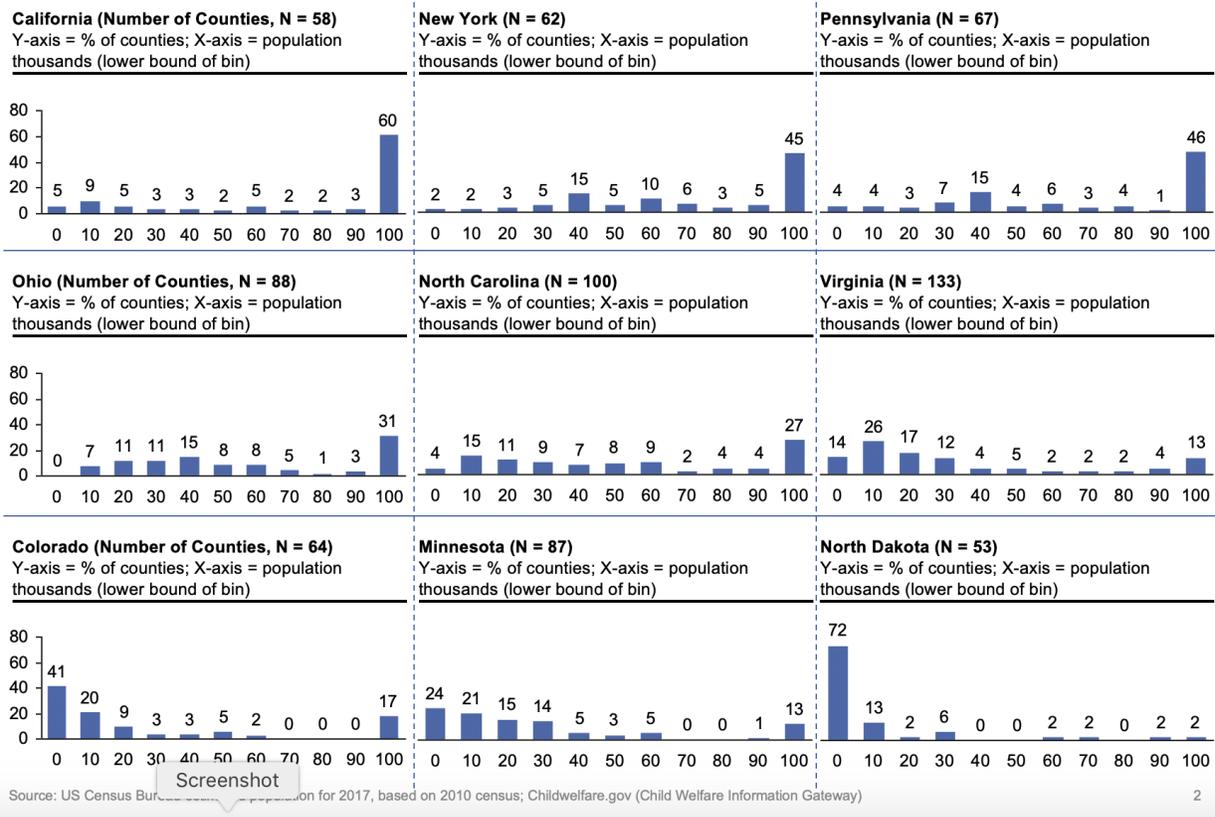
Correlation of State Scale & Social Services Delivery System Organization
States ranked by population, shown here in thousands (k)



State size as measured by population is strongly correlated with maintenance of county-administered social service systems:
 - Eight states other than ND with a state-supervised, county-administered social services system are all in the top 50% of states as ranked by size of population

Source: US Census Bureau, State Social Services Delivery System Organization for 2017, based on 2010 census; Childwelfare.gov (Child Welfare Information Gateway)

Compared to states w/ similar system, ND is the only one w/ out significant share of heavily populated counties



North Dakota statute states that Child Protection Service assessments must be completed in 62 days. Across the state this is only occurring 48 percent of the time over a period of 12 months.

TIMELINESS				
SFY	2018			
Row Labels	Average of Compliance25	Average of Compliance45	Average of Compliance62	Average of Compliance121
Pilot	7.35%	22.65%	40.88%	83.97%
Badlands	7.99%	17.84%	32.34%	74.91%
Southeast	7.14%	24.22%	43.69%	86.94%
Non-Pilot	12.85%	30.51%	51.09%	89.81%
Lake Region	9.86%	33.97%	53.97%	91.78%
North Central	13.65%	32.11%	46.92%	85.64%
Northeast	6.16%	22.00%	47.96%	90.21%
Northwest	11.16%	30.93%	50.14%	90.11%
South Central	22.62%	50.45%	78.10%	94.79%
West Central	14.17%	26.13%	45.92%	90.20%
Grand Total	11.22%	28.19%	48.07%	88.08%

Repeat maltreatment is the percent of “cases” with an assessment decision of “services required” that experience a second assessment within 12 months that was also determined as “services required.” Across the state, this occurred in 14.45 percent of the cases.

REPEAT MALTREATMENT			
Orig Year	2016		
Row Labels	Cnt Rpt Malttrmnt	Cnt All Malttrmnt	Prcnt Rpt Malttrmnt
Non-Pilot	145	970	14.95%
Lake Region	12	64	18.75%
North Central	30	201	14.93%
Northeast	26	175	14.86%
Northwest	16	128	12.50%
South Central	11	102	10.78%
West Central	50	300	16.67%
Pilot	32	255	12.55%
Badlands	11	84	13.10%
Southeast	21	171	12.28%
Grand Total	177	1,225	14.45%

Going Forward: Committee Recommendations

Committees began by identifying current challenges in their programs that limit timely access to services by clients, negatively affect quality and client outcomes, and are inefficient and/or ineffective. Based on the identified challenges and barriers, they focused on revising some processes and policies and addressing other constraints and suggested opportunities for improvement that focused on increasing quality service to the client, maintaining or decreasing the overall program cost, and improving the overall quality of the work and outcomes the client achieved.

Opportunities for improvement were based on three criteria:

1. Proven, researched-based methodology that North Dakota could replicate,
2. Effective models and practices used in another state or other states and easily administered, and
3. Solutions supported by a third-party organization like Casey Family Programs.

Children and Family Services (CFS) Committee Recommendations

Recommendation	Benefits + Notes
Develop a navigator role to partner with CFS/Child Protection Services (CPS)	<ul style="list-style-type: none"> • Help address social determinants of health with the family • Connect regularly with families • Reduce the caseload for CPS case managers by providing early support and intervention

Recommendation	Benefits + Notes
Expand access to Universal Home Visit Program in partnership with hospitals	<ul style="list-style-type: none"> • Provide front-end prevention • Has a parent-aide checking on high-risk (to be defined) parents after birth of a child for up to (TBD) years • Generate cost savings over time by increasing family connections, parenting skills and understanding of child development and reducing risk of abuse and neglect • Applies a consistent evidence-based model • Divert at-risk population from foster care • Is primary prevention – offered to every family that has a baby
Move sub-adopt negotiations to region or state	<ul style="list-style-type: none"> • Provide consistent service delivery across all counties by having a few identified experts who will focus solely on sub-adopt
Establish a statewide foster care recruitment strategy	<ul style="list-style-type: none"> • Replaces fragmented and diluted funding to regional foster care coalitions with a statewide recruitment strategy and tools • Provides consistent recruitment messages and outreach material statewide • Contract with marketing agency to develop the strategy/message
Regionalize foster care licensing	<ul style="list-style-type: none"> • Provide consistent and timely licensing by using dedicated expert staff for licensing of foster homes Increase efficiency due to staff focus and expertise
Regionalize foster care placement-intake/call center	<ul style="list-style-type: none"> • Allows counties to share licensed foster homes across county lines, so that placements match a child’s needs and a provider’s preferences, experience and abilities
Shift foster care licensing to one entity per region	<ul style="list-style-type: none"> • Regionalize expertise by having an experienced county take the lead on foster care licensing in each service delivery region
Expand Alternative Response beyond current target population	<ul style="list-style-type: none"> • Provides needed services to families without filing a formal CPS report
Maintain local access for providers, while eliminating redundancy/multiple levels of review of licensing decisions	<ul style="list-style-type: none"> • Simplify the licensing process • Create standard work practices • Increase ability to share licensing resources across county lines
Reduce the CPS assessment from 62 days to 25 days	<ul style="list-style-type: none"> • Provide upfront timely services to families • Provide faster resolution while keeping children safe

Economic Assistance (EA) Committee Recommendations

Recommendation	Benefits + Notes
Central client call center	<ul style="list-style-type: none"> • Provides one number for clients to call across the state to ask questions, get an update on their applications, change addresses, etc. • Creates a designated team of call center experts • Assures universal access regardless of location to all EA client information • Builds a triage process
Centralize training for EA program eligibility determination	<ul style="list-style-type: none"> • Develops training curriculum and offers consistent ongoing training to eligibility workers statewide • Establishes a training team connecting trainers with policy and program administrators to assure consistent development and delivery of training
Policy development	<ul style="list-style-type: none"> • Include frontline eligibility workers in the policy development and training curriculum process <p>Create program work groups that include eligibility workers to improve programs</p>
Eliminate the work eligibility workers do that isn't part of eligibility determination	<p>Gives eligibility workers more time for processing applications and providing case management</p> <p>Examples of work not related to eligibility:</p> <ul style="list-style-type: none"> • Fraud investigations • Estate collections • Third Party Liability • Health Tracks Referral • Primary Care Physician assignment
Outsource Low Income Home Energy Assistance Program (LIHEAP)	<ul style="list-style-type: none"> • Connects LIHEAP with organizations familiar with the program
Regionalize eligibility determination for Medicaid coverage of foster children, Temporary Assistance for Needy Families, Medicaid long-term care, Child Care Assistance and Basic Care Assistance	<ul style="list-style-type: none"> • Creates specialized teams across regions who regularly work with and process these complex cases • Improves the quality of eligibility determinations
Build a robust set of interfaces to allow eligibility workers access to more information to more efficiently and effectively process client applications	<p>Examples of interfaces</p> <ul style="list-style-type: none"> • Job Service North Dakota • Child Support • Unemployment

Recommendation	Benefits + Notes
	<ul style="list-style-type: none"> • WSI Benefit • Work #
Develop the Full Kit for processing program applications and determining eligibility	<ul style="list-style-type: none"> • Workers have the information they need to accurately determine eligibility <ul style="list-style-type: none"> ○ Identify the necessary items to begin starting an eligibility application ○ Provide the Full Kit checklist for all programs

Adult Services Recommendations

Areas of Focus	Notes and Recommendations
<p>Four Pillars:</p> <ul style="list-style-type: none"> • Core Competencies • Worker Specialization • Universal Intake • Universal Assessment 	<p>Notes:</p> <ul style="list-style-type: none"> • Committee members identified and unanimously agreed to these four “pillars” and used them to guide their discussions in identifying solutions and recommendations.
<p>Core Competencies</p> <ul style="list-style-type: none"> • 1 – Universal Training 	<p>Notes:</p> <ul style="list-style-type: none"> • Regardless of the system, universal values and principles should be adopted and communicated in trainings to all workers. <p>Recommendations: The values and principles to include in all trainings are as follows:</p> <ul style="list-style-type: none"> • Social Worker Code of Ethics • DHS Cultural Aspirations: <i>Values and Social Determinants of Health</i> • Overview of Legal Factors and Considerations: <i>Risk informed versus risk adverse</i> • Person-Centered Competence: <i>Workers understand service is based on the wants and needs of the clients, rather than giving what the worker thinks they need</i> • Philosophy of Adult Services: <i>Individual choice, empowerment, quality of life</i>

Areas of Focus	Notes and Recommendations
<p>Core Competencies</p> <ul style="list-style-type: none"> • 2 – Developmental Disability Provider Training 	<p>Notes:</p> <ul style="list-style-type: none"> • Current policies are too hard to find and too complex <p>Recommendations:</p> <ul style="list-style-type: none"> • System should continue to be outsourced to a qualified vendor • Continue offering different levels of training based on job position • Trainings should be offered online (replace paper modules)
<p>Core Competencies</p> <ul style="list-style-type: none"> • 3 – Developmental Disability Program Manager and Home and Community-Based Services Case Manager Training 	<p>Notes:</p> <ul style="list-style-type: none"> • Current DD training model is for service providers, rather than human service system staff • Reuse content from DD provider training with the addition of aging policy • Relationships are very important, so one yearly face-to-face meeting should be required • Continue to use a vendor for curriculum/training development Training should be web-based and support consistent service delivery across the state <p>Recommendations:</p> <ul style="list-style-type: none"> • Ongoing training requirement • Establish mentorships to offer hands-on experience and training in the field • Offer pre-and post-testing for each module • Still offer in-person training, but also offer and fully utilize online training

Areas of Focus	Notes and Recommendations
<p>Core Competencies</p> <ul style="list-style-type: none"> • 4 – Qualified Service Provider (QSP) Training 	<p>Notes:</p> <ul style="list-style-type: none"> • The biggest complaint from case managers is that QSPs are not trained • Hands-on care training is provided through TrainND (Lake Region State College) <p>Recommendations:</p> <ul style="list-style-type: none"> • Strengthen universal training standards for QSPs • Mandate/require training through online resources based on service provided • QSPs should be generally trained on programs and culture • Specific training must be given on billing, documentation, understanding types of authorizations and applicable forms
<p>Worker Specialization</p>	<p>Notes:</p> <ul style="list-style-type: none"> • Specialization is a necessity to ensure quality delivery of services • Current system expects every professional to know a little bit about everything, which is overwhelming and may result in misinformation or misunderstandings <p>Recommendations:</p> <ul style="list-style-type: none"> • If possible, designate staff to only work in one program. At a minimum, require specialization and expertise in a key area • Establish annual proficiency standards (benchmarks) for each worker to meet

Areas of Focus	Notes and Recommendations
<p>Universal Intake and Assessment</p>	<p>Notes:</p> <ul style="list-style-type: none"> • Clients are overwhelmed with having to fill out multiple forms • Challenges are further compounded by a lack of communication among various entities and programs • Currently, intake is not a centralized system; the goal should be to utilize whatever hidden capacities exist within the system to improve efficiencies <p>Recommendation: Eliminate multiple assessments. Develop an easy-to-access universal intake process using a universal set of questions to screen applicants and determine eligibility for long-term supports services for adults. This will greatly benefit clients and create greater efficiency.</p> <p>SPECIAL NOTATION: As this will be a significant change, the Adult Services Committee has agreed to continue working as a group to identify further efficiencies/improvements and create and implement a new intake and assessment system.</p>
<p>Information and referral assistance</p>	<p>Notes:</p> <p>People are unaware of available services and the Aging and Disability Resource LINK (ADRL) online and telephone information and assistance resources</p> <p>Recommendation:</p> <p>Expand the ADRL’s capacity to provide information about community-based services and supports for people with disabilities across the lifespan to better connect people to needed services and supports</p>

Initially, SB 2206 committees spent a significant amount of time vetting ideas, but struggled with identifying and implement systemic changes and more efficient processes due to the magnitude of this effort.

Going Forward: Implementing Recommendations Through Theory of Constraints

What is Theory of Constraints (TOC)?

TOC is a methodology for identifying the most important limiting factor (i.e. constraint) that stands in the way of achieving a goal and then systematically improving that constraint until it is no longer the limiting factor. Combined with a focus on systems thinking, TOC can transform operations within an organization or system.

The primary focus of TOC is to identify the constraints, believe there is hidden capacity and apply the “rules of flow” to measure the work output and the quality of work.

How did North Dakota get involved in TOC?

In April 2017, the committees that were part of SB 2206 were at a standstill. They had some great recommendations but struggled with implementation. DHS Executive Director Jones was introduced to Kristen Cox, the Executive Director of OMB in the Utah Governor’s Office. Ms. Cox is a leading expert in TOC and finding efficiencies within government agencies and programs.

Ms. Cox and her team visited North Dakota on May 1, 2018, and provided a day-long seminar on TOC and how it would work in social services. A broad audience attended including state and county social service system professionals.

DHS engaged Ms. Cox and her team through Epiphany Associates in a one-year contract to apply TOC to human services programs, and to mentor and train DHS staff, county social service staff, NDACo staff and consultants to continue the work in the future.

To date, Epiphany Associates has facilitated the child protection services assessment pilot redesign, childcare licensing redesign, economic assistance redesign, and has provided training to maintain the work moving forward. A schedule has been established for the remainder of the contract for priority programs and services.

Snapshot of Impact

- Badlands region, made up of seven counties in southwest North Dakota, had 11 CPS workers each working in different counties. Through the CPS pilot, which eliminated operational county boundaries and shared resources, the Badlands region was able to shift four of those CPS workers to do more in-home work with families.
- True supervision of CPS workers is a challenge in rural areas where the CPS supervisor may also be the social services director, the foster care licensor and the intake worker. The CPS pilot set up a 1:6 supervisor to CPS worker ratio, with true CPS oversight, allowing CPS workers to staff their cases more efficiently with a true subject-matter expert.
- Staffing cases through a multidisciplinary team was a true barrier to timeliness in counties where the team only met once a month. The team was eliminated, and

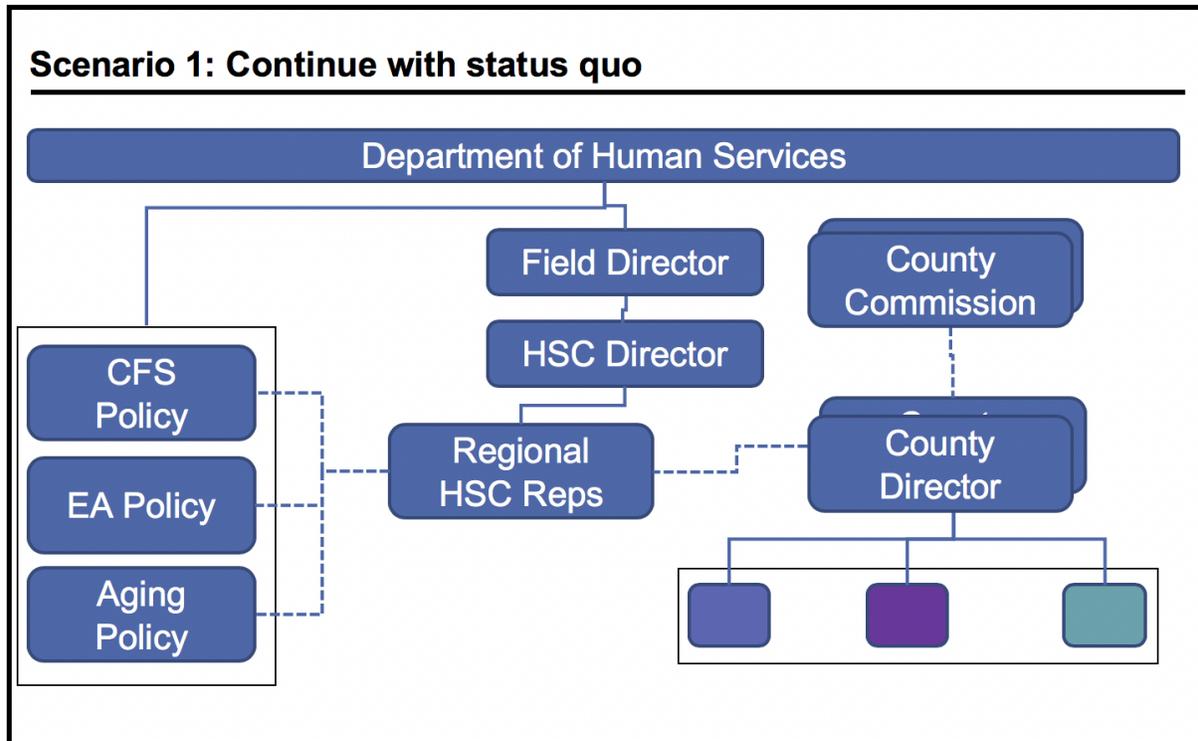
counties now can access experts when needed. Experts are not required for every case, increasing efficiency and timeliness.

How are we applying TOC currently?

	Child Protective Services	Childcare Licensing	Eligibility (Economic Assistance)	CFS Background Check Process	Remaining Programs to TOC
Current Baseline:	48% of CPS assessments are completed within the mandatory 62 days.		<ul style="list-style-type: none"> 2nd highest cost per case in the US - \$63/case 		Children & Family Services <ul style="list-style-type: none"> In-Home / Case Management Foster Recruitment Foster Licensing Foster Placement Foster Case Management Adults & Aging Developmental Disability Behavioral Health Medicaid Human Service Centers DHS Admin Operations Fiscal Human Resources
Target:	<ol style="list-style-type: none"> 50% of assessment completed in 25 days 75% in 35 days 85% in 62 days 	<ol style="list-style-type: none"> 95% of childcares meet 100% of the compliance exam and checklist 			
Impact:	<ol style="list-style-type: none"> Families receive a determination in a more timely process Services are frontloaded to address the issue immediately Caseworkers have protected time for paperwork and working cases. Caseworkers can manage a higher number of cases, in a more timely manner while still maintain high quality 	<ol style="list-style-type: none"> Licensing processes that's simple and easier to understand Increased speed in the licensing process 100% compliance with site visits annually and unannounced Increased time for licensors to spend with providers 			
Potential Outcomes:	<ol style="list-style-type: none"> Reduction in foster placements Reduction in repeat maltreatment 	<ol style="list-style-type: none"> Increase in licensed providers 			
September 2018	Pilot Kicked Off: September 17, 2018 Southeast Region: 6 Counties Badlands Region: 7 Counties	Planning Phase: Kickoff September 20, 2018			
October 2018			Planning Phase: Kickoff October 15/16, 2018	Planning Phase: Kickoff October 18, 2018	
November 2018		Pilot December 2018-March 2019 Grand Forks County Stutsman, Dickey, Lamoure, Burleigh, Morton, Eddy, Foster, Wells	Pilot January 2019-April 2019 Burleigh, Grand Forks, Morton, Dickey, Stark, Hettinger, Golden Valley, Bowman, Williams, Lake Region, Divide and Slope	Pilot January 2019-April 2019	
December 2018					
January 2019	Scale Statewide	Scale Statewide	Scale Statewide	Scale Statewide	
February 2019					
March 2019					
April 2019					
May 2019					
June 2019					
July 2019					
August 2019					
September 2019					
October 2019					

Proposed Models

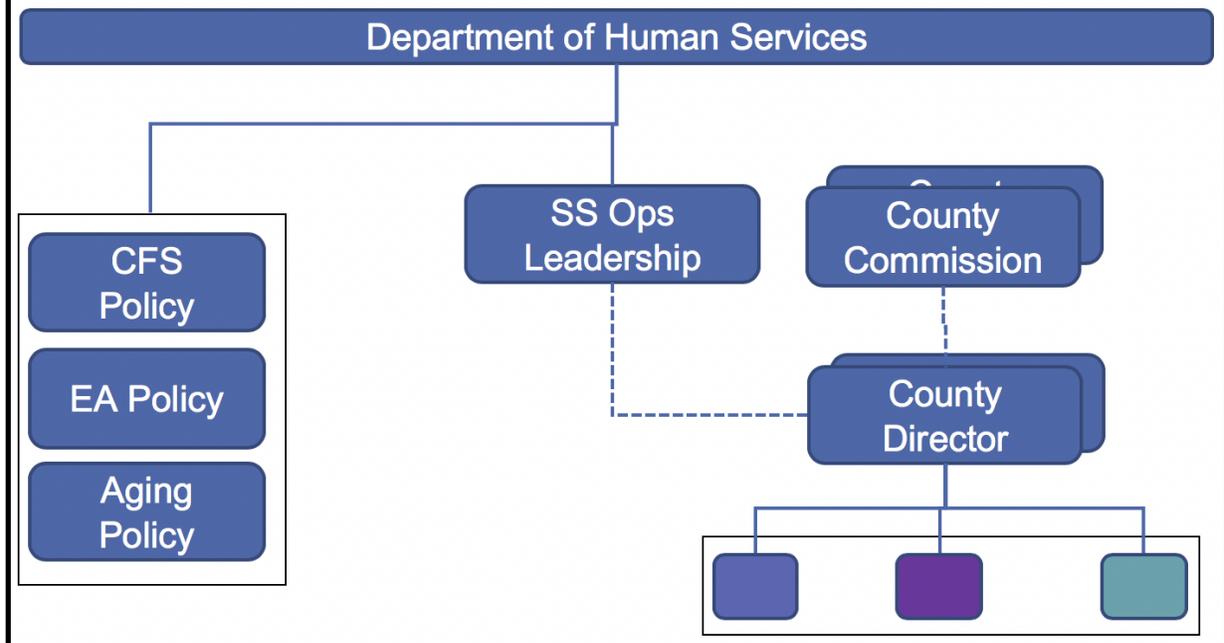
Based on the recommendations of the committees and the systems work through Theory of Constraints, the following delivery and employment models were developed.



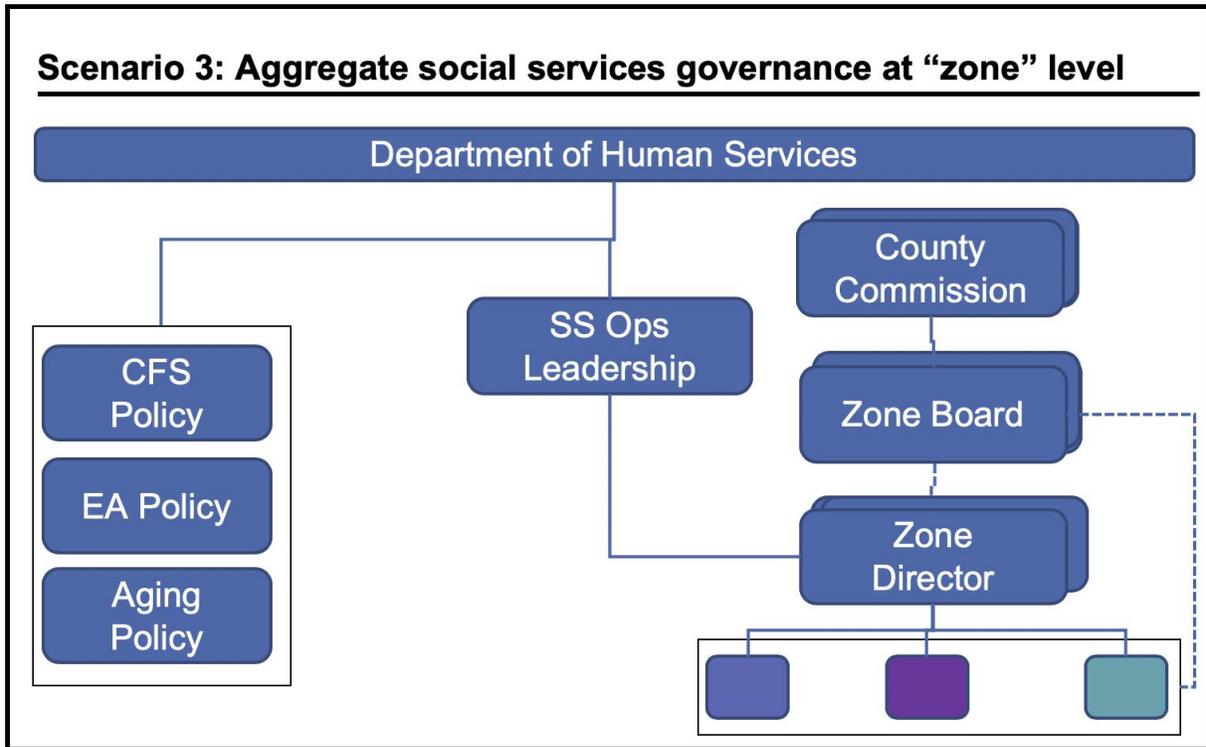
The State of North Dakota's state supervised county administered social delivery model consists of multiple management layers of supervision to deliver social services. The Department of Human Services Program and Policy provide administrative oversight, ensure federal and state reporting compliance, create and update policy and administrative rule, and ensure Human Service Center (HSC) administrative rule compliance. The DHS Regional Representatives are part of the Field Services function and are typically housed in HSCs. They are responsible for providing administrative oversight and technical assistance for County Social Services. Additionally, they are responsible for approving payments, licenses and other decisions. County Social Services are responsible for administering the programs as directed by the State.

Along with these three layers, each layer reports up separately or to other entities all together. Program and Policy do not directly oversee the Field and Regional Representatives and the Regional Representatives do not directly oversee County Social Services, as they report up through County Commissions. However, due to client privacy protections, County Commissions do not have a full picture of performance into the delivery of Social Services. With these multiple layers, there are times that decisions may be made too far away from the client(s). Finally, and most importantly, this structure, at times, causes a fair amount of confusion and stress for staff and clients, especially on difficult cases.

Scenario 2: Restructure DHS supervision of county operations



Because the State is a State Supervised County Administered Social Service Delivery model, the Region Representatives statutorily are part of this model. Given the changes over time, the roles of the Regional Representatives in the State have adjusted and been modified based on client needs. Within the structure of the Department of Human Services, we have some ability to modify roles to improve client service. However, based on work during the interim, specifically through the Theory of Constraints (TOC) process, just impacting the Regional Representative component of the model will have limited impact for quality, effectiveness and efficiency.



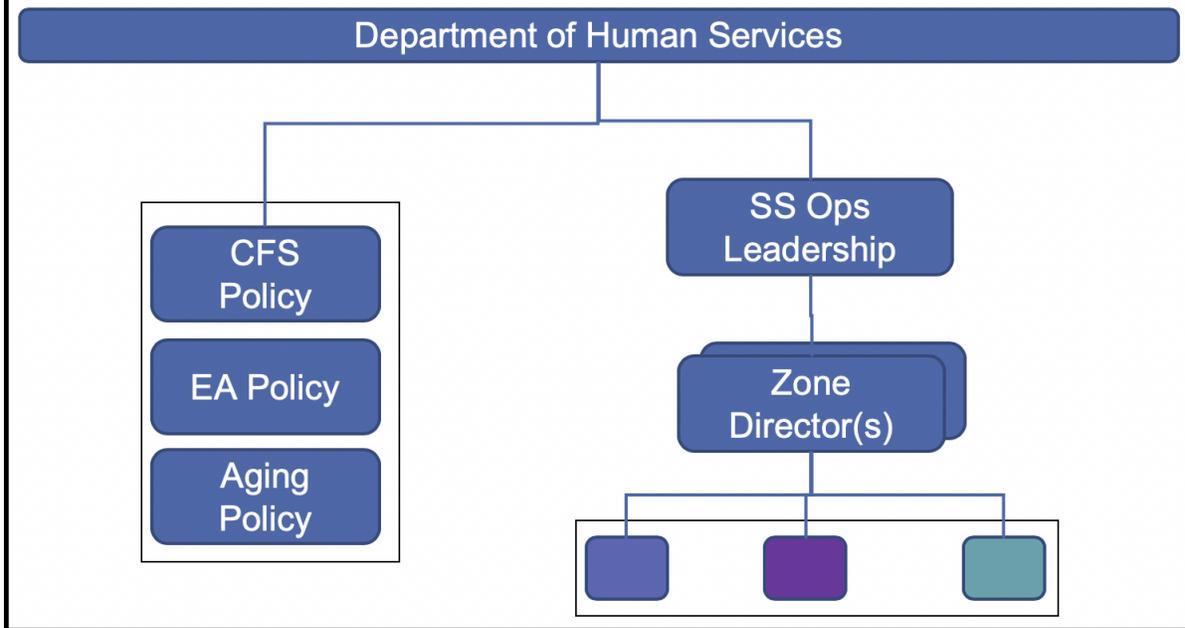
This is the Department of Human Services structural recommendation for SB 2206. This model creates up to 19 zones and is structurally similar to current law allow for multi-county social service districts. This structural model creates clearer lines of accountability between State Program and Policy and the administration of Social Services. Structurally different for multi-county social districts is that the intent is that Zones are defined for the responsibility for delivering state mandated services, regardless of client address. With that difference, budgets will be completed by Zones, however, as we move forward with pilots within the TOC process, this structural model, along with changes to funding flexibility will promote greater collaboration, specialization and utilization of capacity that exists in the State today.

In this model, Zone Directors will report and participate in a DHS Social Service Leadership Team and partners with Social Service Program and Policy to ensure effective and compliant delivery in each zone. The Department will provide consistent budgeting guidelines, HR policies and policies and guidelines for standard and consistent program delivery. This model also supports an incremental movement toward improvements in efficiency and effectiveness in client centered delivery.

The key principles of this model include:

- No reduction in access points, and future potential opportunity to enhance access points to partner with schools, county jails and local public health
- Redistribution of dollars from administration to direct client service delivery
- No reductions in force or reductions in pay, however there is initial role redesign for some with intended ongoing role redefinition based on TOC pilots
- Promote equity in access across the state
- Promote specialization of efforts where possible to improve consistency of service
- Promote decision making as close to the client as possible

Scenario 4: Shift delivery to state-run system



This is the high-level organizational model for a State Administered Social Service Delivery program. This is general organizational model for 41 other states.

Policy Changes That Support Scenario Three or Zones

Change Type	From-To: Design Changes
Policy: Powers and Duties	From: <ul style="list-style-type: none"> The county shall administer [Program X] To: <ul style="list-style-type: none"> DHS shall designate an entity to administer [Program X]
Policy: Zone Formation	From: <ul style="list-style-type: none"> Counties may form Multicounty Social Service Districts To: <ul style="list-style-type: none"> Counties shall form Social Services Zones to be established by Nov 15, 2019
Policy: Zone Budget Process <i>(Following table outlines SFY18 funding expenditures across the State)</i>	From: <ul style="list-style-type: none"> Budgets prepared by counties and funded by formula payments To: <ul style="list-style-type: none"> Budgets prepared by Zone Director in cooperation with Department

Funding: scenarios

Formula to county and/or zone
 State retained
 Hybrid distribution⁵

Category	Function	Est. Annual Formula Costs ¹	Funding Scenarios (FS)					
			FS.1	FS.2	FS.3	FS.4	FS.5	FS.6
Social Services	Various child & family services	19,617,650						
	Targeted case management	5,676,305						
	Adult services	5,216,593						
	Child care licensing	2,093,158						
Eligibility	Food stamps, Medical, TANF	22,559,690						
	LIHEAP	1,579,126						
	Foster care assistance	831,119						
	Child care assistance	750,604						
	General assistance	197,391						
	Adoption assistance	54,542						
Other	Direct Charges	3,600,106						
	Other activities, non 119-allowable ²	336,815						
Indirect	IV-D Legal (Child Support)	120,939						
	Support and supervision personnel ³	10,898,893						
	Other 119-related indirects	3,462,752						
	Value of space + CWCA	2,559,848						
Total⁴		79,555,531						

Brief description of key scenarios:

- **FS.1** = Continue with formula or adjusted version thereof
- **FS.2** = State retention of specialized functions
- **FS.3** = State retention of specialized functions and eligibility functions
- **FS.4** = State retention of specialized functions and adult services functions
- **FS.5** = State retained specialized, eligibility, and adult services functions
- **FS.6** = State retention of funds for all functions

¹ For costs linked to cost pools on the 119 (all functions in "Social Services" and "Eligibility" categories), the associated costs are estimated by multiplying the relevant cost pool by the RMTS hits distribution within that cost pool

² Costs for other activities are estimated by extrapolating the estimated SFY18 costs based on SFY13-16 costs and multiplying twice by 1 plus an inflation factor of 3%

³ Support and supervision personnel costs are backed out of the 119 Indirects cost category by adding up the estimated fully loaded salaries (estimated with state benefit packages) for county employees with director or admin-related job classifications

⁴ Applying the same methodology for accounting for total costs to the SFY15 119 cost reports and non-allowable cost reports yields a total cost estimate of ~72m, just under formula estimate

⁵ "Hybrid distribution" he split where a proportion of the funds would be retained by the state depending on the distribution of requirements for the given function

Source: SFN 119 Costs

Screenshot

allowable cost reports from SFY13-16; Random Moments Time Study (RMTS) hits from July 17 – May 18 (11 mo. period); County provided salary

data from February 18

Change Type	From-To: Design Changes
<p>Policy: Zone Funding Formula</p>	<p>From:</p> <ul style="list-style-type: none"> • Formula based on rate per case <p>To:</p> <ul style="list-style-type: none"> • Funding distributed to zones according to historical costs for constituent counties, with adjustments
<p>Policy: Flexibility to use federal match for social, human services <i>(Specifically requested for Family First federal legislation)</i></p>	<p>From:</p> <ul style="list-style-type: none"> • DHS cannot transfer funds in or out of county social services funds <p>To:</p> <ul style="list-style-type: none"> • DHS can transfer into social services where federal match is received for those services

Next Steps

DHS will:

- Continue launching pilot projects to improve current practices and processes through TOC implementation model *(please refer to schedule on page 19)*
- Include structural and funding support for 2206 recommendations in the department’s budget bill
 - Include in DHS budget request statutory changes necessary to establish zonal governance structure, leveraging the language of Chapter 50-01.1 Multicounty Social Service Districts
 - Include in DHS budget request statutory changes and funding flexibility to enable sharing workload or specializing services to improve efficiency and effectiveness of services
- Share draft statutory changes coming out of 2206 study with Legislative Council and NDACo to receive feedback before finalizing