

Sixty-fourth
Legislative Assembly
of North Dakota

ENGROSSED SENATE BILL NO. 2206

Introduced by

Senators Dever, J. Lee, Murphy

Representatives Holman, Owens, Weisz

1 A BILL for an Act to create and enact sections 50-06-05.8 and 50-06-20.1 of the North Dakota
2 Century Code, relating to the department of human services assuming certain costs of certain
3 social service programs and to the establishment of a human services grant program; to amend
4 and reenact sections 11-23-01, 50-01.2-00.1, 50-03-08, 50-06-20, 50-09-27, and 50-24.1-14 of
5 the North Dakota Century Code, relating to county social service board budgets and programs
6 funded at state expense; to repeal sections 50-03-09, 50-06.2-05.1, and 50-09-21.1 of the North
7 Dakota Century Code, relating to the county's share of medical assistance for therapeutic foster
8 care, service payments to the elderly and disabled, and the county share of foster care costs; to
9 establish a social services financing commission; to provide an effective date; to provide an
10 expiration date; and to declare an emergency.

11 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

12 **SECTION 1. AMENDMENT.** Section 11-23-01 of the North Dakota Century Code is
13 amended and reenacted as follows:

14 **11-23-01. Officers required to furnish commissioners with departmental budget.**

15 1. Every officer in charge of any institution, office, or undertaking supported wholly or in
16 part by the county shall file with the board of county commissioners a departmental
17 budget that is prescribed by the state auditor. The departmental budget must include
18 an itemized statement of the estimated amount of money that will be required for the
19 maintenance, operation, or improvement of the institution, office, or undertaking for the
20 ensuing year. The board of county commissioners may require additional information
21 to clarify the departmental budget.

22 2. a. The departmental budget submitted by the county social service board beginning
23 in 2015 for the 2016 budget and continuing for succeeding years must identify
24 the reduction in the county's social service funding responsibility derived from

1 transferring the county social service costs identified in this subdivision from the
2 county social service board to the department of human services:

3 (1) Foster care and subsidized adoption costs incurred by the county after
4 December 31, 2015;

5 (2) The county's share of grant costs for medical assistance in the form of
6 payments for care furnished to recipients of therapeutic foster care services
7 incurred after December 31, 2015;

8 (3) The county's share of the costs for service payments to the elderly and
9 disabled incurred after December 15, 2015;

10 (4) The county's share of salary and benefits for family preservation services
11 pursuant to section 50-06-05.8 incurred after December 31, 2015;

12 (5) The county's share of the cost of the electronic benefits transfers for the
13 supplemental nutrition assistance program incurred after December 31,
14 2015; and

15 (6) The computer processing costs incurred after December 31, 2015, which
16 exceed the county's costs of operation of the technical eligibility computer
17 system in calendar year 1995 increased by the increase in the consumer
18 price index for all urban consumers (all items, United States city average)
19 after January 1, 1996.

20 b. The budget must include a statement identifying the total savings to the county
21 as shown by a reduction in the amounts that otherwise would have been paid to
22 the department for the costs identified in subdivision a. The department shall
23 determine the appropriate amount of what each county's costs would have been
24 to help identify each county's total savings. The amount reported must equal the
25 full amount budgeted for these costs in the budget submitted by the county social
26 service board and approved by the board of county commissioners beginning in
27 2014. The full amount of the savings calculated for each year must be deducted
28 from the county's mill levy calculation beginning in 2016 and continuing in each
29 succeeding year. Each board of county commissioners shall report to the office of
30 the tax commissioner the property tax reduction this action provided to property
31 taxpayers in the board's county.

1 **SECTION 2. AMENDMENT.** Section 50-01.2-00.1 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **50-01.2-00.1. Definitions.**

4 In this chapter, unless the context otherwise requires:

- 5 1. "Department" means the department of human services.
- 6 2. "Local expenses of administration" includes costs for personnel, space, equipment,
7 computer software, materials, travel, utilities, and related costs, and the indirect costs
8 properly allocated to those costs. The term does not include initial acquisition of
9 computers and related hardware approved by the department for the temporary
10 assistance for needy families program, custom computer programs, custom software
11 development, computer operations undertaken at the direction of the department, and
12 computer processing costs ~~to the extent those costs exceed, in any calendar year, that~~
13 ~~county's costs of operation of the technical eligibility computer system in calendar year~~
14 ~~1995 increased by the increase in the consumer price index for all urban consumers~~
15 ~~(all items, United States city average) after January 1, 1996,~~ or, unless agreed to by
16 the county social service board, any costs related to pilot programs before the
17 programs are implemented on a statewide basis.
- 18 3. "Locally administered economic assistance programs" means those primary economic
19 assistance programs that need to be accessible to all citizens of the state through a
20 county social service office and include:
 - 21 a. Temporary assistance for needy families;
 - 22 b. Employment and training programs;
 - 23 c. Child care assistance programs;
 - 24 d. Medical assistance, including early periodic screening, diagnosis, and treatment;
 - 25 e. Supplemental nutrition assistance programs, including employment and training
26 programs;
 - 27 f. Refugee assistance programs;
 - 28 g. Basic care services;
 - 29 h. Energy assistance programs; and
 - 30 i. Information and referral.

1 **SECTION 3. AMENDMENT.** Section 50-03-08 of the North Dakota Century Code is
2 amended and reenacted as follows:

3 **50-03-08. Appropriation for county social service board administration and of locally**
4 **administered economic assistance programs.**

5 The board of county commissioners of each county annually shall appropriate and make
6 available to the human services fund an amount sufficient to pay:

- 7 1. ~~The the local expenses of administration of locally administered economic assistance~~
8 programs;
- 9 2. ~~That county's share of fifteen percent of the amount expended in this state, in excess~~
10 ~~of the amount provided by the federal government, for medical assistance in the form~~
11 ~~of payments for care furnished to recipients of therapeutic foster care services; and~~
- 12 3. ~~That county's share of the cost of other family preservation services, including~~
13 ~~intensive in-home services, provided under title VI-B, subpart 2, of the Social Security~~
14 ~~Act [Pub. L. 103-66, title XIII, 13711(a)(2); 107 Stat. 649 et seq.; 42 U.S.C. 629 et~~
15 ~~seq.], as amended, as may be agreed to by the department and the county social~~
16 ~~service board.~~

17 **SECTION 4.** Section 50-06-05.8 of the North Dakota Century Code is created and enacted
18 as follows:

19 **50-06-05.8. Department to assume certain costs of certain social service programs.**

20 Notwithstanding section 50-06.2-05, or any other provision in title 50 to the contrary, and in
21 addition to the programs identified in section 50-06-20, the department of human services shall
22 pay the local expenses of administration incurred by a county after December 31, 2015, for
23 family preservation programs; a county's share of the cost of the electronic benefits transfers for
24 the supplemental nutrition assistance program incurred after December 31, 2015; and the
25 computer processing costs incurred by the county after December 31, 2015, which exceed the
26 county's costs of operation of the technical eligibility computer system in calendar year 1995
27 increased by the increase in the consumer price index for all urban consumers (all items, United
28 States city average) after January 1, 1996.

29 **SECTION 5. AMENDMENT.** Section 50-06-20 of the North Dakota Century Code is
30 amended and reenacted as follows:

1 **50-06-20. Programs funded at state expense - Interpretation.**

2 1. The state shall bear the cost, in excess of the amount provided by the federal
3 government, of:

4 a. ~~Except as~~As provided in section 50-24.1-14, medical assistance services
5 provided under chapter 50-24.1;

6 b. ~~Benefits~~Energy assistance program benefits provided under subsection 19 of
7 section 50-06-05.1;

8 c. Supplements provided under chapter 50-24.5 as basic care services;

9 d. ~~Services provided under chapter 50-09 as child care assistance;~~

10 e. ~~Services provided under chapter 50-09 as employment and training~~
11 programsServices, programs, and costs listed in section 50-09-27;

12 f.e. Welfare fraud detection programs;

13 g. ~~Temporary assistance for needy families;~~ and

14 h.f. Special projects approved by the department and agreed to by any affected
15 county social service board.

16 2. The state shall bear the costs of amounts expended for service payments to the
17 elderly and disabled.

18 3. This section does not grant any recipient of services, benefits, or supplements
19 identified in subsection 1, any service, benefit, or supplement that a recipient could not
20 claim in the absence of this section.

21 **SECTION 6.** Section 50-06-20.1 of the North Dakota Century Code is created and enacted
22 as follows:

23 **50-06-20.1. Human services grant program - Eligible counties - Reports.**

24 1. If the authority for counties to use emergency expenditures to address an emergency
25 created by unusual and unanticipated demands on the counties' human services fund
26 under chapter 50-03 is eliminated, the department shall establish a grant program to
27 assist certain counties. An eligible county is one that historically has utilized the
28 emergency expenditures process set forth in chapter 50-03 and which is adjacent to or
29 part of an Indian reservation in this state, which contains Indian trust lands within the
30 service area of a federally recognized Indian tribe which are occupied by enrolled

1 members of that tribe, or which includes the state hospital created pursuant to
2 subsection 8 of section 12 of article IX of the Constitution of North Dakota.

3 2. The grant program established in this section is not subject to rulemaking under
4 chapter 28-32. The department shall develop policies and procedures for the
5 disbursement of grants and may not award more than one million nine hundred
6 thousand dollars during the first year of a biennium, and no more than two million
7 dollars during the second year of a biennium. The department shall notify a county of
8 its approved funding no later than September first of each year of the biennium. The
9 department shall issue an annual payment to counties receiving funds under this
10 chapter in January of each year of the biennium.

11 3. The department shall report to the budget section annually and to the appropriations
12 committees of the sixty-fifth legislative assembly and each succeeding legislative
13 assembly on the funding approved under this section.

14 **SECTION 7. AMENDMENT.** Section 50-09-27 of the North Dakota Century Code is
15 amended and reenacted as follows:

16 **50-09-27. Programs funded at state expense - Interpretation.**

- 17 1. The state shall bear the cost, in excess of the amount provided by the federal
18 government, of:
- 19 a. Services provided under ~~section 50-06-06.8~~ and this chapter as child care
20 assistance;
 - 21 b. Services provided under this chapter as employment and training programs; and
 - 22 c. Temporary assistance for needy families benefits provided under this chapter;
23 and
 - 24 d. Foster care and subsidized adoption costs under this chapter.
- 25 2. This section does not grant any recipient of services, benefits, or supplements
26 identified in subsection 1, any service, benefit, or supplement that a recipient could not
27 claim in the absence of this section.

28 **SECTION 8. AMENDMENT.** Section 50-24.1-14 of the North Dakota Century Code is
29 amended and reenacted as follows:

1 **50-24.1-14. Responsibility for expenditures –Exceptions.**

2 1. ~~Except as otherwise specifically provided in subsection 2 and section 50-03-08,~~
3 expenditures Expenditures required under this chapter are the responsibility of the
4 federal government or the state of North Dakota.

5 2. ~~Each county shall reimburse the department of human services the amount required to~~
6 ~~be appropriated under subsection 3 of section 50-03-08.~~

7 **SECTION 9. REPEAL.** Sections 50-03-09, 50-06.2-05.1, and 50-09-21.1 of the North
8 Dakota Century Code are repealed.

9 **SECTION 10. SOCIAL SERVICES FINANCING COMMISSION - MEMBERSHIP -**
10 **REPORT TO GOVERNOR AND LEGISLATIVE MANAGEMENT.**

- 11 1. The department of human services shall establish a social services financing
12 commission consisting of the following voting members:
- 13 a. The governor, or the governor's designee;
 - 14 b. The tax commissioner, or the commissioner's designee;
 - 15 c. Two members representing elected county officials identified in section 11-10-02
16 as selected by the North Dakota association of counties;
 - 17 d. The following six members of the sixty-fourth legislative assembly: the chairman
18 of the senate standing committee responsible for hearing issues related to
19 human services during the sixty-fourth legislative assembly, the chairman of the
20 house of representatives standing committee responsible for hearing issues
21 related to human services during the sixty-fourth legislative assembly, the
22 chairman of the senate subcommittee on appropriations responsible for the
23 department of human services budget during the sixty-fourth legislative assembly
24 or designee, the chairman of the subcommittee of the house committee on
25 appropriations responsible for the department of human services budget during
26 the sixty-fourth legislative assembly, one member of the senate who served
27 during the sixty-fourth legislative assembly appointed by the senate minority
28 leader, and one member of the house who served during the sixty-fourth
29 legislative assembly appointed by the house minority leader;
 - 30 e. The director of the department of human services or the director's designee; and
 - 31 f. The chief financial officer of the department of human services.

- 1 2. The social services financing commission includes the following nonvoting members:
- 2 a. Two county social service directors, selected by the North Dakota county social
- 3 service association; and
- 4 b. One member representing the North Dakota association of counties.
- 5 3. The governor or the governor's designee shall serve as chairman of the commission.
- 6 The commission shall assist in the development of a transition plan for transferring the
- 7 cost of operating social service programs from county property tax levies to state
- 8 general fund appropriations. The commission shall develop a report to be provided to
- 9 the governor and legislative management by October 1, 2016. The report must include
- 10 a timeline for the major milestones of the transition plan, considerations for the
- 11 transition, estimated costs, a plan to require a property tax reduction for the amount of
- 12 budgeted savings brought about by the transfer of county social services costs to the
- 13 state, a plan resulting in the elimination of the county social services levy under
- 14 section 50-06.2-05, and proposed legislation to implement recommended changes.

15 **SECTION 11. EFFECTIVE DATE.** Sections 1, 2, 3, 4, 5, 7, 8, and 9 are effective for taxable

16 years beginning after December 31, 2015.

17 **SECTION 12. EXPIRATION DATE.** Section 10 of this Act is effective through July 31, 2017,

18 and after that date is ineffective.

19 **SECTION 13. EMERGENCY.** Section 6 of this Act is declared to be an emergency

20 measure.