

Date: January 9<sup>th</sup>, 2025

To: Senate Industry & Business Committee

From: Erin Grahn, Chair, North Dakota Board of Counselor Examiners

Subject: Request for SB 2071 to be heard to provide requested information

Chairman Barta, Vice Chairman Boehm and committee members,

My name is Erin Grahn, and I am the chair of the ND Board of Counselor Examiners. I reside in Fargo, ND and work full-time as a licensed professional clinical counselor and licensed master addiction counselor. On behalf of our board, I apologize that a member of the NDBCE was not available on January 8<sup>th</sup> to provide testimony and responses to the questions the committee had regarding SB 2071.

I would like to thank Chairman Barta for reaching out today and allowing us the opportunity to have SB 2071 come before the committee on January 14<sup>th</sup>.

Below are the responses to the questions from the January 8<sup>th</sup> meeting.

The purpose of the additional fees is twofold. The first reason is to cover the cost for supplies, production and postage for a duplicate wall certificate. We have had an increase in duplicate wall certificates from licensees as licensees may have more than one office location. It is standard practice to have a wall certificate showing the license type, license number and effective date of the license in counselor's office(s). The proposed fee for a duplicate certificate has not yet been determined but may range anywhere from \$20-\$50.

The proposed technology fee is to assist in covering the costs for a cloud-based licensing system. The system would allow for data to be stored, accessed as needed by board members, allow for communication with licensees, generate reports, allow for community members and insurance companies to complete online license verifications, provide a necessary upgrade for applying, processing and issuing licenses. Our society has shifted away from paper-based applications and to electronic applications; securing a cloud-based licensing system would increase efficiency in processing applications and ease the application process for applicants. Additionally, securing a

cloud-based system will assist our board in meeting the requirements for the Counseling Compact that was passed during the 68<sup>th</sup> legislative session. The technology fee may range from \$50-\$100 per licensee; licenses are renewed every other year. Our board has projected to have 1,000+ licensees for 2025-2026. The initial setup fee for the system our board is interested in is \$65,000; the annual ongoing maintenance fee is \$35,000.

The NDBCE is requesting that the Senate Industry & Business Committee please consider an amendment to include an appropriation for \$100,000 to assist in defraying the setup fee costs. I've included an attachment with additional information regarding the benefits of such an appropriation.

Thank you for allowing us the opportunity to provide this information and consideration of the requested amendment to include an appropriation for a cloud-based licensing system.

Sincerely,

Erin Grahn, Chair

North Dakota Board of Counselor Examiners

Phone: 701-730-8313 ext. 3

E-mail: [erin.grahn@gmail.com](mailto:erin.grahn@gmail.com)

## Appropriation Request

### Purpose

The North Dakota Board of Counselor Examiners (NDBCE) requests a one-time appropriation of \$100,000 to obtain a cloud-based licensing software system. These funds will cover the initial setup costs for the system, streamlining operations and ensuring compliance with legislative requirements.

### Background

The NDBCE currently maintains all records in a paper-based format, which is outdated and creates significant inefficiencies. This system hinders communication among board members, licensees, and applicants, leading to delays and administrative challenges.

With the passage of Senate Bill 2187 during the 68th Legislative Assembly, North Dakota joined the Counseling Compact (NDCC Chapter 43-47.1). The compact allows professionals located in other counseling compact states to apply and obtain a privilege to practice in North Dakota; it will also all licensed counselors who are residents of North Dakota the opportunity to apply and obtain a privilege to practice in other compact states. However, compliance requires NDBCE to:

- Participate fully in the commission's data system, using a unique identifier for each licensee (NDCC Chapter 43-47.1.01, Article III (2.a)).
- Provide a uniform data set for all compact-relevant individuals (NDCC Chapter 43-47.1.01, Article X (2)).

The current paper-based system cannot meet these requirements, necessitating the adoption of a modern, cloud-based solution.

### Proposed Solution

NDBCE has reviewed several licensing software systems and identified Thentia's cloud-based solution as the best fit. Thentia provides licensing software for 13 other counselor licensure boards and offers the following features:

- Online applications, renewals, and license verifications.
- Automated reminders for license renewal.
- Licensee portals for storing continuing education credits and printing licenses.
- Integrated payment processing for all fees.
- Online submission for supervision reports, complaints, and jurisprudence exams.
- Messaging capabilities between stakeholders.
- Customizable forms and templates.
- Compatibility with the Counseling Compact's data system (in development).

## Cost and Financial Plan

### Initial Costs and Maintenance

- Setup Fee: \$65,000
- Annual Maintenance: \$35,000 (varies based on licensing volume and system features)
- Additional Integration Fee: TBD for compact compliance

### NDBCE Financial Summary

Fiscal Year	Net Income	Gross Income	Expenses
2023-2024	\$42,934.29	\$92,676.42	\$49,742.13
2022-2023	\$35,515.26	\$80,450.00	\$44,934.74
<i>Average</i>	<i>\$39,224.78</i>	<i>\$86,563.21</i>	<i>\$47,338.44</i>

### Proposed Funding Scenarios

Scenario	LAPC Fee	LPC Fee	LPC/LPCC Fee	Supervisor Fee	Technology Fee	Annual Gross Revenue Generated	Annual Net Revenue Generated
Current Fees	\$150	\$150	\$225	\$100	NA	\$102,000*	\$16,000**
No Funding & Fee Increase	\$175	\$175	\$300	\$150	\$100	\$182,000*	\$69,000**
Funding Approved	\$175	\$175	\$300	\$150	\$50	\$155,000*	\$96,000**

*\*Projections based on projected 1,000 combined license types per 2-year licensure period.*

*\*\*Projections also include projected expenses including the annual maintenance cost (\$36,000) for database.*

*All projections exclude anticipated increase in payroll and legal counsel expenses; please refer to 'Additional Considerations' for more information.*

### Impact of Funding Denial

Without funding, NDBCE will need to increase licensing fees by \$125-\$150 per licensee for at least two years to cover setup costs. This increase could discourage applicants and license renewals, further complicating operations.

### Additional Considerations

The NDBCE anticipates the need to hire a new executive secretary or contract out administrative services due to an impending retirement. Current payroll expenses of \$25,000 annually are expected to increase significantly with the hiring of a new executive secretary or outsourced services. The projected expense of this has not yet been calculated but may increase expenses by an additional \$25,000-\$30,000 per year. This additional financial burden underscores the necessity of modernizing operations to improve efficiency and reduce reliance on manual administrative processes.

The NDBCE is also experiencing an increase in legal counsel expenses due to a three-fold increase in complaints against licensed counselors. The board previously received an average of 1-3 complaints against licensees annually.

### **Conclusion and Call to Action**

Investing in Thentia's cloud-based licensing software will modernize NDBCE's operations, improve stakeholder communication, and ensure compliance with the Counseling Compact. This investment supports North Dakota's commitment to professional excellence and public service.

We urge the State of North Dakota to approve the requested \$100,000 appropriation to secure the future efficiency and compliance of the NDBCE. Failure to fund this initiative risks increased operational costs, non-compliance with the compact, and barriers to license portability for North Dakota counselors.

## Appendices

Appendix 1: Full Counseling Compact Member Requirements:

<https://counselingcompact.gov/wp-content/uploads/2024/02/Rule-on-Data-System-Reporting-Requirements-Approved-2024.01.10-Final.pdf>

Additional supporting documentation available upon request.