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

1. The proposed amendments to N.D. Admin. Code chapter 75-02-06 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 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 of 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 September 18, 2013. The record was held open until 5:00 p.m. on September 30, 2013, to allow written comments to be submitted. No 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 $2,319.72.

6. The proposed rules amend chapter 75-02-06. The following specific changes were made:

   Section 75-02-06-01. Section 75-02-06-01 is amended to address outdated language.

   Section 75-02-06-03. Section 75-02-06-03 is amended to update dates and rates.

   Section 75-02-06-12.1. Section 75-02-06-12.1 is amended to identify supplemental payments not offset to costs and alcohol and tobacco products as nonallowable costs.

   Section 75-02-06-16. Section 75-02-06-16 is amended to update dates and rates and to reflect changes to the means of providing notice.

   Section 75-02-06-17. Section 75-02-06-17 is amended to reflect minimum data set requirements and to make
corrections to existing language.

7. No written requests for regulatory analysis have been filed by the Governor or by any agency. The proposed amendments are 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. The expected fiscal impact of these rules for calendar year 2014 is $6,510,235, half of which is general fund dollars. The amounts for subsequent years will change because of an inflation factor applied each year. This amount was anticipated in 2013 House Bill No. 1012, the Department's appropriations bill.

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

11. These rules were not adopted as emergency (interim final) rules.

Prepared by:

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December 12, 2013