For its report, the North Dakota Department of Human Services states:

1. The proposed amendments to N.D. Admin. Code sections 75-03-09-09 and 75-03-10-08 are not related to statutory changes made by the Legislative Assembly.

2. These rules are not related to changes in a federal statute or regulation.

3. The Department of Human Services (Department) uses direct and electronic mail as the preferred ways of notifying interested persons of proposed rulemaking. The Department uses a basic mailing list for each rulemaking project that includes the county social service board directors, the regional human service centers, Legal Services offices in North Dakota, all persons who have asked to be on the basic list, and internal circulation within the Department. Additionally, the Department constructs relevant mailing lists for specific rulemaking. The Department also places public announcements in all county newspapers advising generally of the content of the rulemaking, of over 50 locations throughout the state where the proposed rulemaking documents may be reviewed, and stating the location, date, and time of the public hearing. The Department conducts public hearings on all substantive rulemaking. Oral comments are recorded. Oral comments, as well as
any written comments that have been received, are summarized and presented to the Department's executive director, together with any response to the comments that may seem appropriate and a re-drafted rule incorporating any changes occasioned by the comments.

4. A public hearing on the proposed rules was held in Bismarck on August 8, 2012. The record was held open until 5:00 p.m. on August 20, 2012, to allow written comments to be submitted. Two comments were received. The "Summary of Comments" is attached to this report.

5. The cost of giving public notice, holding a hearing, and the cost (not including staff time) of developing and adopting the rules was $2,098.40.

6. The proposed rules amend sections 75-03-09-09 and 75-03-10-08. The following specific changes were made:
   **Section 75-03-09-09.** Section 75-03-09-09 is amended to allow a licensed group child care provider flexibility in the allowable children to staff ratios and to allow the provider to apply for a waiver of the children to staff ratios.
   **Section 75-03-10-08.** Section 75-03-10-08 is amended to allow a licensed child care center to apply for a waiver to increase the allowable ratio of children to staff.

7. No written requests for regulatory analysis have been filed by the Governor or by any agency. The proposed amendments are not expected to have an impact on the regulated community in excess of $50,000. A regulatory analysis was prepared and is attached to this report.
8. A small entity regulatory analysis and small entity economic impact statement were prepared and are attached to this report.

9. These rules do not have a fiscal impact on state revenues and expenditures, including on any funds controlled by the Department.

10. A constitutional takings assessment was prepared and is attached to this report.

11. These rules were adopted as emergency (interim final) rules. These rules took effect on July 1, 2012.

Prepared by:

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North Dakota Department of Human Services
December 12, 2012