

**Children's Services Coordinating Committee
Budget 324
House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2003-05 legislative appropriation	0.80		\$2,514,600	\$2,514,600
2001-03 legislative appropriation	1.00		7,823,126	7,823,126
2003-05 appropriation increase (decrease) to 2001-03 appropriation	(0.20)	\$0	(\$5,308,526)	(\$5,308,526)

Item Description

“Refinancing” funds - The 2003 Legislative Assembly estimated that a total of \$2,794,000 of federal funds would be generated from “refinancing” during the 2003-05 biennium.

“Refinancing” is a system administered through the Department of Human Services which claims federal reimbursement of eligible administrative costs of local schools, juvenile courts, and public health organizations under the federal IV-E foster care and federal Medicaid programs. The local organizations participating in the system complete time studies to document the amount of time spent with children eligible for the federal reimbursement. These time studies are submitted to the regional or tribal children’s services coordinating committee, reviewed by the state Children’s Services Coordinating Committee, and submitted for federal administrative cost reimbursement by the Department of Human Services. The federal reimbursements are received by the Department of Human Services. The department retains its percentage allocation and transfers the remaining funds to the state Children’s Services Coordinating Committee, which retains its percentage and distributes the remaining funds to the children’s services coordinating committee of the region or tribe that generated the funds through the time study reports. Each regional or tribal committee distributes the percentage allocation of funds to each of the organizations that generated the federal reimbursements and uses remaining funds for its administrative and operating costs and for other purposes based on the allocations approved by the Legislative Assembly.

The schedule below presents the allocation of the \$2,794,000 of federal funds estimated to be generated for the 2003-05 biennium as a result of participating entities claiming federal administrative cost reimbursements:

	Allocation 2003-05 Biennium	Estimated Amount
Department of Human Services	10%	\$279,400
Children's Services Coordinating Committee - Administration	5%	139,700
Children's Services Coordinating Committee grants		
• Participating entities generating federal funds	50%	1,397,000

Status/Result

Through May 2004, “refinancing” activities have generated \$1.1 million.

A recent federal departmental appeals board decision involving the State of Missouri and its method of claiming federal IV-E foster care funds will have a substantial negative effect on North Dakota’s ability to claim federal IV-E funds under the “refinancing” system. The federal appeals board concluded in the Missouri case that agencies claiming federal IV-E funds need to be supervised by the Department of Human Services or involved in the placement and care of children. Under North Dakota’s “refinancing” system, agencies, including juvenile courts, schools, and public health units, claim administrative reimbursement under the federal IV-E program but are not supervised by the Department of Human Services or responsible for the placement and care of children; therefore, based on the appeals board decision, the Department of Human Services believes that the activities of these agencies are nonreimbursable under federal IV-E foster care. The Department of Human Services will be discontinuing the “refinancing” program with the Children’s Services Coordinating Committee effective June 30, 2004. The Children’s Services Coordinating Committee and other agencies are in the process of assessing the impact of this decision on their current budgets.

• Grants to regional and tribal children's services coordinating committees for administrative costs and collaboration efforts	35%	977,900
Total	100%	\$2,794,000