2025 SENATE WORKFORCE DEVELOPMENT

SB 2194

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee
Fort Lincoln Room, State Capitol

SB 2194
1/24/2025
9:01 a.m.

Relating to criminal history record checks; to provide an appropriation; to provide for application; and to provide an effective date.

9:01 a.m. Chairman Wobbema called the meeting to order.

Members Present: Chairman Wobbema, Vice-Chairman Axtman, Senator Boschee, Senator Powers. Members Absent: Senator Larson.

Discussion Topics:

- Background check turnaround time
- Federal restrictions
- Staffing expenses
- Remote proctoring
- Implementation options

9:02 a.m. Senator Lee, District 13, testified in favor.

9:08 a.m. Bill Bauman, CEO of Missouri Valley Family YMCA, testified in favor and submitted testimony #31098.

9:17 a.m. John Arnold, Deputy Insurance Commissioner, testified in favor and submitted testimony #31156.

9:26 a.m. Steve Harstad, Chief Officer for ND Bureau of Criminal Investigation, testified in opposition.

9:36 a.m. Rebecca Dubin, Criminal History Supervisor of ND Bureau of Criminal Investigation testified in opposition.

9:43 a.m. Chairman Wobbema closed the hearing.

Andrew Ficek, Committee Clerk

FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

January 24, 2025
Re: SB 2194

Chairman Wobbema and Members of the Workforce Development Committee,

My name is Bill Bauman and I serve as CEO of the Missouri Valley Family YMCA here in Bismarck. Thank you for the opportunity to testify in support of Senate Bill 2194 on behalf of the North Dakota Alliance of YMCAs.

The YMCAs are collectively the largest provider of childcare services in the state. We believe a true partnership between providers and the state is critical to impacting workforce and youth development.

Throughout the past few years, and directly this past legislative interim session, we have worked with your legislative colleagues and officials at the Department of Health and Human Services to share the challenges in hiring and retaining employees in child care.

This summer, we testified at the Juvenile Justice Committee with a detailed explanation of our experience with the background check process (attached). In short, the total time from the HR meeting to receiving comprehensive background check results, which allows the staff member to begin work, generally ranges from 8 to 13 days, even 29 days in rare cases. The exact time can vary based on several factors, including the efficiency of the fingerprinting process and the responsiveness of background check agencies.

Currently, this extended waiting period for background checks delays employment and often leads to potential staff choosing other sectors. We support background checks but urge the state to expedite this process to enable quicker onboarding and retention of staff. Although progress has been made in the background area, further enhancements are still necessary. For example, allowing us to train prospective staff under the supervision of an approved individual while their background check is being completed would be highly beneficial.

Childcare and early education are fundamental to the well-being of our children and the economic stability of our families. According to recent studies, about 78% of families with children under 18 have both parents in the workforce. This underscores the necessity of robust childcare services to support these working parents.

We know that quality childcare provides improved employee satisfaction, reduced absenteeism, and increased productivity. Moreover, offering these benefits helps attract and retain talent, which

is crucial in a competitive job market. Communities that have strong childcare providers equal better staff retention and child development for the betterment of the overall workforce. For families, accessible and affordable childcare is essential, allowing parents to participate fully in the workforce. This participation not only enhances family income but also contributes significantly to the broader economy.

We cannot maintain our child care offerings if we cannot retain the staff providers, and support care for more children. Timely processing of background checks at the state is a critical component to our teams' success.

We appreciate the committee's attention to what may seem a small detail in addressing the wait time of background checks for employees, but is an important issue to child care providers, with a direct impact on workforce development in North Dakota.

Thank you,

Alliance of North Dakota YMCAs

FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

TODAY. TOMORROW. TOGETHER.

NORTH DAKOTA ALLIANCE OF YMCAS
2024 COMMUNITY IMPACT REPORT

$1,736,663 in financial assistance was given to support kids and families from economically disadvantaged backgrounds to participate in North Dakota YMCA programs and activities

3,230 children were enrolled in YMCA licensed childcare centers

29,555 youth participated in out-of-school-time activities at the Y that focus on holistically fostering the physical, social and emotional development of kids

IN ADDITION TO FULL TIME STAFF AT ALL LOCATIONS, YMCAS ARE OFTEN THE FIRST EMPLOYERS OF YOUNG PEOPLE. YMCAS ALSO OFFER OLDER ADULTS OPPORTUNITIES TO SUPPLEMENT THEIR INCOME WHILE BEING PART OF A HEALTHY COMMUNITY.

2,113 individuals are employed by North Dakota YMCAs

$25,477,591 was paid in wages and benefits by North Dakota YMCAs

WE ARE COMMUNITY

The YMCA makes accessible the support and opportunities that empower people and communities to learn, grow and thrive. There is no other nonprofit quite like the YMCA. That's because in 10,000 neighborhoods across the nation, we have the presence and partnerships to not just promise, but to deliver, lasting personal and social change.

Communities with high rates of volunteerism tend to have greater income equality than similar communities that do not.

When members make a friend they are 50% more likely to stay with the YMCA.

North Dakota YMCA's have over 100 community partnerships, some of which include:

- •Foster Families
- •Military Families
- •Easter Seals
- •United Way

- American Red Cross
- AmeriCorps
- Area Churches
- Local Hospitals
- Boys & Girls Club
- Chamber of Commerce
- City Governments
- Schools, Colleges & Universities

- Department of Corrections
- Dakota Boys & Girls Ranch
- Dakota Medica
- Foundation Ministerial Association
- Healthy North Dakota
- Home School Groups

CARING | HONESTY | RESPECT | RESPONSIBILITY

"I love the friendships and coffee at the Y. For many of us that are seniors, it provides a primary social time in our lives."

"Thank you for providing such a wonderful place for fitness and socializing!"

YOUTH DEVELOPMENT | HEALTHY LIVING | SOCIAL RESPONSIBILITY

Alliance of North Dakota YMCAs

Grand Forks YMCA Family Center
215 N 7th St, Grand Forks
gfymca.org

Missouri Valley Family YMCA
1608 N Washington St, Bismarck
bismarckymca.org

The YMCA of the Northern Sky
400 1st Ave S, & 4243 19th Ave S, Fargo
www.ymcanorthernsky.org

YMCA of Minot North Dakota
3515 16th St SW, Minot
ymcaminot.org

FOR YOUTH DEVELOPMENT®
FOR HEALTHY LIVING
FOR SOCIAL RESPONSIBILITY

Subject: Processing Time for Background Checks in Childcare for YMCA Staff in North Dakota

Date: June 18, 2024

Presented by: Bill Bauman, Missouri Valley YMCA (Bismarck, ND)

Steve Smith, YMCA of Cass and Clay Counties (Fargo, ND)

Introduction: We appreciate the opportunity to address the North Dakota Juvenile Justice Committee regarding the time required to complete background checks for new staff members at the YMCAs in our state. The purpose of this testimony is to provide a detailed account of the typical timeline involved in scheduling and receiving the necessary documentation to allow staff to commence work.

Background Check Process Overview: The process for background checks at the YMCAs involves several key steps:

1. **HR Meeting**: The initial meeting between the new hire and the Human Resources (HR) department.
2. **Fingerprinting Appointment**: Scheduling and attending an appointment for fingerprinting.
3. **Preliminary Background Check**: A preliminary check is conducted following fingerprinting.
4. **Comprehensive Background Check**: A thorough and final background check.

Data Analysis: An analysis of recent data from our new hires indicates the following:

- **HR Meeting to Fingerprinting Appointment**: The time between the HR meeting and the fingerprinting appointment varies. On average, this step takes about 4-5 days
- **Preliminary Background Check Completion**: For those who receive preliminary checks, this can take approximately 10-14 days.
- **Comprehensive Background Check Completion**: The comprehensive background check is the longest step, taking an average of 27-29 days from the fingerprinting date to completion.
- **Additional Wages Paid**: The YMCA of Cass and Clay Counties has paid $40,000 through the first quarter of the year to staff who are unable to work at a site to hold on to them until the preliminary or comprehensive background check is received. This could be upwards of $120,000 by the end of the year.

Total Length of Time: The total time from the HR meeting to receiving comprehensive background check results, which allows the staff member to begin work, generally ranges from 13 to 29 days.

The exact time can vary based on several factors, including the efficiency of the fingerprinting process and the responsiveness of background check agencies.

Challenges and Recommendations: The variability in processing times poses a challenge for staffing and scheduling at the YMCAs. It also adds additional costs to the YMCA. Finally, it reduces the state's workforce by limiting the number of openings as we await the background check's return so that the new staff can begin work and parents can return to work. To address this, we recommend:

1. **Streamlining the Fingerprinting Process**: Establishing more fingerprinting locations or appointments can reduce wait times.
2. **Enhanced Coordination with Background Check Agencies**: Improved communication and expedited processing agreements with these agencies could help reduce overall processing times.
3. **Reduce Hiring Timeline Process**: Shorten the delay for staff to earn wages. Most individuals cannot wait for two to four weeks without pay from a job.
4. **Temporary Hiring Policies**: Implementing provisional hiring policies, allowing staff to begin work under supervised conditions while waiting for comprehensive background check results, could mitigate staffing challenges.

Conclusion: Timely completion of background checks is crucial for ensuring the safety and smooth operation of childcare services at the YMCAs. While the current average processing time ranges from 13 to 29 days, there are opportunities to reduce this timeline through process improvements and policy changes. We look forward to collaborating with the North Dakota Juvenile Justice Committee and other stakeholders to enhance the efficiency of background checks, thereby ensuring that our facilities are staffed promptly and safely.

Thank you for your attention to this important matter.

Bill Bauman, CEO
Missouri Valley YMCA

Steve Smith
YMCA of Cass and Clay Counties

Employee X+C2:K59	HR Meeting	Fingerprinting Date	Days Between HR & Fingerprint Appointment	Date Preliminary Received from CBCU	Number of Days (From Fingerprinting Date to Preliminary or Comprehensive if No Preliminary)	Date Comprehensive Received from CBCU	Total Number of Days (From Date of HR Meeting to Date of Cleared CBCU)
X	1/2/2024	1/2/2024	0	*1/8/2024*	6	1/8/2024	6
X	1/4/2024	1/5/2024	1	1/16/2024	11	2/14/2024	12
X	1/4/2024	1/9/2024	5	1/19/2024	10	2/6/2024	15
X	1/8/2024	1/11/2024	3	1/19/2024	8	2/5/2024	11
X	1/8/2024	1/11/2024	3	1/23/2024	12	2/6/2024	15
X	1/8/2024	1/9/2024	1	*1/17/2024*	8	1/17/2024	9
X	1/8/2024	1/10/2024	2	*1/17/2024*	7	1/17/2024	9
X	1/10/2024	1/11/2024	1	1/25/2024	14	2/14/2024	15
X	1/10/2024	1/12/2024	2	*1/22/2024*	10	1/22/2024	12
X	1/11/2024	1/11/2024	0	1/23/2024	12	2/1/2024	12
X	1/11/2024	1/11/2024	0	*1/22/2024*	11	1/22/2024	11
X	1/11/2024	1/17/2024	6	*1/23/2024*	6	1/23/2024	12
X	1/15/2024	1/17/2024	2	1/25/2024	8	2/14/2024	10
X	1/15/2024	1/22/2024	7	2/1/2024	10	2/15/2024	17
X	N/A	1/15/2024	N/A	1/25/2024	10	2/14/2024	10
X	N/A	1/15/2024	N/A	1/25/2024	10	2/14/2024	10
X	N/A	1/15/2024	N/A	*1/29/2024*	14	1/29/2024	14
X	N/A	1/15/2024	N/A	*1/30/2024*	15	1/30/2024	15
X	1/16/2024	1/17/2024	1	*1/23/2024*	6	1/23/2024	7
X	1/17/2024	1/18/2024	1	1/25/2024	7	2/14/2024	8
X	1/22/2024	1/22/2024	0	2/2/2024	11	2/21/2024	11
X	1/22/2024	1/23/2024	1	2/5/2024	13	2/5/2024	14
X	1/30/2024	1/31/2024	1	2/7/2024	7	2/7/2024	8
X	2/1/2024	2/5/2024	4	2/14/2024	9	3/4/2024	13
X	2/5/2024	2/7/2024	2	2/14/2024	7	2/28/2024	9
X	2/5/2024	2/6/2024	1	*2/13/2024*	7	2/13/2024	8
X	N/A	2/8/2024	N/A	*2/21/2024*	13	2/21/2024	13
X	2/13/2024	2/14/2024	1	2/26/2024	12	3/11/2024	13
X	2/13/2024	2/15/2024	2	*2/23/2024*	8	2/23/2024	10
X	2/14/2024	2/16/2024	2	2/27/2024	11	3/11/2024	13
X	2/14/2024	2/16/2024	2	2/29/2024	13	3/7/2024	15
X	2/19/2024	2/25/2024	6	2/27/2024	2	3/13/2024	8
X	2/19/2024	2/20/2024	1	2/27/2024	7	3/13/2024	8
X	2/19/2024	2/20/2024	1	*2/29/2024*	9	2/29/2024	10
X	2/19/2024	2/20/2024	1	*2/26/2024*	6	2/26/2024	7
X	2/26/2024	2/27/2024	1	*3/1/2024*	3	3/1/2024	4
X	2/28/2024	3/1/2024	2	3/7/2024	6	3/26/2024	8
X	2/28/2024	3/22/2024	23	4/1/2024	10	4/6/2024	33
X	2/29/2024	3/13/2024	13	3/21/2024	8	4/10/2024	21
X	3/4/2024	3/28/2024	24	*4/8/2024*	11	4/8/2024	11
X	N/A	3/7/2024	N/A	3/19/2024	12	4/9/2024	12
X	3/11/2024	3/12/2024	1	3/15/2024	3	3/26/2024	4
X	3/11/2024	3/14/2024	3	3/22/2024	8	4/10/2024	11
X	3/18/2024	3/21/2024	3	4/1/2024	11	5/1/2024	14
X	N/A	3/18/2024	N/A	3/27/2024	9	4/10/2024	9
X	3/20/2024	4/4/2024	15	*4/10/2024*	6	4/10/2024	6
X	N/A	3/25/2024	N/A	4/8/2024	14	4/16/2024	14
X	3/26/2024	4/10/2024	15	4/19/2024	9	5/2/2024	24
X	3/27/2024	4/3/2024	7	4/19/2024	16	5/1/2024	23
X	3/27/2024	4/3/2024	7	*4/10/2024*	7	4/10/2024	7
X	4/1/2024	4/26/2024	25	*5/2/2024*	6	5/2/2024	31
X	4/1/2024	4/3/2024	2	*4/8/2024*	5	4/8/2024	7
X	4/1/2024	4/8/2024	7	*4/15/2024*	7	4/15/2024	7

Employee X+C2:K59	HR Meeting	Fingerprinting Date	Days Between HR & Fingerprint Appointment	Date Preliminary Received from CBCU	Number of Days (From Fingerprinting Date to Preliminary or Comprehensive if No Preliminary)	Date Comprehensive Received from CBCU	Total Number of Days (From Date of HR Meeting to Date of Cleared CBCU)
X	4/8/2024	4/19/2024	11	*4/24/2024*	5	4/24/2024	16
X	N/A	4/15/2024	N/A	4/24/2024	9	5/7/2024	9
X	4/15/2024	4/18/2024	3	4/26/2024	8	5/7/2024	11
X	N/A	4/17/2024	N/A	4/25/2024	8	5/7/2024	8
X	4/16/2024	4/17/2024	1	*4/23/2024*	6	4/23/2024	7
X	4/16/2024	4/24/2024	8	5/3/2024	9	5/21/2024	17
X	4/22/2024	4/24/2024	2	4/29/2024	5	4/29/2024	7
X	4/22/2024	4/23/2024	1	4/29/2024	6	4/29/2024	7
X	4/23/2024	4/25/2024	2	5/3/2024	8	5/21/2024	10
X	4/29/2024	5/1/2024	2	5/7/2024	6	5/7/2024	8
X	5/2/2024	5/3/2024	1	5/9/2024	6	5/28/2024	7
X	5/6/2024	5/8/2024	2	5/14/2024	6	5/14/2024	8
X	5/9/2024	5/10/2024	1	5/16/2024	6	5/16/2024	7
X	5/9/2024	5/9/2024	0	5/16/2024	7	5/16/2024	7
X	5/10/2024	5/10/2024	0				
X	5/15/2024	5/15/2024	0	*5/20/2024*	5	5/20/2024	5
X	5/15/2024	5/15/2024	0				
X	5/16/2024	5/20/2024	4	5/28/2024	8	5/28/2024	12
X	5/16/2024	5/20/2024	4				
X	5/16/2024	5/21/2024	5				
X	5/20/2024	5/21/2024	1	5/30/2024	10		
X	5/20/2024	5/20/2024	0				
X	5/20/2024	5/21/2024	1	*5/29/2024*	9	5/29/2024	9
X	5/20/2024	5/28/2024	8				
		Average Days Wait	4.0		8.6		11.30

NORTH DAKOTA
Insurance Department

TESTIMONY SUPPORTING SB 2194

Janelle Middlestead, Producer Licensing Division Director

Senate Workforce Development
January 24, 2025

Good morning, Chairman Wobbema and members of the Workforce Development Committee. My name is Janelle Middlestead, Producer Licensing Division Director with the North Dakota Department of Insurance. I stand before you today to discuss Senate Bill 2194, as the Department is seeking avenues to expedite the process it takes for a producer to receive their insurance license.

The Department has required fingerprinting for resident insurance producers since 2013. This allows the department to conduct background checks on resident producers who will be representing our state to be competent, trustworthy, financially responsible and of good personal and business reputation.

The current process for an applicant who is a resident of North Dakota requires an applicant to be fingerprinted prior to the Department issuing the producer their license. The Department's current process is for the applicant to complete an online application through the National Insurance Producer Registry (NIPR). The applicant must complete and submit the following documents to the Department; a Criminal History Record Check Request form, fingerprint cards and a fee of $40.00 which covers the cost for BCI and FBI to process the fingerprint results. Once these required documents are received by the Department, the fingerprints are submitted to BCI via inter office mail for the applicant's background to be completed by the state, as well as the federal portion of the background check by the FBI. BCI requires 7-10 business days to process each background check. Most of the background checks that have clean results, meaning there is no criminal record for the applicant, can be completed quickly and the processing time is 3-5 business days. However, if there is any criminal activity found the process can take 7-10 business days with BCI. The fingerprint results are sent to the Department from BCI via secure email. The Department will issue licenses to those with clean results immediately upon receiving the results. The results that are not clean, which have a criminal background, will be under review with the Department. This depends if the applicant disclosed this information on the application initially, by answering "yes" to the questions listed on the application.

The average time from when fingerprints are received from the applicant to the Department issuing a North Dakota producers license is averaging 8 days.

Fingerprints submitted to the Department for background checks:
2013- 160 individuals
2014- 575 individuals
2015- 548 individuals
2016- 571 individuals
2017- 555 individuals
2018- 501 individuals
2019- 503 individuals
2020- 517 individuals
2021- 592 individuals
2022- 587 individuals
2023- 569 individuals
2024- 277 individuals

The Department is looking forward to enhancing digital efficiencies which we believe will result in reducing the length of time that it takes for individuals to begin working in the insurance sector.

Thank you, Chairman Wobbema and members of the committee. I am happy to answer any questions that you may have.

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee
Fort Lincoln Room, State Capitol

SB 2194
1/24/2025
9:55 a.m.

Relating to criminal history record checks; to provide an appropriation; to provide for application; and to provide an effective date.

9:55 p.m. Chairman Wobbema opened the hearing.

Members Present: Chairman Wobbema, Vice-Chairman Axtman, Senator Boschee, Senator Powers. Members absent: Senator Larson.

Discussion Topics:

- Purpose of $5 million appropriation
- Insurance issues

9:55 a.m. Chairman Wobbema opened committee discussion on appropriation and staffing concerns.

9:58 a.m. Vice-Chairman Axtman discussed possible more effective changes to funding.

10:12 p.m. Chairman Wobbema closed the hearing.

Andrew Ficek, Committee Clerk

2025 SENATE STANDING COMMITTEE MINUTES

Workforce Development Committee
Fort Lincoln Room, State Capitol

SB 2194
2/6/2025

Relating to criminal history record checks; to provide an appropriation; to provide for application; and to provide an effective date.

2:41 p.m. Chairman Wobbema called the meeting to order.

Members Present: Chairman Wobbema, Vice-Chairman Axtman, Senator Boschee, Senator Larson, Senator Powers.

Discussion Topics:

- Digital fingerprints
- Paperwork process
- Personal identifiable information

2:43 p.m. Heidi Smith, Division Director with the Office of Attorney General, answered committee questions.

2:56 p.m. Senator Larson moved Do Not Pass.

2:56 p.m. Senator Powers seconded the motion.

Senators	Vote
Senator Mike Wobbema	Y
Senator Michelle Axtman	Y
Senator Josh Boschee	Y
Senator Diane Larson	Y
Senator Michelle Powers	Y

Motion passed 5-0-0.

2:57 p.m. Chairman Wobbema will carry the bill.

2:57 p.m. Chairman Wobbema closed the hearing.

Andrew Ficek, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2194 (25.0357.01000)

Workforce Development Committee (Sen. Wobbema, Chairman) recommends **DO NOT PASS** (5 YEAS, 0 NAYS, 0 ABSENT OR EXCUSED AND NOT VOTING). SB 2194 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.