

Testimony
Engrossed Senate Bill 2124-Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman
March 13, 2019

Chairman Weisz, and members of the House Human Services Committee, I am Jonathan Alm, an attorney with the Department of Human Services (Department). I appear before you to support Engrossed Senate Bill No. 2124, which was introduced on behalf of the Department.

The proposed changes in Section 1 of this Bill are regarding the duties of the state's attorney. The proposed changes do not add additional legal responsibilities on the state's attorneys, with the exception of representing the human service zone in adoption cases if the human service zone needs to respond to a petition for adoption pursuant to chapter 14-15 of the North Dakota Century Code, as the proposed changes currently fall under the duties of the state's attorney currently set forth in separate chapters, which are now referenced under section 11-16-01 of the North Dakota Century Code. Due to the change of the county social services structure, language also needed to be added to reflect the proposed structure change to a human service zone. If the proposed changes are not added to Section 1, the Department or the Attorney General's Office would need additional appropriation and full-time equivalent positions to provide legal representation and initiate proceedings under the statutes listed in this Bill. The proposed changes would ensure that the state's attorney would institute and defend proceedings, upon consultation with the Department, regarding: liability of a parent's estate to support a minor child under section 14-09-12 of the North Dakota Century Code; various provisions of the Revised Uniform Adoption Act under chapter 14-15 of the North Dakota Century Code; parental abuse under section 14-09-19 of the North Dakota Century Code; various provisions of the Uniform Juvenile Court Act under chapter 27-20 of the North Dakota Century Code; and general assistance under chapter 50-

01 of the North Dakota Century Code. This Section would also require the state's attorney of the host county in which the human service zone is located to act as the legal adviser for the newly created human service zones created under this Bill, including the responsibility to represent the human service zones regarding employer actions taken against human service zone team members. A definition for "host county" is first provided in Section 2 of this Bill, as well as in multiple other locations.

The proposed changes in Section 2 of this Bill change the effective date of section 11-23-01 of the North Dakota Century Code, regarding when county officers are required to furnish county commissioners with a departmental budget; and removes existing language regarding the budgeting process for county social service boards that will no longer be utilized given the new funding methods provided for under this proposed legislation. New language provides that the departmental budget submitted by a human service zone may not exceed an amount determined by the Department and the human service zone director pursuant to Section 130 of this Bill and must include the county's cost allocation of indirect costs based on a formula established by Department. Language is amended to clarify that the county share of the human service zone's indirect costs must be entirely funded from the county's general fund. The county share of the human service zone budget should only involve payment for those indirect costs that support the delivery of human services. Currently, the county's share of social services that is not being reimbursed by the State is being funded from the county's general fund. New language also establishes that the human service zone director shall submit a proposed increase in staff to the human service zone board for review. If the human service zone board approves the increase in staff, the human service zone director shall have the authority to hire that staff. Pertinent factors to be considered by Department in approving the hiring may include caseload information. If the Department approves an increase in staff, the human service zone budget may be increased by the amount determined necessary by Department to fund the approved additional staff. The human service zone director shall work with Department to achieve equitable compensation for all human service zone team members within a human service

zone, and that the director shall notify appropriate host county staff of all staffing changes for administrative purpose. "Host county" is defined as the county within the human service zone in which the administrative office is located and in which the human service zone team members are employed. The same definition of "host county" is also found in Sections 24, 61, and 71 of this Bill.

The proposed changes in Sections 3 through 8 and Section 11 of this Bill remove language regarding "county public assistance agencies", and replaces references to "county social services boards", "board of county commissioners", or "counties" with language referring to the newly created "human service zones" throughout title 14 of the North Dakota Century Code, relating to "Domestic Relations and Persons". Section 3 also adds a provision providing that printed material regarding child support must state that more information may be obtained by calling state public assistance agencies or human service zones. Section 7 clarifies that if a parent chargeable with the support of a child dies leaving it chargeable upon the human service zone but also leaves an estate sufficient for support, the Department, in the name of the human service zone, may institute a civil action to claim provision for its support instead of the board of county commissioners.

The proposed changes in Section 9 of this Bill adds human service zone to the notice requirement for parents placing that person's own child in the home of the child's grandparent, uncle, or aunt for adoption or guardianship by the person receiving the child.

The proposed changes in Section 10 of this Bill provide a definition of "human service zone" within chapter 14-15 of the North Dakota Century Code, relating to the Revised Uniform Adoption Act. Human service zone is defined as "a county or consolidated group of counties administering human services within a designed service area in accordance with an agreement or plan approved by the department." The same definition of "human service zone" is also provided in Sections 18, 24, 27, 61, 90, 94, 110, 115, 120, 127, and 130 of this Bill.

The proposed changes in Section 12 of this Bill require that a human service zone be provided notice and a copy of the petition in proceedings for a petition to adopt a minor under chapter 14-15 of the North Dakota Century Code; and also provides that Department and the human service zone may give consent to the adoption, and may request the licensed child-placing agency to conduct further investigation as needed.

The proposed changes in Section 13 of this Bill amend current language that states that a final decree of adoption may not be issued, and an interlocutory decree of adoption does not become final, until the minor to be adopted has satisfied one of four residency options. One of those current options is that the minor has lived in the adoptive home for at least six months after the Department or the court has been informed of the custody of the minor by the petitioner, and the Department or the court has had an opportunity to observe or investigate the adoptive home. This section just grants human service zones the same authority that the Department or courts have to be informed of the custody, and to observe or investigate the adoptive home.

The proposed changes in Sections 14 of this Bill contains language stating that a petitioner for adoption is not required to show proof that a health insurance policy is in effect which provides coverage for the individual to be adopted, if the person to be adopted is not in legal custody of the Department, a county social service board, or a child-placing agency. Section 15 of this Bill contains identical language, except for referencing county social service boards it references a “human service zone”. Section 14 expires on December 31, 2019, and Section 15 becomes effective thereafter.

The proposed changes in Section 16 of this Bill amends language in the interlocutory decree of adoption process to state that the court may issue an interlocutory decree not less than six months nor more than one year after the minor was placed in the adoptive home by an agency or after the Department and human service zone or the court was informed of the custody of the minor by the petitioner, unless sooner vacated by the court for good cause shown.

The proposed changes in Section 17 of this Bill replace references to “county social services boards” and “county’s general assistance policy” with language referring to the newly created “human service zones” and “human service zone’s general assistance policy” with regard to responsibilities for indigent burial. The proposed changes also assign to the Department the authority to negotiate with funeral directors regarding expenses instead of the county social services board.

The proposed changes in Section 18 of this Bill would amend definitions provided in chapter 23-41 of the North Dakota Century Code, relating to Children with Special Health Care Needs. It would remove the definition of “county agency”; create a definition for the newly created “human service zone”; and provide a new definition for “human services”, which incorporates the definition of “human services” in chapter 50-06 of the North Dakota Century Code. The same definition of “human services” is also found in Sections 61, 78, 90, and 130 of this Bill.

The proposed changes in Sections 19-23 replace “county agency”, “county”, and “county social service board” with “human service zone” within sections 23-41-06, 25-04-11, 25-04-16, and 26.1-45-13 of the North Dakota Century Code regarding duties of human service zones, disposition of a person who is not a legal resident, care of the developmentally disabled, and Qualified Service Providers. Section 20 adds “human service zone” to section 25-04-08.1 of the North Dakota Century Code regarding notification before discharge of a committed individual.

The proposed changes in Section 24 of this Bill adds new definitions of “host county” and “human service zone” within chapter 27-20 of the North Dakota Century Code, relating to the Uniform Juvenile Court Act.

The proposed changes in Section 25 of this Bill relate to venue for cases regarding disposition of a child needing continued foster care services. The proposed change only reflects the creation of the human service zones and does not modify which county would still be the proper venue.

The proposed changes in Section 26 of this Bill contain language regarding a child in the custody of the Department or county social service board, while Section 27

contains language regarding human service zone and the Department having custody of a child. Both sections of language are contained in Section 27-20-20.1 of the North Dakota Century Code. The language in Section 26 is effective through December 31, 2019, and thereafter inactive, at which point the language in Section 27 becomes effective. Section 27 also provides a definition of human service zone.

The proposed changes in Sections 28-30 and Section 33 of this Bill replace “county social service board”, “administrative county”, and “county” with “human service zone” in various provisions under the Uniform Juvenile Court Act within chapter 27-20 of the North Dakota Century Code. The proposed change in Section 29 also updates a citation.

The proposed changes in Sections 31 and 32 of this Bill provide that a relative who is legal custodian of a child may enter into an agreement with Department and county social service board to receive a subsidized guardianship payment through December 31, 2019, and after that they may enter into the same agreement with Department and a human service zone.

The proposed changes in Sections 34 and 35 of this Bill provide for notice of petition and summons regarding proceedings for termination of parental rights to be provided to a county social service board and Department through December 31, 2019, and after that for the notice to be provided to the human service zone and Department.

The proposed changes in Section 36 and 37 of this Bill provide that upon an order terminating parental rights, if there is no parent having parental rights, one option is to commit the child to the custody of the county social service director up until December 31, 2019. After that date, one option will be to commit the child to the custody of the human service zone director. Previous language had directed the child to be placed into the custody of the Executive Director of the Department.

The proposed changes in Section 38 of the Bill adds “human service zone” along with the county under the Uniform Juvenile Court Act within chapter 27-20 of the North Dakota Century Code; and also directs payment to human service zone

offices when certain costs and expenses have been paid by the human service zone regarding the care and support of a child.

The proposed changes in Section 39 of this Bill replace references to “county social service agencies” with “human service zones”, with regard to duties relating to the destruction of juvenile court records under the Uniform Juvenile Court Act.

The proposed changes in Section 40 of this Bill replace “county social service agency” with “human service zone” in a subsection regarding responsibility for disclosure of juvenile records.

Due to the proposed changes in Sections 45 through 60, Section 41 of this Bill is updated to reflect that the Department, through the human service zones, will be providing for general assistance.

The proposed changes in Sections 42 and 43 of this Bill change references from “county social services” to “human service zones” regarding guardianships.

The proposed changes in Section 44 of this Bill change language from “multicounty social service districts” to “human service zones” in language regarding local governance advisory studies.

The proposed changes in Section 45 of this Bill amend language regarding assistance for the poor by changing wording from “county human services” or “county” to “human service zone” and “county general assistance” to “general assistance”; and removing language that had previously conditioned the grant of county assistance on the applicant transferring certain property into trust.

The proposed changes in Section 46 of this Bill transfers the responsibility for determining eligibility for general assistance from the county social service board to the human service zone director or designee; and direct that appeals of eligibility determinations for general assistance now be directed to the human service zone board, rather than to the county social service board.

The proposed changes in Section 47 of this Bill renames “county general assistance” to “general assistance” and transfers general assistance authority to the human service zone and its director or the director’s designee; under existing law, that authority had resided with the county social service board of each county.

The proposed changes in Sections 48 and 49 of this Bill renames “county general assistance” to “general assistance” and transfers the responsibility for record-keeping for general assistance and for providing medical attention and hospitalization to the poor to the newly created human service zones.

The proposed changes in Sections 50, 51, and 54 of this Bill transfers the responsibility for administering work requirements for general assistance from counties to the human service zone in which a person is a resident; and rename “county general assistance” to “general assistance”.

The proposed changes in Sections 52 and 53 of this Bill transfer the responsibility for administering community work experience programs from counties to the Department and provides that the human service zone shall provide transportation and all other costs for a recipient’s participation in the program.

The proposed changes in Section 55 of this Bill allows a county and the Department to seek recovery for county general assistance or general assistance; and removes language stating that the county may recover for necessities furnished to an indigent person from that person’s father, mother, or adult children.

The proposed changes in Section 56 of this Bill establishes the county and the Department has a preferred claim against the estate of a recipient of county general assistance or general assistance.

The proposed changes in Sections 57 through 60 of this Bill, for the purpose of determining residency for general assistance purposes, changes the wording from “county general assistance purposes” to “general assistance purposes”, and change references from “county” to “human service zone”.

The proposed changes in Section 61 of this Bill create a number of new definitions within section 50-01.1-01 of the North Dakota Century Code, which had previously provided for the creation of “multicounty social service districts”. Definitions are now provided for the purpose of establishment of “human service zones”. “Human service zone director”, is defined as a “human service zone team member who oversees the human service zone’s operation, budget, and serves as presiding officer of the human service zone board” (The same definition of “human service zone director” is also found in Section 130 of this Bill). “Human service zone team member” is defined as a “county employee who are responsible for administering or delivering of human services under the direction of the human service zone director.” “Indirect costs” is defined as “salaries, benefits, and operating costs incurred in providing those goods and services to support human services that are generally available for the common benefit of multiple county agencies. These costs include legal representation; facilities and related costs, such as utilities and maintenance; administrative support including payroll, accounting, banking, and coordination; information technology support and equipment; and miscellaneous goods and services, such as transportation, supplies, insurance coverage, phone, and mail services.” (The same definition of “indirect costs” is provided in Section 130 of this Bill.) Other definitions provided for in this section include “host county”, “human service zones”, “human services”, and “locally administered economic assistance programs”.

The proposed changes in Section 62 of this Bill amends section 50-01.1-02 of the North Dakota Century Code that had previously provided for the consolidation of county agencies into multicounty social service zones. The proposed changes now provide for the creation of human service zones. Under this language, counties are required to combine and consolidate their county agencies into a human service zone. This section amends existing language to specify that human service zones succeed to all the powers and duties enumerated for county agencies and shall perform all the functions and responsibilities assigned to county agencies by title 50 of the North Dakota Century Code; requires counties to identify other counties to

enter into a human service zone agreement with, and to file a written agreement for the creation of a human service zone with the Department by December 1, 2019. The agreement must identify the proposed counties of the human service zone, host county, and identify human service zone board members. The Department is required to review and approve all agreements in accordance with section 50-01.1-03 of the North Dakota Century Code, and may modify agreements. If counties do not submit an agreement, the Department shall create the human service zone. The board of county commissioners shall also submit a detailed plan for operation of the human service zone, as specified by section 50-01.1-04 of the North Dakota Century Code, by June 1, 2020, which Department shall approve by January 1, 2021. During the development of this plan, the board of county commissioners shall provide quarterly updates as requested to Department. The agreement and proposed plan must be approved or disapproved by Department in accordance with sections 50-01.1-03 and 50-01.1-04 of the North Dakota Century Code.

Section 62 also creates new language that provides that a county with a population exceeding 60,000 according to the 2010 Census may submit an agreement and the proposed plan to operate as a single human service zone or consolidate with other counties into a human service zone; states that counties shall consider leveraging existing cooperative agreements with other counties in order to best meet needs; establishes that a social service zone plan must allow non-residents of the participating counties of a human service zone to access services and must also continue to provide funding for indirect costs associated with the service delivery of human services; and states that the plan must provide the human service zone director with authority to hire and impose discipline upon human service zone team members.

Section 62 provides the following requirements for counties' plans for the creation of human service zones. The plans must:

1. Specify role transitions for human service zone team members as well as the procedures for team member appeals, grievances, and disciplinary actions;

2. Permit Department authority to reduce FTEs in combination with a transfer of the positions;
3. Specify that reduction in access points may only be made with agreement of the human service zone board, affected county commissions, and Department;
4. Include information regarding the human service zone's liability coverage;
5. Include a statement of agreement between the human service zone and Department allowing for review of proposed transfers of staff from the human service zone to the Department, from Department to the human service zone, or among other human service zones;
6. Include a description of all unique locally provided programs and services that the counties are proposing to continue to provide within the human service zone; and
7. Set forth the membership of the human service zone board, which may not consist of more than 15 members, as determined by boards of county commissioners.

The proposed changes in section 63 of this Bill change wording from “multicounty social service district” to “human service zone”; and removes existing language that allowed a county denied approval to establish a multicounty social service district the ability to appeal the decision. New language is added regarding necessary criteria in determining whether a social service zone should be approved or established, including the amount of access points for individuals to apply and receive services; the existing pattern of the counties trade area, the size of the county population, and whether the proposed human service zone is excluding a county that shares an urban area with other counties in the proposed zone, among other considerations. This section establishes that the number of human service zone created may not exceed nineteen, and notes that the Department shall have final approval of all human service zones and shall also have the authority to establish or modify a human service zone. Finally, it requires that all human service zones must be

initially approved or established by January 1, 2020, and that they may be modified thereafter.

The proposed changes in Sections 64 and 65 of this Bill relate to section 50-01.1-04 of the North Dakota Century Code. Provisions in Section 64 are effective from August 1, 2019 to December 31, 2019, and are then ineffective, while Section 65 becomes effective January 1, 2020. Sections 64 and 65 change wording from “multicounty social service district” to “human service zone”; and also adds language stating that “the plan must also require the participating counties to participate in the indirect cost allocation plan”. Sections 64 and 65 remove existing language from subsection 1 of section 50-01.1-04 of the North Dakota Century Code stating that “the plan must provide that all services provided by county officials to county agencies under this code be provided by those county officials residing within the same county in which the district office of the multicounty social service district is located” and also removes language stating that “the plan also may provide that the regional director of a regional human service center serves as the director of the multicounty social service district.” Sections 64 and 65 adds language setting forth that the Department has authority to rescind, terminate, or modify the human service zone plan.

Section 65 also makes a variety of changes to the provisions in subsection 2 of section 50-01.1-04 of the North Dakota Century Code. Pursuant to the proposed language social service zone directors will be required to prepare a proposed budget for the human service zone for Department approval. After Department approval, the social service zone budget will be required to be submitted to the board of county commissioners in each county for review. New language establishes that the board of county commissioners may not take any action to amend or modify the amount approved by Department, but that they may make recommendations to the Department or human service zone director to amend or modify the amount proposed or budgeted. New language is also added specifying that the human service zone’s income shall be deposited into a human service zone human services fund by the treasurer of the host county where the human service zone office is

located. The human service zone board is granted authority to establish procedures for the review and approval of all claims against this fund. The county treasurer of the host county will be required to pay approved or ratified claims from the human service zone human services funds. New language also provided that the Department has authority to recalculate and adjust each human service zone's formula payment biannually based on factors such as actual expenditures over the prior or current payment period, current costs, offered service, need, income, performance of duties assigned by the Department, and caseload. Section 65 also removes a significant amount of language in subsections 3 and 4 of section 50-01.1-04 of the North Dakota Century Code addressing the makeup of the governing board of a multicounty social service district; similar language, however, is added in Sections 72 and 73 of this Bill to help determine how the human service zone board should be established, how it's membership is to be determined, and other considerations.

The proposed language in Section 66 of this Bill creates a new section in chapter 50-01.1 of the North Dakota Century Code relating to the duties of human service zone. This language establishes duties and responsibilities to be performed by the human service zone under the direction and supervision of the Department, including the supervision and direction of all human service activities conducted by the human service zone, including general assistance or other public assistance; supervision and administration of human services in the human service zone which are financed in whole or in part by funds allocated or distributed by the Department; to administer programs such as supplemental nutrition assistance program, home energy assistance program, designated child welfare services, and other human services; the duty to charge and collect fees and expenses for services provided by its staff in accordance with policies and fee schedules adopted by the Department; the duty to supervise and administer replacement programs with similar objectives; duty to supervise and administer experimental or pilot projects when necessary; duty to cooperate with other human service zones to assure the conduct of initial and ongoing human services with respect to applicants who are present in other human service zones; the duty to employ a human service zone director who shall

serve as the presiding officer of the human service zone board; and the duty to collaborate with Department and other human service zones to ensure the provision of quality, effective, and efficient human services to North Dakotans.

The proposed language in Section 67 of this Bill creates a new section in chapter 50-01.1 of the North Dakota Century Code relating to the human service zone directors. This section requires that human service zone directors must be employees of the human service zone and located within the human service zone, unless serving more than one human service zone; shall serve as the presiding officer of the human service zone board; may serve more than one human service zone; may hire, discipline, and direct the work of human service zone team members, including the discretion to hire a human service zone team member on behalf of the human service zone board; shall notify the Department and appropriate host county staff concerning various personnel moves regarding a human service zone team member; may notify county commissioners, the human service zone board, or other appropriate county staff regarding transfers of staff between county and the Department; shall establish, in partnership with Department, equitable compensation for all human service zone team members; shall develop a budget for the human service zone in partnership with the Department and other human service zone directors; may serve as a designee of Department to supervise Department employees within the human service zone; and are the custodian designees of the executive director of the Department for any child in the custody of the Department.

The proposed language in Section 68 of this Bill creates a new section in chapter 50-01.1 of the North Dakota Century Code to allow a human service zone and the Department to contract with another human service zone or any other person to discharge or exercise their powers to administer human services.

The proposed language in Section 69 of this Bill creates a new section in chapter 50-01.1 of the North Dakota Century Code to permit the Department to adopt standards and training requirements for administration of human service. It provides that Department shall develop a system of progressive discipline to address performance issues within the human service zone. It states that Department shall

provide ongoing performance notifications to the human service zone board and human service zone director related to compliance with the standards of administration. It also provides authority for the Department to take actions to remedy failure of human service zones to meet these requirements, including the ability to require additional training, to require a corrective action plan of the human service zone, to terminate or modify a human service zone plan, to recalculate and adjust payments to the human service zone, or to recommend disciplinary action to the human service zone director or the human service zone board.

The proposed language in section 70 of this Bill creates a new section in chapter 50-01.1 of the North Dakota Century Code, which states that Department must be an active participant in the hiring process of the human service zone director and shall designate at least two individuals to be on the interview panel.

The proposed language in Section 71 of this Bill removes existing definitions in section 50-01.2-00.1 of the North Dakota Century Code, regarding local expenses of administration and locally administered economic assistance programs as “local expenses of administration” is no longer used and “locally administered economic assistance program” definition has been moved to Section 61 of this Bill. Also provided is a definition for “host county” with regard to human service zones.

The proposed language in Sections 72 and 73 of this Bill addresses the establishment of a human service zone board. It establishes that each of the boards of county commissioners within a human service zone shall appoint the appointed members of the human service zone board. It also clarifies that appointed members of the human service zone board must consist of local elected officials, state elected officials, and other key community partners, and that each county must be represented on the human service zone board by at least one county commissioner of that county. It also sets guidelines regarding sex, race, and ethnicity of board members, and requires the appointed members to elect a vice-presiding officer and a secretary and other officers as the zone board determines necessary. New language also clarifies that the human services zone director shall serve as presiding officer of the human service zone board as a non-appointed member.

Human service zone board members will be appointed to three-year terms, with the initial board appointed to staggered terms. Human service zone board members will be compensated at a rate to be determined by the host county commission, upon consultation with other county commissions in the human service zone consistent with the rate of compensation for members of other appointed boards within the member counties and not to exceed the compensation and expense reimbursement of members of the legislative assembly. Language also provides for payment for members' mileage and actual expenses incurred in attending meetings and in other performance of official duties.

The proposed language in Section 74 of this Bill establishes the duties of the human service zone board. This includes providing information to the Department relative to the community needs of the human service zone residents, and to advocate to meet those needs; to review services and programs provided by the human service zones and to make periodic recommendations for improvement; to aid and assist in coordinating human service activities within the human service zone by private and public organizations, and to establish procedures for the review and approval of all claims against the human service zone human services fund. It also includes authority to hire, supervise, and take other personnel actions related to the human service zone director with direct consultation and involvement from the Department; and to hear and act on employee grievances in accordance with the human service zone plan and in compliance with merit system requirements.

The proposed language in Section 75 of this Bill clarifies that the duties of county social service boards that existed prior to the social service pilot project created by 2017 Senate Bill 2206 shall remain in effect through December 31, 2019, at which point they shall expire. In addition, as a result of the proposed payment structure for human service zones set out in Section 130, Section 75 removes the social service boards' requirement to provide the Department a report of total mills levied for human services and language regarding the Department reimbursing county social service boards for expenses of locally administered economic assistance programs.

The proposed language in Section 76 of this Bill permits the appointing board of county commissioners to adopt a resolution to remove an appointed member of a human service zone board without cause; but also clarifies that a board of county commissioners may not remove the human service zone director as presiding officer of the human service zone board.

The proposed language in Section 77 of this Bill adds “general assistance” wording in addition to referencing county general assistance, and notes that a suit arising out of the administration of laws relating to support of persons eligible for general assistance may be brought by or against a human service zone.

The proposed language in Section 78 of this Bill provides a definition of Human Services, matching definitions provided elsewhere in this Bill.

The proposed language in Section 79 of this Bill removes outdated references relating to the structure of the Department and adds language that the Department is the official agency of the state with regard to administration of general assistance based on the human service zone proposal and child support. The amendment replaces a reference to “county social service agencies” with “human service zones”. This section also adds new language stating that by August 1, 2019, Department shall establish a template for the development of human service zone plans, including process and content requirements, access point expectations, client grievance procedures, human resources, and locally funded programs or services and how those services will be addressed; and a requirement that Department shall develop, along with the North Dakota Association of Counties, a process for consultation and technical assistance for human service zone working groups by August 1, 2019.

The proposed language in Section 80, 82, 84, 85, 86, 87, and 89, of this Bill changes wording from “county social services” or “county social service board” to “human service zone” in sections 50-06-01.9, 50-06-05.3, 50-06-06.2, 50-06-06.5, 50-06-06.14, 50-06-12, and 50-06.2-01 of the North Dakota Century Code regarding the authority of the Department.

The proposed language in Section 81 of this Bill adds and places language to reflect Department's powers and duties to include human service zones instead of county social service boards and to administer a statewide program for state-funded human services, staffing, and administration costs related to the administration of human services. Section 81 also replaces various references to "county" or "counties" with "human service zone" and removes a citation. It provides that Department may act as decedent's successor for purposes of collecting amounts due to the Department or human service zone, unless otherwise directed or determined by the Department. Section 81 also add additional language to address the Department's ability to administer, allocate, and distribute funds made available for kinship care services and payments and services in response to the Federal Family First Prevention Services Act and to contract with another human service zone or any other public or private person to discharge Department's duties or powers.

The proposed language in Section 83 of this Bill retains language effective until December 31, 2019, that was created under the social services pilot project that requires Department to pay each service area's expenses for social service programs for calendar years after December 31, 2017. The amendments in Section 83 also establishes that after December 31, 2019, the Department shall pay each human service zone's expenses for administering human services for all calendar years thereafter, based on the formula payment amount calculated for each human service zone under Section 130. New language also provides that the Executive Director of the Department shall authorize expenditures from the human service finance fund to reimburse the Department for its costs of providing human services that historically have been provided by a county, human service zone, or for a new service or program based on state or federal law.

The proposed language in Section 88 of this Bill clarifies that the state shall bear the cost, in excess of the amount of funds provided by the federal government, of human services provided by the human service zones; general assistance under chapter 50-01 of the North Dakota Century Code; special projects approved by Department and agree to by any affected human service zone are programs that

must be funded at state expense for amounts in excess of funds provided by the federal government; and programs and services unique to the human service zone which have been included in the approved human service zone plan. Additionally, this section notes that the state shall bear the costs of amounts expended for payments to the elderly and disable and for expanded service payments for elderly and disabled.

The proposed language in Section 90 of this Bill removes and adds definitions within the “Comprehensive Human Services Programs” chapter 50-06.2 of the North Dakota Century Code. It removes definitions for “county agency” and “county plan” which are no longer applicable; adds definitions for “human service zone”, “human service zone plan”, and “human services”; and replaces “county agency” with “human service zone”. Additionally, “qualified service provider” is defined to mean a human service zone or independent contractor, which can be an individual or an agency, who agrees to meet standards for services and operations established by the Department.

The proposed changes in Sections 91 and 93 of this Bill remove and replace language within section 50-06.2-03 and 50-06.2-06 of the North Dakota Century Code. The word “programs”, located after the words “human services”, is removed as redundant based on the definition of “human services”, and in multiple locations references to “county” or “county agencies” are replaced with “human service zones”.

The proposed language in Section 92 of this Bill retains the powers and duties of county agencies as they currently exist relating to human services through December 31, 2019. On January 1, 2020, section 50-06.2-04 of the North Dakota Century Code would be amended to provide that human service zones will take on the responsibility for administering comprehensive human services for individuals and families at the human service zone level. At multiple locations “county human services” wording is replaced with “human service zone” to reflect that change. This section retains requirements for the creation of a human service zone plan to guide the efforts of the human service zone. Additionally, the section clarifies that the

human service zone shall make certain services available to any individual requesting service and determined eligible on the basis of a functional assessment conducted in accordance with state and federal laws and regulations. It also establishes that a human service zone shall submit annually to the board of county commissioners a budget, approved by the state agency (Department), containing an estimate and supporting data, setting forth funds necessary to carry out the provisions of chapter 50-06.2 of the North Dakota Century Code.

The proposed change in Section 94 of this Bill removes the definition of “county agency” and adds the definition of “human service zone” within section 50-09-01 of the North Dakota Century Code regarding aid to dependent children.

The proposed language in Sections 95 through 108 of this Bill make changes to sections 50-09-02, 50-09-02.2, 50-09-03, 50-09-04, 50-09-06, 50-09-07, 50-09-08, 50-09-08.2, 50-09-08.3, 50-09-08.4, 50-09-09, 50-09-14, 50-09-29, and 50-09-30 of the North Dakota Century Code regarding aid to dependent children replace the references to “county” or “county agencies” to “human service zones”.

The proposed changes made within Section 95 in regards to subsections 20 and 21 of section 50-09-02 of the North Dakota Century Code give the Department the ability to determine if the human service zone should not administer the child and family services and federal payments for foster care and adoption assistance.

The proposed changes made in Section 96 clarify that either the human service zone or state agency (referring to the Department) will be involved in the process for providing assistance for adopted children with special needs, previously section 50-09-02.2 of the North Dakota Century Code just addressed the county agency.

The proposed changes made in Section 97 of this Bill clarify that the human service zone has certain duties under this chapter 50-09 of the North Dakota Century Code regarding to aid to dependent children, unless otherwise directed or determined by the state agency. It also updates language that the human service zone shall submit annually, through the human service zone director, to the state agency a budget for

the human service zone instead of the county submitting to the board of county commissioners.

The proposed changes made in Section 98 of this Bill adds language to state that human service zones are required to preserve and protect the religious faith of children under their jurisdiction.

The proposed changes made in Section 99 of this Bill clarifies that applications for assistance for aid to dependent children may be made to either the human service zone or state agency.

The proposed changes made in Section 100 of this Bill clarify that when a human service zone or state agency receives an application for assistance for aid to dependent children; the human service zone, unless otherwise directed by the state agency, shall make an investigation and record of the matter.

The proposed changes made in Section 101 of this Bill establishes that the Department may request from human service zones information deemed necessary to carry out the child support enforcement program.

The proposed changes made in Sections 103, 104, 107, and 108 of this Bill merely changes references from “county agencies” to “human service zones” and changes “department” to “state agency” within chapter 50-09 of the North Dakota Century Code, relating to aid to dependent children.

The proposed changes made in Section 102 of this Bill change “department” to “state agency” and adds “human service zone” to the list entities that a person is immune from suit or liability under any state or federal law for any disclosure of information made under chapter 50-09 of the North Dakota Century Code, relating to aid to dependent children.

The proposed changes made in Section 105 of this Bill clarify that upon completion of an application for assistance for aid to dependent children, a human service zone or the state agency is responsible for determining whether the applicant may be

provided assistance, what type of assistance may be provided, and the date upon which assistance may begin.

The proposed changes made in Section 106 of this Bill clarify that an applicant for temporary assistance for needy families, who is aggrieved by a human service zone or state agency decision or delay in making a decision, may appeal to the state agency.

The proposed changes made in Section 109 of this Bill revise the definition of “authorized agent” within chapter 50-11 of the North Dakota Century Code, relating to foster care. This change reflects that the human service zone will now be the Department’s the authorized agent.

The proposed changes made in Section 110 of this Bill again reflect that the human service zone will be defined as authorized agent for chapter 50-11.1 of the North Dakota Century Code, relating to early childhood services, removes language providing a definition for “county agency”, and provides the same definition for “human service zone” that has been provided in multiple other locations within this Bill.

The proposed changes made in Section 111 of this Bill change wording from “county social service board” to “human service zone” regarding the foster care parent grievance process.

The proposed changes made in Section 112 of this Bill clarify that a human service zone is now involved in the foster care parent grievance process by replacing the county social service boards in that role. New language also clarifies that if no written resolution is made at the formal grievance hearing, the foster parents may request a formal hearing to be held at a conflict free human service zone office. The human service zone director or their designee will be responsible for providing a record of this hearing and must review all prior contact between the foster care parents and the Department or human service zone relating to the grievance. The human service zone director is then required to make a final determination relating to the grievance.

The proposed changes made in Section 113 require that the human service zone or Department take over the authority county agencies previously had to investigate and record the circumstances of each applicant or recipient of medical assistance, in order to ascertain the facts supporting the application, or the granting of assistance.

The proposed changes made in Section 114 of this Bill provide guidelines for human service zones and the Department to investigate medical assistance applications. It allows Department to request from human service zones information necessary to carry out the medical support program and allows human service zone or Department employees to administer oaths and affirmations.

The proposed changes made in Section 115 of this Bill amend definitions in chapter 50-24.5 of the North Dakota Century Code, relating to aid to aged, blind, and disabled persons. The definition for “county agency” is removed and a definition for “human service zone” is added.

The proposed changes made in Sections 116 through 118 of this Bill changes “county agency” to “human service zone” in sections 50-24.5-02, 50-24.5-03, and 50-24.5-07 of the North Dakota Century Code, relating to aid to aged, blind, and disabled persons.

The proposed changes in Sections 119 and 123 of this Bill remove references to section 50-03-08 of the North Dakota Century Code, which is repealed by Section 138 of this Bill.

The proposed changes in Section 120 of this Bill amend definitions in chapter 50-24.7 of the North Dakota Century Code, relating to expanded services payments for elderly and disabled. The definition for “county agency” is removed and a definition for “human service zone” is added. Additionally, qualified service provider is defined to mean a human service zone or independent contractor, which can be an individual or an agency, who agrees to meet standards for services and operations established by the Department.

The proposed changes in Section 121 of this Bill reflect that the Department would now supervise and direct human services zones, instead of county agencies, in the administration of expanded service payments for the elderly and disabled.

The proposed changes in Section 122 of this Bill reflects a transfer of powers and duties from counties to the newly created human service zones when it comes to administering the expanded service payments for the elderly and disabled.

The proposed changes in Section 124 of this Bill clarify definitions under chapter 50-25.1 of the North Dakota Century Code, regarding child abuse and neglect. It establishes that a designee of the human service zone director shall serve as the presiding officer of a local child protection team, together with other representatives that the Director selects. It removes language requiring the county social service board to consent to the members the Director selects for the local child protection team. The proposed language replaces the county social service board as the Department's authorized agent with the human service zone. The proposed changes replace "county social service board", "county", and "multicounty" with "human service zone." It also establishes language saying the Department may coordinate the organization of local child protection teams on a human service zone basis, previously the language was mandatory.

The proposed changes in Section 125 of this Bill clarify that child fatality review panels shall promote interhuman service zones communications regarding child death.

The proposed changes in Section 126 of this Bill replaces "county social service boards" with "human service zone" and adds "zone" to ensure the Department or the human service zone are not required to implement or enforce vulnerable adult protective services provisions if an appropriation is not provided by the legislature to support that implementation in a zone.

The proposed changes in Section 127 of this Bill, amends definitions in chapter 50-29 of the North Dakota Century Code, relating to children's health insurance

program. The definition for “county agency” is removed and a definition for “human service zone” is added. The proposed changes also update a legal citation.

The proposed changes in Section 128 of this Bill updates a legal citation and removes language regarding the duties of the Department regarding children’s health insurance program that had previously required the Department to provide reimbursement to counties for expenses occurred in the administration of the children’s health insurance program as reimbursement to the human service zone would occur in accordance with Section 130 of this Bill.

The proposed changes in Section 129 of this Bill replaces “county agency” with “human service zone” regarding the duties of the human service zone for the children’s health insurance program.

The proposed changes in Section 130 of this Bill create chapter 50-35 of the North Dakota Century Code, relating to state paid human services. Please note that Section 143 of this Bill declares Section 130 to be an emergency measure to address proposed section 50-35-06 of the North Dakota Century Code. Provided below is analysis of each new section created under Section 130:

50-35-01: Provides definitions, including “department”, “director”, “economic assistance”, “human service zone”, “human service zone director”, “human services”, and “indirect costs”. The definition of “economic assistance” mirrors the definition of “locally administered economic assistance programs” currently in section 50-01.2-00.1 of the North Dakota Century Code. The definitions for “human service zone”, “human service zone director” and “human services” are the same definition as provided elsewhere in this Bill. The definition of “indirect cost” is the same definition as provided in Section 61 and will be used to establish the formula payment to be paid by the Department to the county to cover the county’s indirect costs.

50-35-02: The proposed language establishes that the Department shall administer a statewide program for state funding of staffing and administrative costs related to the administration of human services. The proposed

language details that payments to human service zones and Department must be paid pursuant to formula provided for in the proposed section 50-35-04 of the North Dakota Century Code, with the first payment in January 2020. The language also establishes that the human service zones shall cooperate to adopt and implement administrative and operational cost-savings methodologies and determine options for consolidations. The language also provides that during the 2019-20 Interim, Department shall consider options for allowing a human service zone to opt in to state employment. The study by Department must identify under what conditions a transition to state employment may be desirable for a human service zone; outline the governance process for choosing to opt in to state employment, including a description of the role of the human service zone board, county commissions, and Department; and include a template and potential timeline for any zone choosing to make the transition to state employment.

50-35-03: Establishes procedures for the director of the Department to distribute formula payments for each human service zone for each calendar year. The proposed language sets forth that the Director has authority to amend and modify each human service zone's formula payment. Provides that before June second of the previous year, the director of Department shall recalculate the total formula payment for each human service zone pursuant to the proposed section 50-35-04 of the North Dakota Century Code, and that for payments disbursed after calendar year 2020, the director shall subtract from a human service zone's June fifteenth disbursement any amount exceeding the limitation under the proposed section 50-35-04 of the North Dakota Century Code.

50-35-04: Establishes procedures for the director of Department to calculate formula payments to each human service zone based on certain factors. This proposed section also includes language authorizing the director of the Department to authorize expenditures from the human service finance fund to reimburse the Department for its costs of providing human services that have

historically been provided by a county, human service zone, or a new service or program based on federal or state law. The proposed language sets forth that the Department may authorize expenditures from the human service finance fund to reimburse the Department for transitional costs incurred for implementing the statewide program for state funding. The proposed language also establishes that the director of the Department has authority to recalculate and adjust each human service zone's formula payment biannually based on a variety of pertinent factors. The proposed language states that the spending authority of the human service zone must be increased based on the approved, adjusted, or modified formula payment. The proposed language also provides for the director of the Department to calculate payment for indirect costs according to a formula established by the Department.

50-35-05: The proposed language requires that each human service zone in the state shall maintain a human service zone human services fund. All expenditures by the human service zone for human services are required to be paid from this fund. If insufficient funds are present in the human service zone human services fund, the director of Department may approve a transfer from the human service finance fund to the human service zone human services fund. In addition, this section provides that the balance of funds in a human service zone human services fund on January 1 of each year after calendar year may not exceed five hundred thousand dollars in a zone that had annual expenditures of two million dollars or greater in calendar year 2020, or a maximum of one hundred thousand dollars for a zone that had annual expenditures of less than two million dollars in calendar year 2020. This language is similar to the language used in 2017 Senate Bill 2206.

50-35-06: Establishes that the county treasurer shall transfer the full amount of the service area human services fund currently in existence to the human service zone human services fund on January 1, 2020, and prohibits the transfer until January 1, 2020, unless approved by the Department. The

proposed language also sets forth that if on January 1, 2021, and each year thereafter, the balance of a human service zone human services fund exceeds the limitations in proposed section 50-35-05 of the North Dakota Century Code, the director of the Department shall reduce the human service zone's formula payment as directed in the proposed subsection 4 of section 50-35-03 of the North Dakota Century Code.

50-35-07: The proposed language sets forth that the human service fund is a special fund in the state treasury. Moneys in the fund may be used, subject to legislative appropriation, for the provision of formula payments to human service zones and payments to the Department.

The proposed changes in Section 131 of this Bill replace references to "county social service" with "human service zone" in a section focusing on records management.

The proposed changes in Section 132 of this Bill removes language tied to the state-funded social services pilot project as chapter 50-34 of the North Dakota Century Code and the pilot project is effective through July 31, 2019.

The proposed changes in Section 133 of this Bill will continue with the changes made in 2017 Senate Bill No. 2206 that is set to expire after the first two taxable years beginning after December 31, 2016. The proposed change will remove the county's ability to levy an annual tax for human services purposes.

The proposed changes in Section 134 of this Bill makes changes to reflect that the property tax savings statement provided to taxpayers must, for taxable years beginning after December 31, 2018, identify property tax savings realized by the taxpayer under the newly created proposed chapter 50-35 of the North Dakota Century Code in addition to other sources of tax relief identified in section 57-20-07.1 of the North Dakota Century Code.

The proposed changes in Section 135 of this Bill updates a citation to include human service zone formula payments under section 50-35-03 of the North Dakota Century Code.

The proposed changes in Section 136 of this Bill would replace “county social services board” with “human service zone” regarding the definition of “welfare recipient” in section 57-55-10 of the North Dakota Century Code regarding the determination of mobile home tax exemptions and exceptions.

The proposed changes in Section 137 of this Bill replaces “county general assistance workers” with “human service zone general assistance workers” and “counties” with “human service zones or the department of human services” regarding who can be defined as an employee under chapter 65-01 of the North Dakota Century Code, regarding Workforce Safety and Insurance.

Section 138 of this Bill repeals North Dakota Century Code section 50-06-20.1, relating to the human services grant program; section 50-06.2-05, relating to county human services program funding; and chapter 50-03, relating to the county human services fund. Repeal of these provisions will take place when this Bill takes effect.

Section 139 of this Bill repeals North Dakota Century Code sections 50-01-03, county social service board may accept property or security; 50-01.1-02.1, financial incentives for creation of multicounty social service districts; 50-01.2-03.1, county social service boards may contract; 50-01.2-06, standards of administration for county social service boards; 50-06-05.7, multicounty agreement to administer social service program; 50-06-06.1, Indians-general assistance contract required; and 50-25.1-06.1, caseload standards for child abuse and neglect. Section 141 of this Bill notes that repeal of the provisions in this section will not be effective until January 1, 2020.

Section 140 of this Bill provides for a contingent appropriation and authorization. This section authorizes the Department, subject to the availability of funds, to adjust or increase full-time equivalent positions in various areas, including up to two hundred twenty-three positions. Currently, Senate Bill No. 2012 is mentioned in this Bill as the Department was anticipating that any appropriations and full-time equivalent positions granted by the Legislative assembly would be included in the Department appropriations bill, Senate Bill No. 2012. The positions may be adjusted

or increased only if one or more human service zones transfers powers and duties associated with one or more programs, service, or functions from a human service zone to the Department. The language clarifies that any positions added to the Department would be position transfers from the human service zone and must not result in a net addition of positions delivering human services programs, services, or functions as provided in Department's appropriation bill, Senate Bill No. 2012. Department would have to notify the office of management and report to the budget section after June 30, 2020, if one or more full-time equivalent positions are authorized under this section of this Bill; and would also have to notify the appropriations committees of the sixty-seventh legislative assembly of any transfers. This Section then outlines how many full-time equivalent positions could be transferred from a number of different programs. This Sections also sets forth that the funds for the salaries, wages, and operating costs associated with any position added to the Department must be paid for with the line items of salaries and wages and operating costs authorized in Senate Bill No. 2012.

Section 141 of this Bill declares effective dates for various provisions of this Bill, as follows: Section 64 of this Act becomes effective on August 1, 2019. Sections 132, 133, 134, and 135 are effective for taxable years beginning after December 31, 2018. Sections 1, 3 through 13, 15, 16 through 25, 27 through 30, 32, 33, 35, 37 through 60, 65 through 74, 76 through 82, 84 through 91, 93 through 129, 131, 136, 137, 139, and 140 of this Act become effective on January 1, 2020.

Section 142 of this Bill provides expiration dates for Sections 14, 26, 31, 34, and 36 of this Act, all of which are effective through December 31, 2019 and expire thereafter.

Section 143 of this Bill is an emergency clause for Section 130 of this Bill concerning creation of a new chapter 50-35 of the North Dakota Century Code concerning state-paid human services – application, formula payments – distributions by the Department, calculation of formula payment – expenditures, human service zone

human services fund – establishment – fund balance limitations, human service zone human services fund – transfer, and human service finance fund.

This concludes my testimony. I would be happy to try to answer any questions the committee may have. Thank you.