

Testimony To The
INTERIM POLITICAL SUBDIVISION TAXATION COMMITTEE
 Prepared Tuesday March 2, 2016 by
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REGARDING SOCIAL SERVICE FINANCING STUDY

Chairman Dockter and members of the Committee, it was requested that NDACo update the previously provided information regarding the ending fund balances and levies associated with county social services in the various counties. In the table on page 2, we now have fund balances and mills levied for social services from all 53 counties,

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 the close-out of their books in the last three years.
- 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 all counties was \$26 million or 28% of the funds budgeted for this past year in those counties. As you can see however, the percent of budget the reserves represent varies greatly from county to county, and (for many counties) from year-to-year as well.

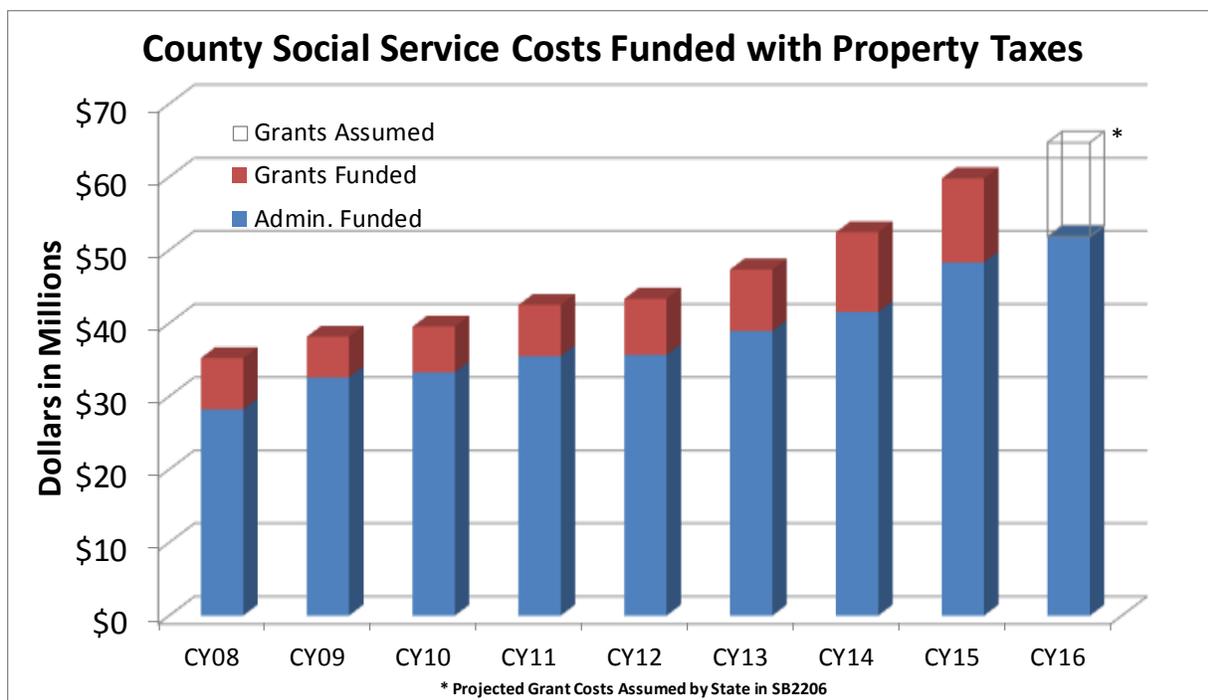
The statewide average of mills levied for social services dropped somewhat more than projected in the DHS analysis of SB2206 from last session. It was projected that the assumption of state grant costs would save county property taxpayers an average of 2.31 mills. This data indicates the counties were actually able to reduce their levies by an average of 2.51 mills, or a 16.7% reduction. This greater taxpayer savings 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).

We were also asked to turn this reduction of tax rates into dollars. The 2014 tax rates were applied to the 2014 taxable values, and the same was done for the 2015 data. The statewide difference is reflected in the graph below. I have indicated that this data remains a bit preliminary as the Tax Dept. is still verifying taxable value data for several counties.

As the table indicates, had the legislature not assumed the “grant costs” through SB2206, the counties would most likely have levied \$65 million, as opposed to the \$51.8 million they did levy, or the almost \$60 million they levied last year. Looking at it one way, the action of the Legislature resulted in over \$13 million in property taxes NOT being levied. Looking at it as a year-over-year change, the “savings” is not as great, due to the increase in county administrative costs associated with salary and benefit cost increases.

It must be understood when examining this data that it only reflects the portion of county social service budgets supported by current year property taxes – not the entire agency budget. Counties receive fairly significant federal reimbursement on certain activities and also may use a varying amount of other revenue sources and prior-year reserves to support administrative costs in any given year. Mr. Chairman and committee members, I would be happy to attempt to answer any questions.



	CY08	CY09	CY10	CY11	CY12	CY13	CY14	CY15	CY16
Admin. Funded	\$28.23	\$32.59	\$33.29	\$35.49	\$35.68	\$38.92	\$41.54	\$48.31	\$51.85
Grants Funded	\$7.00	\$5.56	\$6.25	\$7.00	\$7.67	\$8.43	\$10.91	\$11.50	\$12.87
Grants Assumed									\$12.87

Taxable values remain preliminary for a number of counties - this figure required some estimation

Analysis of County Social Service Levies and Fund Balances

Prepared from a survey completed by County Auditors - March 2016

	a	b			c	d	e	f			g	h		
	CY15 Soc. Ser. Budget	Soc. Ser. Ending Fund Balance			12/31/2013	12/31/2014	12/31/2015	12/15 Bal. as % of CY15 Budget	Soc.Ser. Tax Rate (Mills)			TY2013	TY2014	TY2015
Adams	\$540,753	(175,593)	(182,321)	(137,860)				-25%			38.25	32.09	20.00	*
Barnes	\$1,594,441	436,242	373,144	276,599				17%			16.00	16.00	16.16	
Benson	\$1,164,976	266,612	218,396	79,199				7%			6.34	11.79	7.10	
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	\$373,909	173,291	190,742	261,883				70%			9.36	8.89	6.21	
Burleigh	\$8,703,262	2,400,442	2,553,165	2,876,787				33%			15.82	13.39	11.82	
Cass	\$14,626,729	2,140,820	2,065,855	2,165,013				15%			19.50	18.71	13.66	
Cavalier	\$893,322	463,038	515,478	724,857				81%			16.84	20.00	13.50	
Dickey	\$899,114	337,870	547,384	503,287				56%			12.50	8.76	0.00	
Divide	\$670,643	28,802	14,784	38,114				6%			8.63	6.52	5.21	
Dunn	\$496,745	15,681	0	5,397				1%			3.22	2.27	2.51	
Eddy	\$485,129	124,826	70,709	19,249				4%			20.00	20.00	20.00	
Emmons	\$291,650	150,614	118,406	161,508				55%			5.29	8.75	5.88	
Foster	\$623,139	60,508	68,345	224,152				36%			20.00	20.00	16.67	
Golden Valley	\$498,091	16,881	28,767	38,479				72%	#		17.71	11.77	14.20	
Grand Forks	\$9,167,572	1,472,476	1,624,355	1,509,741				16%			21.66	21.95	19.05	
Grant	\$443,365	196,268	151,001	91,394				21%			13.52	12.67	20.00	*
Griggs	\$412,445	22,992	33,688	33,087				8%			16.70	18.62	15.70	
Hettinger	\$600,484	(16,121)	(95,606)	20,836				3%			15.75	14.00	20.00	
Kidder	\$391,960	162,320	158,620	159,420				41%			15.00	15.00	15.00	
LaMoure	\$456,579	(113,369)	0	(356,910)				-78%			10.89	10.48	9.81	
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%			0.00	3.00	6.86	
McLean/Dak.Cntl	\$2,803,420	100,332	(46,755)	(97,706)				11%	#		7.54	7.73	9.60	
Mercer Pt of Dak.Cntrl		262,063	197,247	99,056				#			8.02	12.64	12.53	
Morton	\$3,404,139	83,502	226,708	436,008				13%			20.50	21.50	12.96	*
Mountrail	\$2,220,477	234,488	364,699	507,802				23%			9.80	7.61	8.26	
Nelson	\$470,214	299,138	309,065	195,303				42%			14.95	10.00	9.56	
Oliver Pt of Dak.Cntrl		93,467	163,620	254,852				#			19.48	18.98	16.48	
Pembina	\$1,311,325	108,946	(88,208)	21,735				2%			10.19	15.37	14.67	
Pierce	\$802,998	30,852	120,926	137,212				17%			20.00	19.74	8.70	
Ramsey/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	83,528				17%			10.93	9.20	9.09	
Sheridan Pt of Dak.Cntrl		91,643	56,543	63,542				#			11.98	15.60	17.52	
Sioux	\$866,416	(55,724)	33,418	(66,434)				-8%			26.97	24.67	20.00	*
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	
Trails	\$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	\$7,635,266	644,444	988,840	1,624,406				21%			16.24	17.81	11.09	
Wells	\$1,199,033	228,176	245,448	63,542				5%			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	\$93,951,884	19,644,008	21,550,117	26,085,899				28%			14.90	14.99	12.49	

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

* Received an Emergency Human Services Grant

Average Mills Levied

Reduction 2.51 Mills (-16.7%)