



## **Interim Human Services Committee | 4.27.22**

*Senator Judy Lee, Chairman*

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### **Human Service Zones**

***Local + State Partnerships For Effective and Efficient Service Delivery***

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Human Services

# STATE OPT-IN STUDY

Develop a process for allowing a human service zone (HSZ) to opt in to state employment to include:

1. What conditions and factors a transition to State employment may or may not be desirable for a HSZ and the Department of Human Services (DHS);
2. Outline the governance process for choosing to opt in to State employment;
3. Template and potential timeline for any HSZ choosing to make the transition to state employment; and
4. Report to legislative management by August 1, 2022.

# WORKGROUP MEMBERSHIP

- Steve Reiser
- Kim Jacobson
- Jill Denault
- Michelle Masset
- Rhonda Allery
- Terry Traynor
- Linda Svihovec
- Jon Alm
- Jason Nisbet
- Kristen Hasbargen
- Alicia Baumann
- Daphne Pfliger
- Donna Aukland

Dakota Central Human Service Zone  
Agassiz Valley Human Service Zone  
Northern Valley Human Service Zone  
South Country Human Service Zone  
Mountain Lakes Human Service Zone  
NDACO  
NDACO  
DHS Legal  
DHS Legal  
DHS Director of Zone Operations  
DHS Human Resources  
DHS Fiscal  
DHS Fiscal



# STATE OPT-IN WORKGROUP UPDATE

- Proposed timeline has been developed for considerations of zones.
- Developed list of considerations that need to be addressed:
  - Potential law changes and timelines
  - Zone structure – interaction with partners (Juvenile Court, State’s Attorneys, Legal Custodian of children)
  - Fiscal
  - Buildings/Facilities/Transfer of Assets
  - Human Resource Impact
- Presentations from **Child Support** and **Court Administration** regarding transfer of positions to state employment.
  - Lessons learned, factors to consider, barriers, wins, efficiencies found

# FACTORS FOR CONSIDERATION

<b>Factor</b>	<b>Additional Information</b>
Indirect Costs	Counties would still have a share. Needs to be defined.
Legal Representation	Child welfare issues
Legal Custodian	Would zone directors or the state maintain custody of a child?
Space / Offices	Would the state pay rent? Would counties be obligated to provide space?
Jurisdictional Issues	Sheriff, law enforcement, juvenile courts
County Support	How do we ensure counties continue to support human services?
Advocacy / Local Voice	How do we ensure that zones continue to advocate for local needs?
Local Board Participation	Ensure staff are able to participate on local boards.
Role of HSZ Board	Would the HSZ board exist or have a role?

# ADDITIONAL FACTORS FOR CONSIDERATION

Factor	Additional Information
State Admin Support / NDPERS Support	How do we determine additional state resources needed in HR, Fiscal and Legal to support potential zones shifting to state?
Transfer of Benefits	Negatively impact host counties grandfathered status for healthcare benefits
Zone Budgets	Would there still be a local budget approval process?
Supervisor Clarification	Who can supervise whom? State to zone vs. zone to state?
Emergency Response	Zones roles in emergency response

Each factor identified would require significant changes to the law. Allowing some zones to be county and some to be state would create duplicate infrastructure and additional laws to support each type of entity within the Zone/State structure.

# WHY MIGHT A ZONE CONSIDER STATE EMPLOYMENT - FEEDBACK

Issue	Additional Information
Compensation + Equity	Same benefit. Perception of greater compensation equity.
Hard to Fill Leadership Roles	State can consolidate roles and structures
Commission Perception	Belief that it's easier for the state to just manage everything
One Team / Staff Belonging	Feeling of disconnect from the county and not completely belonging to the state
Complex Placements / Program Requirements	Challenges meeting program requirements as an individual zone. Moving to the state does not create more placement options.
Host County Auditors	Hybrid model creates significant complexities
Consolidation	Should we just consolidate more zones?
County Transfer	How do we manage if a county wants to become part of a different zone or pick a different host county?

# FEEDBACK (CONTINUED)

<b>Issue</b>	<b>Additional Information</b>
Employer	Does a change of employer solve every issue?
Telecommuting	Different zones have different policies vs. the state (Commission Driven)
Supplementing County Roles	Zone funding supplements other county roles. Would counties lose those roles without state funding? (States Atty, admin support)



# OPPORTUNITIES

<b>Opportunity</b>	<b>Additional Information</b>
Zone Employee Training	More robust and repeated training/information on what it means to be a zone employee.
Zone Board Training	Roles and responsibilities of a zone board.
Consistency	Continuing to build consistent HR practices, zone board practices, compensation and performance bonus practices.
Merit System Requirements	Providing ongoing HR and employee education on merit system requirements



# TIMELINE + GOVERNANCE

# RECOMMENDATIONS

**Consensus from the workgroup was that a major transition such as this should not be fragmented.**

Greater advantage exists with legislative changes that provide clarification and process to further define how human service zones consolidate, how one county may leave a zone to join another zone, or the opportunity to designate a different host county instead of having some zones opt into state employment. The workgroup also stresses the need for continued education of system partners on human service zone processes, procedures, roles, and laws to help ensure effective implementation and understanding of the human service zone structure.

# SECTION 25 OF SENATE BILL NO. 2086 (2021) PROVIDES FOR A STUDY OF DEPARTMENT OF HUMAN SERVICES (DHS) AND HUMAN SERVICE ZONE EMPLOYEE COMPENSATION. THE STUDY IS TO REVIEW:

- Total state and human service zone employee compensation, including wages and salaries, annual leave, pay grades, classification, disaster or emergency services volunteers' leave, employee assistance program benefits, family and medical leave, funeral leave, holidays, hours of work, administrative leave, jury and witness leave, leave without pay, the merit system, military leave, overtime compensation, retirement benefits, health insurance benefits, severance pay, sick leave, benefits for temporary employees, and time off to vote;
- Health insurance benefits, including the availability of health savings accounts, self-insurance, healthy lifestyle incentives, and the appropriateness of the human service zones' current health insurance benefits;
- Compensation equity between DHS, other state agencies, human service zones, and the market; within human service zones; within DHS; and between human service zones; and
- The feasibility and desirability of implementing compensation equity.

# COMP + EQUITY STUDY UPDATE

## DRAFT RFP Workgroup

- Sara S (DHS), Marcie W (DHS), Stacey B (HRMS), Lynn (HRMS)

## RFP/REVIEW SCORING TEAM

- Zones, DHS, DoH, HRMS

## TIMELINE

- Issue May 2022, Contract July 2022, Report Out During Session

## ▼ INDIRECT COST WORKGROUP UPDATE

- Ongoing work with NDACO, Zones, DHS and Abacus
- Challenges with the 2020 county wide cost allocation
- Further analysis through summer 2022
- Final recommendation in August 2022



## Contact Information

Sara Stolt, Chief Operating Officer  
600 E Boulevard Ave,  
3<sup>rd</sup> Floor, Judicial Wing  
Bismarck, ND 58505

Phone: 701-328-1891  
E-mail: [sarastolt@nd.gov](mailto:sarastolt@nd.gov)



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