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

1. The proposed amendments to N.D. Admin. Code chapter 75-02-01.3 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 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 rule-making. 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 June 20, 2016. The record was held open until 5:00 p.m. on June 30, 2016, to allow written comments to be submitted. No one attended or provided comments at the public hearing. No written comments were received within the comment period. 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 $2,261.10.

6. The proposed rules amend chapter 75-02-01.3. The following specific changes are made:

   **Section 75-02-01.3-02.** Section 75-02-01.3-02 is amended to clarify an applicant or recipient’s right to appeal an agency decision without first requiring a request to reconsider that decision.

   **Section 75-02-01.3-03.** Section 75-02-01.3-03 is amended to clarify the conditions that would lead to closure of a case.
Section 75-02-01.3-04. Section 75-02-01.3-04 is amended to remove redundant language as subsection 1 is currently addressed in state law.

Section 75-02-01.3-05. Section 75-02-01.3-05 is amended to clarify approved relative provider background check language, to update statutory offenses, and to clarify a relative provider applicant and approved relative provider’s right to appeal without first requiring a request to reconsider a denial or termination decision.

Section 75-02-01.3-06. Section 75-02-01.3-06 is amended to clarify language regarding payments to providers and to remove the provision regarding the denial or closure of assistance for failure to pay a provider.

Section 75-02-01.3-08. Section 75-02-01.3-08 is amended to clarify types of incomes exempt from the determination of child care assistance.

Section 75-02-01.3-12. Section 75-02-01.3-12 is amended to increase the duration of the penalties for intentional program violations to align with other economic assistance programs.

Section 75-02-01.3-13. Section 75-02-01.3-13 is amended to clarify an applicant, recipient, relative provider applicant, or approved relative provider’s right to appeal an agency decision without first requiring a request to reconsider that decision.
7. No written requests for regulatory analysis have been filed by the Governor or by any agency. The rule 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. The anticipated fiscal impact resulting from the implementation of the proposed amendments is nominal.

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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September 9, 2016