

Testimony
Senate Bill 2086 - Department of Human Services
Amendments
Senate Human Services Committee
Senator Judy Lee, Chairman
February 10, 2021

Chairman Lee, and members of the Senate 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 provide amendments to Senate Bill 2086, which was introduced on behalf of the Department and first heard on January 5, 2021. The department, along with representation from the Zone Directors association, NDACO and Senate Human Services Committee members worked collaboratively to write and introduce the following amendments to SB 2086.

PROPOSED AMENDMENTS TO SENATE BILL NO. 2086

Page 1, line 1, after “Act” insert “to create and enact a new section to chapter 50-01.1 of the North Dakota Century Code, relating to the human service zone’s power and duties to accept gifts and donations and”

Page 1, line 2, after “14-15-11” insert “, 50-01.1-01”

Page 1, line 2, after “50-01-1-08” insert “, 50-01.2-01”

Page 1, line 3, after “50-33-02” insert “, 50-35-01”

Page 1, line 6, after “grievance” insert “; to provide for a legislative management study”

Page 1, line 6, remove “and”

Page 1, line 6, after “employees” insert “; and to provide an effective date”

Page 10, after line 16 insert:

“SECTION 8. AMENDMENT. Section 50-01.1-01 of the North Dakota Century Code is amended and reenacted as follows:

50-01.1-01. Definitions.

As used in this chapter, unless the context or subject matter otherwise requires:

1. "Department" means the department of human services.
2. “Direct costs” means costs that are charged directly to the human service zone human services fund. Direct costs are directly related to human service zone team members or human service zone services including

compensation, fringe benefits, and operating costs that are not identified by the department as an indirect cost.

3. "Host county" means the county within the human service zone in which the human service zone administrative office is located and in which the human service zone team members are employed.
- 3.4. "Human service zone" means a county or consolidated group of counties administering human services within a designated area in accordance with an agreement or plan approved by the department.
- 4.5. "Human service zone director" means a human service zone team member who oversees the human service zone's operation and budget and serves as presiding officer of the human service zone board.
- 5.6. "Human service zone team member" means a county employee who is responsible for administering or delivering human services under the direction of the human service zone director.
- 6.7. "Human services" means:
- a. A service or assistance provided to an individual or an individual's family in need of services or assistance, including child welfare services, locally administered economic assistance programs, medical service programs, and aging service programs, to assist the individual or the individual's family in achieving and maintaining basic self-sufficiency, including physical health, mental health, education, welfare, food and nutrition, and housing.
 - b. A service or assistance provided, administered, or supervised by the department in accordance with chapter 50-06.
 - c. Licensing duties as administered or supervised by the department or delegated by the department to a human service zone.
- 7.8. "Indirect costs" means salaries, benefits, and operating costs incurred in providing those goods and services to support human services that are generally available for the common benefit of multiple county agencies that are not identified by the department as a direct cost. ~~These~~ Indirect costs include legal representation; facilities and related costs, such as utilities and maintenance; administrative support including payroll, accounting, banking,

and coordination; information technology support and equipment; and miscellaneous goods and services, such as transportation, supplies, insurance coverage, phone, and mail services.

- 8-9. "Locally administered economic assistance programs" means those primary economic assistance programs that need to be accessible to all citizens of the state through a human service zone office and include:
- a. Temporary assistance for needy families;
 - b. Employment and training programs;
 - c. Child care assistance programs;
 - d. Medical assistance, including early periodic screening, diagnosis, and treatment;
 - e. Supplemental nutrition assistance programs, including employment and training programs;
 - f. Refugee assistance programs;
 - g. Basic care services;
 - h. Energy assistance programs; and
 - i. Information and referral."

Page 11, line 14, after the period insert "Indirect costs of the human service zone may not become direct costs without written approval of the department."

Page 12, after line 25 insert:

"SECTION 11. A new section to chapter 50-01.1 of the North Dakota Century Code is created and enacted as follows:

Human service zones accepting gifts and donations.

Human service zones have the powers and duties to secure, hold, and administer for the purpose for which it is established any property and any funds donated to it either by will or deed, or otherwise, or through court order or otherwise available to the human service zone, and to administer those funds or property in accordance with the instructions in the instrument creating them or in accordance with the instructions in the court order or otherwise. Property and funds received by the human service zone under this section are not considered income to the human service zone.

SECTION 12. AMENDMENT. Section 50-01.2-01 of the North Dakota Century Code is amended and reenacted as follows:

50-01.2-01. Human service zone board - Members - Qualifications.

The board of county commissioners of each county within the human service zone shall appoint the appointed members of the human service zone board based upon fitness to serve as members by reason of character, experience, and training without regard to political affiliation. Appointed members of the human service zone board must consist of local elected officials and other key community partners. Each county~~Each county~~if a human service zone consists of two or more counties, each county must be represented on the human service zone board by ~~at least~~only one county commissioner of that county. If a human service zone consists of a single county, the county must be represented on the human service zone board by no more than two county commissioners of that county and the human service zone board must have at least five appointed members. Appointed members shall elect a vice presiding officer and appoint a secretary, and other officers as the human service zone board determines necessary. The human service zone director shall serve as presiding officer of the human service zone board as a nonappointed member.”

Page 16, after line 19 insert:

“SECTION 18. AMENDMENT. Section 50-35-01 of the North Dakota Century Code is amended and reenacted as follows:

50-35-01. Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Department" means the department of human services.
2. “Direct costs” means costs that are charged directly to the human service zone human services fund. Direct costs are directly related to human service zone team members or human service zone services including compensation, fringe benefits, and operating costs that are not identified by the department as an indirect cost.
3. “Director” means the executive director of the department or the executive director's designee.
- ~~3.4.~~ "Economic assistance" means those primary economic assistance programs that need to be accessible to all citizens of the state through a human service zone, including:
 - a. Temporary assistance for needy families;

- b. Employment and training programs;
 - c. Child care assistance programs;
 - d. Medical assistance, including early periodic screening, diagnosis, and treatment;
 - e. Supplemental nutrition assistance programs, including employment and training programs;
 - f. Refugee assistance programs;
 - g. Basic care services;
 - h. Energy assistance programs; and
 - i. Information and referral.
- 4.5. "Human service zone" means a county or consolidated group of counties administering human services within a designated area in accordance with an agreement or plan approved by the department.
- 5.6. "Human service zone director" means a human service zone team member who oversees the human service zone's operation and budget and serves as presiding officer of the human service zone board.
- 6.7. "Human services" means:
- a. A service or assistance provided to an individual or an individual's family in need of services or assistance, including child welfare services, economic assistance programs, medical service programs, and aging service programs, to assist the individual or the individual's family in achieving and maintaining basic self-sufficiency, including physical health, mental health, education, welfare, food and nutrition, and housing.
 - b. A service or assistance provided, administered, or supervised by the department in accordance with chapter 50-06.
 - c. Licensing duties as administered or supervised by the department or delegated by the department to a human service zone.
- 7.8. "Indirect costs" means salaries, benefits, and operating costs incurred in providing those goods and services to support human services that are generally available for the common benefit of multiple county agencies that are not identified by the department as a direct cost. ~~These~~ Indirect costs

include legal representation; facilities and related costs, such as utilities and maintenance; administrative support, including payroll, accounting, banking, and coordination; information technology support and equipment; and miscellaneous goods and services, such as transportation, supplies, insurance coverage, phone, and mail services.”

Page 17, line 3, replace “provide information to county commissioners outlining the” with “develop a”

Page 17, line 5, after “conditions” insert “and factors”

Page 17, line 5, after “may” insert “or may not”

Page 17, line 6, after “zone” insert “and the department”

Page 17, line 9, after the period insert “Before August 1, 2022, the department shall report to the legislative management the process developed for allowing a human service zone to opt in to state employment.”

Page 17, line 10, remove “sixty-eighth”

Page 17, after line 11, insert:

“5. During the 2021-23 interim, the department, with assistance from the North Dakota association of counties and human service zone directors, shall study indirect costs. The study must identify a plan defining the process to calculate payment for indirect costs. The department shall provide regular updates to legislative management on the progress of the study. Before August 1, 2022, the department shall report to the legislative management the process developed to calculate payment for indirect costs.”

Page 18, line 1, remove “The director may subtract from a human service zone’s payment any amount included”

Page 18, remove line 2

Page 18, line 3, remove “6.”

Page 18, line 8, after “calculate” insert “, in collaboration with the human service zone director or designee.”

Page 19, line 13, after the period insert “Indirect costs of the human service zone may not become direct costs without written approval of the department.”

Page 19, after line 16 insert:

“5. Direct costs must be consistently applied within all human service zones and may not be included in indirect costs.

6. Indirect costs must be consistently applied within all counties as it relates to human service zones and may not be included in direct costs.”

Page 20, line 16, remove “The director may reduce the human service zone’s payment as”

Page 20, remove line 17

Page 20, after line 26 insert:

“SECTION 26. LEGISLATIVE MANAGEMENT STUDY – DEPARTMENT OF HUMAN SERVICES AND HUMAN SERVICE ZONES EMPLOYEE COMPENSATION STUDY.

During the 2021-22 interim, the legislative management shall study issues related to the department of human services and human service zones employee compensation. The legislative management shall report its findings and recommendations, together with any legislation required to implement the recommendations to the sixty-eighth legislative assembly. The study must include the following issues which do not limit the scope of the legislative management's study:

1. Total state employee and human service zone team members compensation, including wages and salaries, annual leave, pay grades, classification, disaster or emergency services volunteers' leave, employee assistance program benefits, family and medical leave, funeral leave, holidays, hours of work, administrative leave, jury and witness leave, leave without pay, the merit system, military leave, overtime compensation, retirement benefits, health insurance benefits, severance pay, sick leave, benefits for temporary employees, and time off to vote.
2. Health insurance benefits, including the availability of health savings accounts, self-insurance, healthy lifestyle incentives, and the appropriateness of the human service zones' current health insurance benefits.
3. Compensation equity:
 - a. Between the department of human services, other state agencies, human service zones, and to market;
 - b. Within human service zones; and

c. Between the human services zones.

4. The feasibility and desirability of implementing compensation equity.”

Page 21, after line 23 insert:

“**SECTION 28. EFFECTIVE DATE.** Section 12 of this Act becomes effective on
January 1, 2022.”

Renumber Accordingly