

**FIRST ENGROSSMENT
with Conference Committee Amendments
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,
5 subsection 3 of section 57-15-01.1, and subsection 34 of section 57-15-06.7 of the North
6 Dakota Century Code, relating to county social service board budgets and programs funded at
7 state expense and reduction of county property tax levy authority for social service board
8 budgets to reflect county savings from programs funded at state expense; to repeal sections
9 50-03-09, 50-06.2-05.1, and 50-09-21.1 of the North Dakota Century Code, relating to the
10 county's share of medical assistance for therapeutic foster care, service payments to the elderly
11 and disabled, and the county share of foster care costs; to provide for a legislative management
12 study; to provide an effective date; and to declare an emergency.

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

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

16 **11-23-01. Officers required to furnish commissioners with departmental budget.**

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

- 1 2. a. The departmental budget submitted by the county social service board in 2015
2 for the 2016 budget may not exceed an amount determined using the
3 departmental budget submitted in 2014 by the county social service board as a
4 starting point, subtracting the reduction in the county's social service funding
5 responsibility for 2014 derived from transferring the county social service costs
6 identified in this subdivision from the county social service board to the
7 department of human services, and applying to the resulting amount the
8 percentage salary and benefits increase provided by legislative appropriations for
9 state employees for taxable year 2015. For purposes of this subdivision, the
10 reduction in the county's social service funding responsibility derived from
11 transferring the county social service costs identified in this subdivision from the
12 county social service board to the department of human services includes the
13 following:
- 14 (1) Foster care and subsidized adoption costs that would have been paid by the
15 county after December 31, 2015;
- 16 (2) The county's share of grant costs for medical assistance in the form of
17 payments for care furnished to recipients of therapeutic foster care services
18 which would have been paid by the county after December 31, 2015;
- 19 (3) The county's share of the costs for service payments to the elderly and
20 disabled which would have been paid by the county after December 15,
21 2015;
- 22 (4) The county's share of salary and benefits for family preservation services
23 pursuant to section 50-06-05.8 which would have been paid by the county
24 after December 31, 2015;
- 25 (5) The county's share of the cost of the electronic benefits transfers for the
26 supplemental nutrition assistance program which would have been paid by
27 the county after December 31, 2015; and
- 28 (6) The computer processing costs which would have been paid by the county
29 after December 31, 2015, which exceed the county's costs of operation of
30 the technical eligibility computer system in calendar year 1995 increased by

1 the increase in the consumer price index for all urban consumers (all items,
2 United States city average) after January 1, 1996.

3 b. The departmental budget submitted by the county social service board in 2016
4 for the 2017 budget may not exceed an amount determined using the 2015
5 departmental budget as a starting point and applying to that amount the
6 percentage salary and benefits increase provided by legislative appropriations for
7 state employees for 2016.

8 c. The budget must include a statement identifying the total savings to the county
9 as shown by a reduction in the amounts that otherwise would have been paid by
10 the county to the department of human services for the costs identified in
11 subdivision a. The department of human services shall determine the appropriate
12 amount of what each county's costs would have been to help identify each
13 county's total savings.

14 The county share of the human service budget must be funded entirely from
15 the county's property tax levy for that purpose and the county may not use funds
16 from any other source to supplement the human services budget, with the
17 exception that the county may make use of the identifiable amount of other
18 sources the county has used to supplement its human services budget for 2015
19 and the county may use grant funds that may be available to the county under
20 section 50-06-20.1.

21 d. The department of human services shall develop a process to review a request
22 from a county social service board for any proposed increase in staff needed as a
23 result of significantly increased caseloads for state-funded human services
24 programs, if the increase in staff would result in the county exceeding the budget
25 limitation established under this subsection. As part of its review process, the
26 department shall review countywide caseload information and consider the option
27 of multicounty sharing of staff. If the department approves a request for a
28 proposed increase in staff, the county budget limitation established under
29 subdivision b may be increased by the amount determined necessary by the
30 department to fund the approved additional staff.

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 must be implemented through
4 rulemaking under chapter 28-32. The department may adopt emergency rules, without
5 application of the grounds for emergency rulemaking otherwise required under section
6 28-32-03, to set out the policies and procedures for the disbursement of grants and
7 may not award more than one million nine hundred thousand dollars during the first
8 year of a biennium, and no more than two million dollars during the second year of a
9 biennium. The department shall notify a county of its approved funding no later than
10 September first of each year of the biennium. The department shall issue an annual
11 payment to counties receiving funds under this chapter in January of each year of the
12 biennium.
13 3. The department shall report to the budget section annually and to the appropriations
14 committees of the sixty-fifth legislative assembly and each succeeding legislative
15 assembly on the funding approved under this section.

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

18 **50-09-27. Programs funded at state expense - Interpretation.**

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

30 **SECTION 8. AMENDMENT.** Section 50-24.1-14 of the North Dakota Century Code is
31 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. AMENDMENT.** Subsection 3 of section 57-15-01.1 of the North Dakota
8 Century Code is amended and reenacted as follows:

9 3. A taxing district may elect to levy the amount levied in dollars in the base year. Any
10 levy under this section must be specifically approved by a resolution approved by the
11 governing body of the taxing district. Before determining the levy limitation under this
12 section, the dollar amount levied in the base year must be:

13 a. Reduced by an amount equal to the sum determined by application of the base
14 year's calculated mill rate for that taxing district to the final base year taxable
15 valuation of any taxable property and property exempt by local discretion or
16 charitable status which is not included in the taxing district for the budget year but
17 was included in the taxing district for the base year.

18 b. Increased by an amount equal to the sum determined by the application of the
19 base year's calculated mill rate for that taxing district to the final budget year
20 taxable valuation of any taxable property or property exempt by local discretion or
21 charitable status which was not included in the taxing district for the base year
22 but which is included in the taxing district for the budget year.

23 c. Reduced to reflect expired temporary mill levy increases authorized by the
24 electors of the taxing district. For purposes of this subdivision, an expired
25 temporary mill levy increase does not include a school district general fund mill
26 rate exceeding one hundred ten mills which has expired or has not received
27 approval of electors for an extension under subsection 2 of section 57-64-03.

28 d. If the base year is a taxable year before 2013, reduced by the amount of state aid
29 under chapter 15.1-27, which is determined by multiplying the budget year
30 taxable valuation of the school district by the lesser of:

31 (1) The base year mill rate of the school district minus sixty mills; or

1 (2) Fifty mills.

2 e. If the base year is a taxable year before 2016, the base year human services
3 county levy in dollars must be reduced to the amount of the county social service
4 board budget levy for the budget year as determined under section 11-23-01.

5 **SECTION 10. AMENDMENT.** Subsection 34 of section 57-15-06.7 of the North Dakota
6 Century Code is amended and reenacted as follows:

7 34. Counties levying an annual tax for human services purposes as provided in section
8 50-06.2-05 may levy a tax not exceeding the lesser of twenty mills or the number of
9 mills determined by dividing the county budget limitation in dollars as determined
10 under section 11-23-01 by the taxable valuation of the county.

11 **SECTION 11. REPEAL.** Sections 50-03-09, 50-06.2-05.1, and 50-09-21.1 of the North
12 Dakota Century Code are repealed.

13 **SECTION 12. LEGISLATIVE MANAGEMENT STUDY - SOCIAL SERVICES FINANCE**
14 **PROGRAM TRANSITION.**

15 1. During the 2015-16 interim, the legislative management shall conduct a study to
16 develop a proposed transition plan for transferring the costs of operating social
17 services programs from county property tax levies to state general fund
18 appropriations.

19 2. If a county social services finance working group is established, upon request of the
20 legislative management the working group shall report its progress and findings. The
21 membership of the working group may include:

22 a. The director of the department of human services or the director's designee;

23 b. The chief financial officer of the department of humans services;

24 c. Two members representing elected county officials identified in section 11-10-02
25 as selected by the North Dakota association of counties;

26 d. The tax commissioner or the commissioner's designee;

27 e. The director of the office of management and budget or the director's designee;

28 f. Two county social services directors selected by the North Dakota county social
29 services directors association; and

30 g. One member representing the North Dakota association of counties.

- 1 3. Under this section, a proposed transition plan must include a timeline for the major
2 milestones of the transition plan, considerations for the transition, estimated costs, a
3 plan to require a property tax reduction for the amount of the budgeted savings
4 brought about by the transfer of county social services costs to the state, a plan
5 resulting in the elimination of the county social services levy under section 50-06.2-05,
6 and potential legislation to implement recommended changes. The study must include
7 consideration of the feasibility of implementing the proposed transition plan.
- 8 4. The legislative management shall report its findings and recommendations, together
9 with any legislation required to implement the recommendations, to the sixty-fifth
10 legislative assembly.

11 **SECTION 13. EFFECTIVE DATE.** Sections 1, 9, and 10 of this Act become effective on
12 August 1, 2015. Sections 2, 3, 4, 5, 7, 8, and 11 of this Act are effective for taxable years
13 beginning after December 31, 2015.

14 **SECTION 14. EMERGENCY.** Section 6 of this Act is declared to be an emergency
15 measure.