

**Testimony**  
**Engrossed Senate Bill 2086 - Department of Human Services**  
**House Human Services Committee**  
**Representative Robin Weisz, Chairman**  
March 15, 2021

Chairman Weisz, and members of the House Human Services Committee, I am Sara Stolt, Chief Operating Officer with the Department of Human Services (Department). I want to thank you for the opportunity to appear before you to support Engrossed Senate Bill 2086, which was introduced on behalf of the Department. This has been an eventful year with the launch of Human Services Zones, the hiring of Zone Directors, development of zone plans and many redesign projects for programs delivered in the zones. This Bill relates to the human service zones and the provision of human services.

**Section 1**

The proposed changes in Section 1 of this Bill amend section 11-16-01 of the North Dakota Century Code regarding duties of the state’s attorney. Page 3, line 8 updates a statutory reference regarding a chapter that was added during the 2019 legislative session regarding guardianship of a child. Page 3, lines 24 and 25 changes were made by legislative council.

**Section 2**

The proposed changes in Section 2 of this Bill amend section 11-16-06 of the North Dakota Century Code regarding failure of state’s attorney to perform duties. Page 4, lines 2 and 3 changes were made by legislative council.

**Section 3**

The proposed changes in Section 3 of this Bill amend section 11-23-01 of the North Dakota Century Code regarding officers required to furnish commissioners with

departmental budget. The proposed change on Page 4, line 29 is made to replace “a formula” with “an amount” to clarify the Department’s process regarding the human service zone payments.

#### **Section 4**

The proposed changes in Section 4 of this Bill amend section 14-09-06.3 of the North Dakota Century Code regarding the costs of child custody investigations and reports. Page 6, line 10 replaces “human service zone” with “county”. Within 2019 Senate Bill 2124, “county” was mistakenly replaced with “human service zone”. The human service zones have informed the Department that this expense was not part of the social services budget in the past.

#### **Section 5**

The proposed changes in Section 5 of this Bill amend section 14-09-06.4 of the North Dakota Century Code regarding guardian ad litem or investigator fees. Page 6, lines 26 through 28 replaces “human service zone” with “county”. Within 2019 Senate Bill No. 2124, “county” was mistakenly replaced with “human service zone”. The human service zones have informed the Department that this expense was not part of the social services budget in the past.

#### **Sections 6 and 7**

The proposed changes in Sections 6 and 7 of this Bill amend sections 14-15-09 and 14-15-11 of the North Dakota Century Code regarding notice of adoptions to human service zones. Page 7, lines 24 through 26; page 9, lines 5 and 6; and page 9, lines 14 and 15 update the notice requirement to apply to the human service zone only if the minor to be adopted is in the custody of the human service zone. The Department will continue to be named as a respondent on all adoption petitions. This is to clarify a change made in 2019 Senate Bill No. 2124 that required the human service zones to be given notice of all adoptions, whether or not they had custody of the child. As a result of this legislative change, human service zones are now receiving notice of private adoption matters, including infants privately adopted, those children adopted

internationally and stepparent adoptions. These are not children for whom the zone has any custodial responsibility, nor may they have any information about that child. The Department is requesting this change so that human service zones only be given notice when they are the custodian of the youth to be adopted.

### **Section 8**

The proposed changes in Section 8 of this Bill amend section 50-01.1-01 of the North Dakota Century Code regarding the definitions. Page 10, lines 28 through 31 add the definition of direct costs. Page 11, lines 26 and 27 add clarification to the definition of indirect costs.

### **Section 9**

The proposed changes in Section 9 of this Bill on page 13, lines 11 through 13, amend section 50-01.1-04 of the North Dakota Century Code to state that indirect costs of the human service zone may not become direct costs without written approval of the department. Page 13, line 25 inserts a statutory citation regarding how the funds can be carried over. Page 13, line 26 removes “formula” and “biannually” to clarify the Department’s process regarding recalculating and adjusting the human service zone payments.

### **Section 10**

The proposed changes in Section 10 of this Bill on page 14, line 21, amend section 50-01.1-08 of the North Dakota Century Code to remove “formula” to clarify the Department’s process regarding recalculating and adjustment the human service zone payments.

### **Section 11**

The proposed changes in Section 11 of this Bill on page 14, lines 26 through 31, and page 15, lines 1 and 2, add a new section to chapter 50-01.1 of the North Dakota Century Code defining how Human Service Zones can accept gifts and donations.

### **Section 12**

The proposed changes in Section 12 of this Bill on page 15, lines 10 through 15, amend section 50-01.2-01 of the North Dakota Century Code to further define county commissioner representation on Human Service Zone Boards.

### **Section 13**

The proposed changes in Section 13 of this Bill on page 15, line 24, and lines 26 and 27, amend section 50-01.2-05 of the North Dakota Century Code regarding the Department's ability to conduct estate recovery proceedings regarding general assistance claims. 2019 Senate Bill No. 2124 provided the Department with a full-time equivalent position to assist the human service zones on their estate recovery collections and the required change to this section was overlooked during the 2019 legislative session.

### **Section 14**

The proposed change in Section 14, page 16, line 3, of this Bill amend section 50-06-05.8 of the North Dakota Century Code to remove "formula" to clarify the Department's process regarding the human service zone payments.

### **Section 15**

The proposed changes in Section 15 of this Bill amend section 50-12-08 of the North Dakota Century Code. Chapter 50-12 is the regulatory statute for child placement agencies in North Dakota and section 50-12-08 has historically given the Department authority to intervene when a child has been placed for adoption in an unsuitable home. Consistent with the changes made by 2019 Senate Bill No. 2124, wherein the human service zone is the custodian for children in foster care whose parental rights are terminated, the changes to this section on page 16, lines 15 through 22 would clarify that the human service zone would be the responsible entity if a child was found to have been placed for adoption in an unsuitable home, and would allow the human service zone to make arrangements for the care and support of the child.

### **Sections 16 and 17**

The proposed changes in Sections 16 and 17 of this Bill amend sections 50-33-01 and 50-33-02 of the North Dakota Century Code regarding child care assistance. Page 17, line 24 removes the definition of “county agency”; page 17, lines 28 through 30 adds the definition of “human service zone”; page 18, line 28, 29, and 31, and page 19 lines 2 and 10, replaces “county agency” with “human service zones” based on the changes made in 2019 Senate Bill No. 2124. These changes will keep language consistent with the provision of human services.

### **Section 18**

The proposed changes in Section 18 of this Bill amend section 50-35.01 of the North Dakota Century Code adding the definition of direct costs on page 19, lines 24 through 27 and clarifying the definition of indirect costs on page 20, lines 28 and 29.

### **Section 19**

The proposed changes in Section 19 of this Bill amend section 50-35-02 of the North Dakota Century Code regarding state-paid human services. Page 21, line 10 removes “formula” to clarify the Department’s process regarding human service zone payments. Page 21, lines 16 through 28, updates existing language that required a study of the potential for human service zones to opt into state employment. The proposed language now states that the Department, along with the North Dakota Association of Counties and human service zone directors, shall develop the process for human service zones to opt in to state employment, and makes any transition contingent on the approval from the legislative assembly. Page 21, lines 29 through 31, and page 22 lines 1 through 3, add a new study on indirect costs. The proposed language now states that the Department, along with the North Dakota Association of Counties and human service zone directors, shall study indirect costs and report, to legislative management, the process developed to calculate payment for indirect costs.

### **Section 20**

The proposed changes in Section 20 of this Bill amend section 50-35-03 of the North Dakota Century Code regarding human service zone payments. Page 22, lines 6 through 24, removes “formula” and adds “estimated” to clarify the Department’s process regarding human service zone payments, removes outdated dates, and changes the date from June second to July first regarding when the human service zones will receive notice of the estimated amounts of that zone’s payments.

### **Section 21**

The proposed changes in Section 21 of this Bill amend section 50-35-04 of the North Dakota Century Code regarding calculation of human service zone payments. Page 22, line 30 removes “formula” to clarify the Department’s process regarding human service zone payments. Page 22, lines 29 and 30, adds “in collaboration with the human service zone director or designee” to identify who is part of the budget and payment process. Page 23, lines 10 through 14 removes outdated language and inserts language permitting the Department to limit future salary increases for human service zone team members to an amount equal to the salary increase provided by the legislative assembly for state employees. Page 23, lines 23 through 30 removes “formula” to clarify the Department’s process regarding human service zone payments, removes “biannually” to allow the Department to recalculate and adjust a human service zone’s payment more frequently. Page 24, lines 1 through 5 updates dates, removes outdated language, and adds clarification on indirect costs becoming direct costs. Page 24, lines 10 through 13, provides clarification on direct and indirect costs being applied consistently across all human service zones.

### **Section 22**

The proposed changes in Section 22 of this Bill amend section 50-35-05 of the North Dakota Century Code regarding the human service zone human services fund. Page 24, line 22, removes “formula” to clarify the Department’s process regarding human service zone payments, and also removes “the county’s cost allocation of indirect costs” to reflect that the human service zone human services fund cannot be used to fund a county’s cost allocation of indirect costs. Page 24, line 29 changes the threshold for

fund balances of human service zones with annual expenditures less than two million dollars from one-hundred thousand to two hundred fifty thousand dollars. Page 25, line 2 adds language establishing that carry-over of the human service zone human services fund cannot be used to fund a county's cost allocation of indirect costs.

### **Section 23**

The proposed change in Section 23 of this Bill amends section 50-35-07 of the North Dakota Century Code regarding the human service finance fund. Page 25, line 9 removes "formula" payment to clarify the Department's process regarding human service zone payments.

### **Section 24**

The proposed change in Section 21 of this Bill is to repeal Chapter 50-11.2 of the North Dakota Century Code regarding foster care parent grievance. Human service zone directors in partnership with the Department discussed the intent of the grievance procedures and found the formal grievance process to be a duplication of the already established method for managing internal agency complaints or grievances.

### **Section 25**

The proposed change in Section 25 of this Bill is to include a legislative management study to address Department and Human Service Zone employee compensation to include an analysis and report of total salaries, leave pay, healthy insurance benefits, compensation equity between zones, within zones and within the Department and the feasibility of implementing compensation equity.

### **Section 26**

The proposed changes in Section 26 of this Bill requests a transfer of 16 FTE foster care licensing positions from the human service zones to the Department for the creation of a specialty state-wide foster care licensing team.

### **Section 27**

The proposed changes in Section 27 of this bill provides that Section 12 of this Act becomes effective on January 1, 2022.

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