

Testimony To The
INTERIM POLITICAL SUBDIVISION TAXATION COMMITTEE
Prepared Tuesday January 12, 2016 by
Terry Traynor, Assistant Director
North Dakota Association of Counties

REGARDING SOCIAL SERVICE FINANCING STUDY

Chairman Dockter and members of the Committee, it was requested that NDACo gather information regarding the ending fund balances and levies associated with county social services in the various counties. As noted at the last hearing, it is a bit challenging to get the absolute final word on these numbers this close to the end of the counties' fiscal year. Just as with the biennial close-out of the state budget, counties continue to receive documentation of receipts and expenditures for the prior fiscal year, well into January. Therefore, some county auditors were reluctant to provide what they feel may be inaccurate data; and the information received from those that did respond to our request should be considered preliminary.

The table contains data received from 37 counties, however, as the responses skew toward the larger counties; the survey results represent 82% of all social service taxation. To explain the table:

- Column a represents the approved budget for the social service unit in the fiscal (calendar) year just completed. This was included to provide some context for the ending fund balances.
- Columns b, c, & d are the ending fund balances in each of the county social services funds after close out of the books in the last three years. As indicated, some are reported for 2015 as estimates, some are not yet reported, and all should be considered preliminary.
- Column e reflects the 12/31/2015 balance as a percent of the CY2015 Budget. As footnoted, in the multi-county units that maintain one budget, the ending fund balances of participating counties were totaled to provide a more accurate comparison with the total unit budget.
- Columns f, g, & h are the mills levied now under the special social service levy #1220, but reflect the total of the three special social service levies available in prior years.

To summarize, the statewide total of fund balances at the end of this year for the 37 counties (82% of all budgets) is \$20 million or 26% of the funds budgeted for this past year in those counties.

The statewide average of mills levied for social services (for these counties) dropped somewhat more than projected in the DHS analysis of SB2206 from last session. It was projected that the assumption of state grant costs would save county property taxpayers an average of 2.31 mills. This preliminary data suggests the counties were actually able to reduce their levies by an average of 2.83 mills, or a 17.9% reduction. This increase is at least partly due to the additional funding the Legislature provided to those counties impacted by non-taxed tribal lands and the state hospital (indicated by * in the table).

Mr. Chairman and committee members, I would be happy to attempt to answer any questions, and will plan to provide a complete table once the counties' books are closed for the year.

Analysis of County Social Service Levies and Fund Balances

Prepared from a survey completed by County Auditors - January 2016

	a	b			c	d	e	f			g	h
	CY15 Soc. Ser. Budget	Soc. Ser. Ending Fund Balance					12/15 Bal. as % of CY15 Budget	Soc.Ser. Mills Levied				
		12/31/2013	12/31/2014	12/31/2015				TY2014	TY2015	TY2016		
Adams	\$540,753	(175,593)	(182,321)	(137,860)			-25%	38.25	32.09	20.00	*	
Barnes												
Benson												
Billings with Gold.Val.		270,677	305,876	320,620			#	7.89	6.99	6.65		
Bottineau	\$1,172,632	411,502	534,871	512,059			44%	15.18	11.17	10.58		
Bowman	\$806,056	279,015	305,876	303,534			38%	9.24	12.33	9.51		
Burke												
Burleigh	\$8,703,262	2,400,442	2,553,165	2,325,849	Est.		27%	15.82	13.39	11.82		
Cass	\$14,626,729	2,140,820	2,065,855	2,000,000	Est.		14%	19.50	18.71	13.66		
Cavalier	\$893,322	463,038	515,478	724,857			81%	16.84	20.00	13.50		
Dickey												
Divide	\$670,643	28,802	14,784	38,114			6%	8.63	6.52	5.21		
Dunn												
Eddy	\$485,129	124,826	70,709	19,249			4%	20.00	20.00	20.00		
Emmons												
Foster												
Golden Valley												
Grand Forks	\$9,167,572	1,472,476	1,624,355	N/A				21.66	21.95	19.05	*	
Grant												
Griggs												
Hettinger	\$600,484	(16,121)	(95,606)	20,836			3%	15.75	14.00	20.00	Note 1	
Kidder												
LaMoure												
Logan	\$261,619	68,126	38,634	113,286			43%	15.03	18.00	14.92		
McHenry	\$787,627	156,110	143,591	262,994			33%	13.21	16.86	12.14		
McIntosh	\$345,118	33,234	51,942	73,958			21%	16.91	16.36	15.22		
McKenzie	\$1,879,735	340,267	370,825	671,449			36%	-	3.00	6.86	Note 2	
McLean/Dak.Cntrl	\$2,803,420	100,332	(46,755)	(97,706)			11%	7.54	7.73	9.60		
Mercer Pt of Dak.Cntrl		262,063	197,246.53	99,055.50			#	8.02	12.64	12.53		
Morton	\$3,404,139	83,502	226,708	N/A				20.50	21.50	12.96	*	
Mountrail	\$2,220,477	234,488	364,699	507,802			23%	9.80	7.61	8.26		
Nelson												
Oliver Pt of Dak.Cntrl		93,467	163,620	254,852			#	19.48	18.98	16.48		
Pembina												
Pierce	\$802,998	30,852	120,926	137,212			17%	20.00	19.74	8.70		
Ramseys/Lakes	\$2,613,931	731,513	496,844	589,434			27%	24.00	32.43	20.00	*	
Ransom	\$497,538	116,294	121,626	146,117			29%	10.11	11.30	9.33		
Renville	\$372,977	74,295	64,251	73,500			20%	6.99	7.80	7.46		
Richland	\$1,862,293	754,985	743,864	729,568			39%	15.00	15.00	11.50		
Rolette	\$2,108,334	166,846	41,958	137,007			6%	27.92	28.00	20.00	*	
Sargent	\$500,277	67,372	112,009				0%	10.93	9.20	9.09		
Sheridan Pt of Dak.Cntrl		91,643	56,543	63,542			#	11.98	15.60	17.52	*	
Sioux												
Slope with Bowman		35,121	18,124	0				3.21	3.21	3.38		
Stark	\$4,734,498	1,583,095	2,161,890	3,221,431			68%	16.65	19.69	12.95		
Steele	\$295,557	354,185	415,869	372,714			126%	10.26	8.03	4.38		
Stutsman	\$3,421,560	1,933,378	1,787,500	2,153,619			63%	21.64	20.67	20.00	*	
Towner Pt of Lakes		95,233	116,370	117,865			#	11.87	11.32	9.56		
Trail	\$1,558,436	198,921	203,875	34,177			2%	19.64	15.62	16.15		
Walsh	\$1,590,074	(104)	44,048	18,856			1%	20.00	20.00	17.00		
Ward												
Wells	\$1,199,033	228,176	245,448	N/A				24.96	24.28	20.00	*	
Williams	\$5,096,026	1,688,015	2,443,811	4,216,634			83%	20.23	20.00	11.22		
TOTAL	\$76,022,249	16,921,293	18,418,510	20,024,624			26%	15.53	15.72	12.90		

Where appropriate, ending fund balances totaled in combined counties to to calculate percent against 2015 Budget

* Received an Emergency Human Services Grant

Average Mills Levied

Reduction 2.83 Mills (-17.9%)

Notes

1. Current balance includes \$148,000 transfer from the general fund. Hettinger County tried the best we could do for having a zero increase of mills for the previous years, but we could just not handle it with the increase of costs. We transferred from the General in December of 2015 to get Social Welfare funds in the right track and can see us now able to sustain costs

2. As indicated the repeal of various levies increased soc. Ser. levy since we cannot supplement the Soc. Services budget from other funds.