

Testimony
Senate Bill 2124-Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
January 14, 2019

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

The proposed changes in Section 1 of the Bill are regarding the duties of the state's attorney. The proposed changes do not add additional legal responsibilities on the state's attorneys 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; 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 of the North Dakota Century Code. This Section would also require the state's attorney 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.

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 115 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 budget 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 board of county commissioners. If the board of county commissioners 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 proposed changes in Sections 3 through 10 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 11 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 human service zone director or their designee the authority to arrange for final disposition and to negotiate with funeral directors regarding expenses instead of the county social services board.

The proposed changes in Section 12 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 services zone” to mean “a county or consolidated group of counties administering human services within a designated area in accordance with a plan approved by the Department”; 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 proposed changes in Sections 13-17 replace “county agency”, “county”, and “county social service board” with “human service zone” within sections 23-41-06, 25-04-08.1, 25-04-11, 25-04-16, and 26.1-45-13 of the North Dakota Century Code regarding duties of human service zones, notification prior to discharge of a committed individual, disposition of a person who is not a legal resident, care of the developmentally disabled, and Qualified Service Providers.

The proposed changes in Section 18 of the 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 Sections 19-23 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 21 also updates a citation.

The proposed changes in Section 24 of this 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 25 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 26 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 31 through 46, Section 27 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 28 and 29 of this Bill change references from “county social services” to “human service zones” regarding guardianships.

The proposed changes in Section 30 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 31 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 32 of the 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 Department, rather than to the county social service board.

The proposed changes in Section 33 of the Bill renames “county general assistance” to “general assistance” and transfers general assistance authority to the human service zone and it’s director; under existing law, that authority had resided with the county social service board of each county.

The proposed changes in Sections 34 and 35 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 36, 37, and 40 of the 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 38 and 39 of the Bill transfer the responsibility for administering community work experience programs from counties to the newly created human service zones.

The proposed changes in Section 41 of the 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 42 of the 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 43 through 46 of the 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 47 of the 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 “department employee who oversees the human service zone’s operation, budget, and serves as president of the human service zone board”; and “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.” Other definitions provided for in this section include “human service zones”, “human services”, “indirect costs”, and “locally administered economic assistance programs”.

The proposed changes in Section 48 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 proposal with Department for the creation of a human service zone by September 15, 2019; and requires that the Department must approve or disapprove the social service zone proposal. Section 48 also creates new language that provides that a county with a population exceeding 60,000 according to the 2010 Census may submit a 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, who still remain for all purposes an employee of the respective county. The new language also states that the social service zone plan must also designate the board of county commissioners of the respective county of the human service zone team member to review a grievance for a disciplinary action, and states that the grievance decision of the board of county commissioners is the final decision of the human service zone. New language then allows a social service zone team member to appeal a grievance decision reached at the human service zone level to human resource management services within state government.

The proposed changes in section 49 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 December 31, 2019.

The proposed changes in Sections 50 and 51 of this Bill relate to section 50-01.1-04 of the North Dakota Century Code. Provisions in Section 50 are effective from August 1, 2019 to December 31, 2019, and are then ineffective, while Section 51 becomes effective January 1, 2020. Sections 50 and 51 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 50 and 51 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 50 and 51 adds language setting forth that the Department has authority to rescind, terminate, or modify the human service zone plan.

Section 51 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 proposed or budgeted, 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 county where the human service zone office is located. The human service zone board is granted authority to audit this fund. The county treasurer where the human service zone office is located 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 51 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 human service zone board of a human service zone; similar language, however, is added in Sections 57 and 58.

The proposed language in Section 52 of the 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 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; to charge and collect fees and expenses for services provided by its staff in accordance with policies and fee schedules adopted by the Department; to supervise and administer replacement programs with similar objectives; to supervise and administer experimental or pilot projects when necessary; and 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 proposed language in Section 53 of the 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 Department and located within the human service zone, unless serving more than one human service zone; shall serve as president of the human service zone board; may serve more than one human service zone; and 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 county; shall notify county commissioners or other county staff concerning various personnel moves regarding a human service zone team member; and the notification of county commissioners or other appropriate county staff regarding transfers of staff between county and the Department.

The proposed language in Section 54 of the 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 55 of the 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 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, or to recalculate and adjust payments to the human service zone.

The proposed language in Section 56 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 47 of this Bill.

The proposed language in Sections 57 and 58 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 secretary and other officers as the zone board determines necessary. New language also clarifies that the human services zone director shall serve as president 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 of forty-five dollars per day, not to exceed twenty-five days in any one year, and shall also be paid for mileage and actual expenses in attending meetings and performing duties.

The proposed language in Section 59 of this Bill establishes the duties of the social 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 audit all claims against the human service zone human services fund. The changes in Sections 57, 58, and 59 were modeled after section 50-06-05.3 of the North Dakota Century Code regarding human service advisory groups.

The proposed language in Section 60 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 115, Section 60 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 61 of this Bill permits a 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 president of the human service zone board.

The proposed language in Section 62 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 63 of this Bill clarifies the definition of Human Services, matching the definition provided in Sections 12, 47, 75, and 115.

The proposed language in Section 64 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 also replaces a reference to “county social service agencies” with “human service zones”.

The proposed language in Section 65, 67, 69, 70, 71, 72, 74, 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 66 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 66 also replaces various references to “county” or “counties” with “human service zone” and removes a citation. Section 66 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 68 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 68 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 115. New language also provides that the 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 73 of this Bill clarifies that human services provided by the human service zones, general assistance under chapter 50-01 of the North Dakota Century Code, and 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. 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 75 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" which match the definitions provided elsewhere in Sections 12, 47, 63, 75, 79, 95, 100, 105, 112, and 115; and replace "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 76 and 78 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 77 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.

The proposed change in Section 79 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 80 through 93 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 80 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 81 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 82 of the 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 83 of the 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 84 of the 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 85 of the 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 86 of the 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 88, 89, 92, and 93 of the 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 87 of the 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 90 of the 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 91 of the 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 94 of the 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 95 of the 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 Sections 12, 47, 75, 79, 100, 105, 112, and 115 of this Bill.

The proposed changes made in Section 96 of the 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 97 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 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 98 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 99 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 100 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 adds a definition for “human service zone” matching the definition provided in Sections 12, 47, 75, 79, 95, 105, 112, and 115 of this Bill.

The proposed changes made in Sections 101 through 103 of this Bill change “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 104 and 108 of this Bill remove references to section 50-03-08 of the North Dakota Century Code, which is repealed by Section 122 of this Bill.

The proposed changes in Section 105 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 adds a definition for “human service zone” matching the definition provided in Sections 12, 47, 75, 79, 95, 100, 112, and 115 of this Bill. 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 106 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 107 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 109 of this Bill clarify definitions under chapter 50-25.1 of the North Dakota Century Code, regarding child abuse and neglect. The proposed language replaces the county social service board as the Department’s authorization agent with the human service zone. The proposed changes also replace “county social service board”, “county”, and “multicounty” with “human service zone.”

The proposed changes in Section 110 of this Bill clarify that child fatality review panels shall promote interhuman service zones communications regarding child death.

The proposed changes in Section 111 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 112 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 adds a definition for “human service zone” matching the definition provided in Sections 12, 47, 75, 79, 95, 100, 105, and 115 of this Bill. Section 112 proposed amendment also updates a legal citation.

The proposed changes in Section 113 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 115 of this Bill.

The proposed changes in Section 114 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 115 of this Bill create chapter 50-35 of the North Dakota Century Code, relating to state paid human services. Please note that Section 126 of this Bill declares Section 115 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 115:

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 definition for “human service zone”, “human service zone director” and “human services” is the same definition as provided in Sections 12, 47, 63, 75, 79, 95, 100, 105, and 112 of this Bill. The definition of “indirect cost” is the same definition as provided in Section 47 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 and the director of Department shall hire the human service zone director.

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 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 pursuant to Section 115 of this Bill.

The proposed changes in Section 116 of the Bill replace references to "county social service" with "human service zone" in a section focusing on records management.

The proposed changes in Section 117 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 118 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 119 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 120 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 121 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 122 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 123 of the 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 125 of this Bill notes that repeal of the provisions in Section 123 will not be effective until January 1, 2020.

Section 124 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-eight 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 125 of the Bill declares effective dates and an expiration date for various provisions of the Bill, as follows: Section 50 of this Act is effective August 1, 2019, through December 31, 2019, and is thereafter ineffective. Sections 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 51, 52, 53, 54, 55, 56, 57, 58, 59, 61, 62, 63, 64, 65, 66, 67, 69, 70, 71, 72, 73, 74, 75, 76, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 116, 120, 121, 123, and 124 of this Act become effective on January 1, 2020.

Section 126 of this Bill is an emergency clause for Section 115 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.