

**2021 HOUSE HUMAN SERVICES**

**HB 1091**

# 2021 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Pioneer Room, State Capitol

HB 1091  
1/12/2021

Relating to shelter care services, foster care for children, foster care approval and licensing of facilities, and the use of public funds; and to provide an effective date.

**Chairman Weisz** called the hearing to order at 9:00 a.m.

Representatives	Vote
Representative Robin Weisz	P
Representative Karen M. Rohr	P
Representative Mike Beltz	P
Representative Chuck Damschen	P
Representative Bill Devlin	P
Representative Gretchen Dobervich	A
Representative Clayton Fegley	P
Representative Dwight Kiefert	P
Representative Todd Porter	P
Representative Matthew Ruby	P
Representative Mary Schneider	P
Representative Kathy Skroch	P
Representative Bill Tveit	P
Representative Greg Westlind	P

### Discussion Topics:

- Clarification of services
- Shelter Care
- Regarding the provision of family foster care
- Use of public funds for the purchase of foster care

**Cory Peterson, Director of the Children and Family Services Division (9:03)** testified in favor and presented testimony #487.

**Kim Jacobson, Director Agassiz Valley Human Service Zone (9:21)** testified in favor and presented testimony #545.

**Chairman Weisz** adjourned at 9:30 a.m.

*Tamara Krause, Committee Clerk*

**Testimony**  
**House Bill 1091 Department of Human Services**  
**House Human Services Committee**  
**Representative Robin Weisz, Chairman**  
**January 12th, 2021**

Chairman Weisz, and members of the House Human Services Committee, I am Cory Pedersen, Director of the Children and Family Services Division with the Department of Human Services (Department). I am here today in support of House Bill 1091, which was introduced at the request of the Department.

This bill proposes changes to North Dakota Century Code chapters 50-06 and 50-11 relating to shelter care services, foster care for children, foster care approval and licensing of facilities, use of public funds, and the use of an automated clearing house to facilitate payments.

The proposed change in Section 1 of this Bill is to amend subsection 1 of section 50-06-01.4 of the North Dakota Century Code regarding clarification of programs administered by Children and Family Services Division. Page 1, line 19, adds the ability for the Department to certify shelter care services. Shelter care is a service offered in various forms across North Dakota. Today, licensed foster parents are granted the authority by holding a license to provide family foster care for children to also provide shelter care for up to 96 hours. Certification of shelters (single family dwellings offering shelter care for a group of children) will create options for short term placements across North Dakota, if foster homes are not immediately available. The need for short term temporary shelter care services reimbursed by the Department has become increasingly heightened. In order for the Department to reimburse for the service, certification of that service is necessary. The certification will

require safety standards to ensure the quality of care a child receives is adequate while temporarily placed in a shelter. Certification will also require a time limit for placement, where children are not to remain in shelter care for greater than seven days.

The proposed change in Section 2 of this Bill is to amend subsection 8 of section 50-11-00.1 of the North Dakota Century Code regarding the provision of family foster care. Page 3, line 8 adds language to the law for clarification and consistency specific to licensed or approved family foster homes for children. There are three provider types that meet the federal definition for a foster care placement, which allow for federal funding to support the placement costs; 1) licensed or approved family foster homes for children, 2) supervised independent living programs, or 3) qualified residential treatment programs.

The proposed changes in Section 3 of this Bill are to amend subsection 1 of section 50-11-02 of the North Dakota Century Code to add subdivisions (e) and (f) regarding terms and conditions for the Department to grant a license for the operation of a facility providing foster care. Page 3, lines 25 through 30 and page 4, lines 1 and 2 will provide clarification surrounding the ability for an applicant to reapply to become a foster parent if they were previously denied a license to provide family foster care for children or adults or if their previous license was revoked by the department. The additions will provide parameters for reapplication and will offer consistency in managing requests from applicants statewide.

The proposed change in Section 4 of this Bill is to amend section 50-11-03.2 of the North Dakota Century Code regarding the use of public funds for the purchase of foster care. Page 4, lines 17 through 19 will allow the use of non-federal funds to reimburse the costs of shelter care

placements for no greater than seven days so long as the shelter care services being provided are certified by the Department. North Dakota has various shelter arrangements specific to youth located across the state where the immediate placement of a child could occur. Historically, the use of public funds has not been authorized to reimburse the daily rate. At this time, federal funds for foster care are not available for shelter care placements unless the shelter care service is offered by a licensed or approved facility. Shelters, for the purposes of short-term placement, do not meet the federal definition for foster care. Without the proposed certification by the Department, previously noted, shelters will not be eligible for reimbursement with public funds.

Section 5 of this Bill proposes a new section be added to chapter 50-11 of the North Dakota Century Code and will allow the Department to provide payment to foster care providers using an automated clearing house to provide for electronic fund transfers. Page 4, lines 22 through 29 allows all licensed or approved family foster homes for children, supervised independent living programs, and qualified residential treatment programs for children to receive reimbursement using an automated clearing house. Today, roughly 1,200 foster care providers receive foster care reimbursement at various times throughout the month. A majority of the providers have direct deposit set up with the Department. However, roughly 400 (33%) of the providers receive a paper check from the Department. The issuance of a paper check is a manual process which takes additional staff time to prepare and mail out. In addition, receipt of a paper check requires additional time on the part of the provider to go to the bank and cash the check timely. As a point of reference, the Department is proposing a comparable transition to electronic payment

processing for Medicaid providers in Senate Bill No. 2085 and for subsidized adoption in Senate Bill No. 2088.

This concludes my testimony. I would be happy to answer any questions.  
Thank you.

Testimony Prepared for the  
**House Human Services Committee**

January 12, 2021

By: Kim Jacobson, Agassiz Valley Human Service Zone Director

**RE: House Bill 1091 – Related to Shelter Care Services and Foster Care**

Chairman Weisz and members of the House Human Service Committee, my name is Kim Jacobson. I serve as the Director of Agassiz Valley Human Service Zone which includes the service area of Traill and Steele Counties. In addition, I am a current member of the North Dakota County Director's Association. Please consider my testimony in support of House Bill 1091.

Human service zones are responsible for the care, custody, and placement of children in the North Dakota foster care system. There are 19 children currently ordered by the Juvenile Court to be in my legal custody, care, and control as a human service zone director. Part of the responsibility and duty as legal custodian is to ensure proper placement of children in which we are responsible. At times, we are faced with emergency situations, a lack of available placements, and/or faced with the need to take a step back and closely evaluate specialized needs of a child as unique or challenging factors are presented. Yet other times, a temporarily placement is needed so that protective measures can be implemented, and a foster care placement can be diverted. HB 1091, if enacted, would support human service zones with this important responsibility of child placement.

Currently, there are three licensed shelter care/assessment programs in North Dakota. These facilities are important to supporting the foster care system. However, due to technical challenges this type of placement has not been eligible for approved funding. Rather, custodial agencies have historically needed to use other funds, often local funds, to pay for this

foster care related cost. SB 1091 would provide for a certification process for shelter care programs which will allow the use of non-federal funds for this important service. This closes this funding gap and helps meet a long-term need. In addition, HB 1091 provides important accountability while requiring that shelter care programs to be subject to set standards.

While I stand in support of HB 1091, there is concern regarding Section 4, Lines 18-19. This section seeks to limit shelter care placements to no greater than *seven days* upon service certification by the department. I understand the need to set a time-limit. It is important that we stay diligent to locate appropriate and supportive placements for foster children. However, there may be individualized circumstances where the need for a child to continue in a certified shelter care bed may be warranted. For example, a time-limited extension may be warranted if we are awaiting results from medical or psychological evaluation which would be key to determining the best level of care needed to meet that child's individualized needs.

The committee may opt to consider amendment, to provide for a provision for a shelter care extension request, subject to rulemaking. Such process would allow DHS to extend fiscal support for certified shelter care in specific, approved situations. This flexibility would help support individualized needs of children in the foster care system who may benefit from a brief, extended placement at the certified shelter care placement level.

Thank you for this opportunity to provide testimony in support of HB 1091. I stand available to the committee for questions.



# 2021 HOUSE STANDING COMMITTEE MINUTES

## Human Services Committee Pioneer Room, State Capitol

HB 1091  
1/18/2021

Relating to shelter care services, foster care for children, foster care approval and licensing of facilities, and the use of public funds; and to provide an effective date.

**Chairman Weisz** opened the hearing at 3:21 p.m.

<b>Representatives</b>	<b>Attendance</b>
Representative Robin Weisz	P
Representative Karen M. Rohr	P
Representative Mike Beltz	P
Representative Chuck Damschen	P
Representative Bill Devlin	P
Representative Gretchen Dobervich	P
Representative Clayton Fegley	P
Representative Dwight Kiefert	P
Representative Todd Porter	P
Representative Matthew Ruby	P
Representative Mary Schneider	P
Representative Kathy Skroch	P
Representative Bill Tveit	P
Representative Greg Westlind	P

### Discussion Topics:

- Extra year for compliance
- Electronic payments
- New children application
- Day limitation

**Rep. Matthew Ruby (3:22)** presented **Amendment 21.8070.01001** and Christmas Tree Version of HB1091 - #5292 & #5302.

**Rep. Bill Devlin (3:25)** presented **Amendment 21.8070.01003** - #5548

**Rep. Matthew Ruby** made a motion to accept **Amendment 21.8070.01001**

**Rep. Gretchen Dobervich** second

**Voice Vote – Motion Carried**

**Rep. Bill Devlin** made a motion to accept **Amendment 21.8070.01003**

**Rep. Matthew Ruby** second

**Voice Vote – Motion Carried**

**Rep. Matthew Ruby** made a motion for a **Do Pass As Amended**.

**Rep. Karen Rohr** second

<b>Representatives</b>	<b>Vote</b>
Representative Robin Weisz	Y
Representative Karen M. Rohr	Y
Representative Mike Beltz	Y
Representative Chuck Damschen	Y
Representative Bill Devlin	Y
Representative Gretchen Dobervich	Y
Representative Clayton Fegley	Y
Representative Dwight Kiefert	Y
Representative Todd Porter	Y
Representative Matthew Ruby	Y
Representative Mary Schneider	Y
Representative Kathy Skroch	Y
Representative Bill Tveit	Y
Representative Greg Westlind	Y

**Motion Carried 14-0-0 Do Pass As Amended**

**Bill Carrier:** Rep. Matthew Ruby

**Chairman Weisz** adjourned at 3:31 p.m.

*Tamara Krause, Committee Clerk*

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1091

Page 1, line 6, replace "an effective date" with "for application"

Page 4, replace lines 30 and 31 with:

**"SECTION 6. APPLICATION.** The department of human services shall stagger implementation of Section 5 of this Act so it applies:

1. On January 1, 2022, to foster home for children, supervised independent living program, and qualified residential treatment program for children providers first certified on or after January 1, 2022; and
2. On January 1, 2023, to foster home for children, supervised independent living program, and qualified residential treatment program for children providers in existence on December 31, 2021."

Renumber accordingly

21.8070.01003  
Title.

Prepared by the Legislative Council staff for  
Representative Devlin  
January 13, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1091

Page 4, line 19, after the underscored period insert "If the entity has diligently pursued other placement, the department may grant an extension for the health and safety of the child or due to unforeseeable circumstances."

Renumber accordingly

21.8070.01005  
Title.02000

Adopted by the Human Services Committee

DO 1/18/21  
1081

January 18, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1091

Page 1, line 6, replace "an effective date" with "for application"

Page 4, line 19, after the underscored period insert "If the entity has diligently pursued other placement, the department may grant an extension for the health and safety of the child or due to unforeseeable circumstances."

Page 4, replace lines 30 and 31 with:

**"SECTION 6. APPLICATION.** The department of human services shall stagger implementation of section 5 of this Act so it applies:

1. On January 1, 2022, to foster home for children, supervised independent living program, and qualified residential treatment program for children providers first certified on or after January 1, 2022; and
2. On January 1, 2023, to foster home for children, supervised independent living program, and qualified residential treatment program for children providers in existence on December 31, 2021."

Renumber accordingly

**REPORT OF STANDING COMMITTEE**

**HB 1091: Human Services Committee (Rep. Weisz, Chairman)** recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (14 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). HB 1091 was placed on the Sixth order on the calendar.

Page 1, line 6, replace "an effective date" with "for application"

Page 4, line 19, after the underscored period insert "If the entity has diligently pursued other placement, the department may grant an extension for the health and safety of the child or due to unforeseeable circumstances."

Page 4, replace lines 30 and 31 with:

**"SECTION 6. APPLICATION.** The department of human services shall stagger implementation of section 5 of this Act so it applies:

1. On January 1, 2022, to foster home for children, supervised independent living program, and qualified residential treatment program for children providers first certified on or after January 1, 2022; and
2. On January 1, 2023, to foster home for children, supervised independent living program, and qualified residential treatment program for children providers in existence on December 31, 2021."

Renumber accordingly

21.8070.01001  
Title.

Prepared by the Legislative Council staff for  
Representative M. Ruby  
January 12, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1091

Page 1, line 6, replace "an effective date" with "for application"

Page 4, replace lines 30 and 31 with:

**"SECTION 6. APPLICATION.** The department of human services shall stagger implementation of Section 5 of this Act so it applies:

1. On January 1, 2022, to foster home for children, supervised independent living program, and qualified residential treatment program for children providers first certified on or after January 1, 2022; and
2. On January 1, 2023, to foster home for children, supervised independent living program, and qualified residential treatment program for children providers in existence on December 31, 2021."

Renumber accordingly

21.8070.01001

Sixty-seventh  
Legislative Assembly  
of North Dakota

**HOUSE BILL NO. 1091**

Introduced by

Human Services Committee

(At the request of the Department of Human Services)

1 A BILL for an Act to create and enact a new section to chapter 50-11 of the North Dakota  
2 Century Code, relating to the use of an automated clearing house to facilitate payment; to  
3 amend and reenact subsection 1 of section 50-06-01.4, subsection 8 of section 50-11-00.1, and  
4 sections 50-11-02 and 50-11-03.2 of the North Dakota Century Code, relating to shelter care  
5 services, foster care for children, foster care approval and licensing of facilities, and the use of  
6 public funds; and to provide ~~an effective date~~for application.

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

8 **SECTION 1. AMENDMENT.** Subsection 1 of section 50-06-01.4 of the North Dakota  
9 Century Code is amended and reenacted as follows:

- 10 1. The department includes the state hospital, the regional human service centers, a  
11 vocational rehabilitation unit, and other units or offices and administrative and fiscal  
12 support services as the executive director determines necessary. The department  
13 must be structured to promote efficient and effective operations and, consistent with  
14 fulfilling its prescribed statutory duties, shall act as the official agency of the state in  
15 the discharge of the following functions not otherwise by law made the responsibility of  
16 another state agency:
- 17 a. Administration of programs for children and families, including adoption services  
18 and the licensure of child-placing agencies, foster care services and the licensure  
19 of foster care arrangements, certification of shelter care services, child protection  
20 services, children's trust fund, licensure of early childhood programs, refugee  
21 services, in-home community-based services, quality control, and administration  
22 of the interstate compacts on the placement of children and juveniles.



- 1           b. Administration of programs for individuals with developmental disabilities,  
2           including licensure of facilities and services, and the design and implementation  
3           of a community-based service system for persons in need of habilitation.
- 4           c. Administration of aging service programs, including nutrition, transportation,  
5           advocacy, social, ombudsman, recreation, and related services funded under the  
6           Older Americans Act of 1965 [42 U.S.C. 3001 et seq.], home and  
7           community-based services, licensure of adult foster care homes, and the  
8           committee on aging.
- 9           d. Administration of behavioral health programs, including:
  - 10          (1) A policy division responsible for reviewing and identifying service needs and  
11          activities in the state's behavioral health system in an effort to ensure health  
12          and safety, access to services, and quality of services; establishing quality  
13          assurance standards for the licensure of substance use disorder program  
14          services and facilities; and providing policy leadership in partnership with  
15          public and private entities; and
  - 16          (2) A service delivery division responsible for providing chronic disease  
17          management, regional intervention services, and twenty-four-hour crisis  
18          services for individuals with behavioral health disorders.
- 19          e. Administration of economic assistance programs, including temporary assistance  
20          for needy families, the supplemental nutrition assistance program, home energy  
21          assistance, child care assistance, refugee assistance, work experience, work  
22          incentive, and quality control.
- 23          f. Administration of medical service programs, including medical assistance for  
24          children's health insurance program, Medicaid waivers, early and periodic  
25          screening, diagnosis and treatment, utilization control, autism services, and  
26          claims processing.
- 27          g. Administration of general assistance.
- 28          h. Administration of child support.

29       **SECTION 2. AMENDMENT.** Subsection 8 of section 50-11-00.1 of the North Dakota  
30       Century Code is amended and reenacted as follows:

- 1       8. "Foster care for children" means the provision of substitute parental child care for  
2       those children who are in need of care for which the child's parent, guardian, or  
3       custodian is unable, neglects, or refuses to provide, and includes the provision of food,  
4       shelter, security and safety, guidance, and comfort on a twenty-four-hour basis, to one  
5       or more children under twenty-one years of age to safeguard the child's growth and  
6       development and to minimize and counteract hazards to the child's emotional health  
7       inherent in the separation from the child's family. Foster care may be provided in a  
8       licensed or approved family foster home for children, supervised independent living  
9       program, or qualified residential treatment program.

10       **SECTION 3. AMENDMENT.** Section 50-11-02 of the North Dakota Century Code is  
11       amended and reenacted as follows:

12       **50-11-02. License granted - Term - Conditions.**

- 13       1. The department shall grant a license for the operation of a facility receiving persons for  
14       foster care, for a period of not more than two years, to reputable and responsible  
15       persons upon showing that:
- 16       a. The premises to be used are in fit sanitary condition and properly equipped to  
17       provide good care for all persons who may be received;
  - 18       b. The persons in active charge of the facility are properly qualified to carry on  
19       efficiently the duties required of them;
  - 20       c. The facility is likely to be conducted for the public good in accordance with sound  
21       social policy and with due regard to the health, morality, and well-being of all  
22       persons cared for in the facility; ~~and~~
  - 23       d. The facility will be maintained according to the standards prescribed for its  
24       conduct by the rules of the department;
  - 25       e. The applicant has not had a previous facility license denied within two years of  
26       the date of the current application, unless waived by the department after the  
27       department considers the health and safety of children and the licensing history  
28       of the applicant; and
  - 29       f. The applicant has not had a previous facility license revoked within five years of  
30       the date of the current application, unless waived by the department after the

1                   department considers the health and safety of children and the licensing history  
2                   of the applicant.

3           2.   Before licensing or approving a facility providing foster care for children or adults, the  
4           department shall seek a criminal history record when required by this chapter. The  
5           department shall consider any criminal history record information available at the time  
6           a licensing or approval decision is made.

7           3.   The department shall determine, in accordance with rules of the department, whether  
8           a license may be issued to a facility that houses or employs any individual who has a  
9           criminal record.

10       **SECTION 4. AMENDMENT.** Section 50-11-03.2 of the North Dakota Century Code is  
11   amended and reenacted as follows:

12       **50-11-03.2. Use of public funds.**

13       Public funds for the purchase of foster care for children or adults may be used only in  
14   facilities licensed or approved by the department. No person acting on behalf of any state,  
15   county, or local governmental entity may arrange for or promote care provided in a facility that  
16   does not have a license or approval issued by the department. This section does not apply to  
17   any home or institution under the management and control of the state. Nonfederal funds may  
18   be used to reimburse the costs of shelter care placements for no more than seven days if the  
19   shelter care services are certified by the department.

20       **SECTION 5.** A new section to chapter 50-11 of the North Dakota Century Code is created  
21   and enacted as follows:

22       **Automated clearing house payments.**

23       The department shall provide payment to family foster home for children, supervised  
24   independent living program, and qualified residential treatment program for children providers  
25   using an automated clearing house to provide for electronic fund transfers. To receive payment,  
26   family foster home for children, supervised independent living program, and qualified residential  
27   treatment program for children providers and applicants shall provide sufficient documentation  
28   to enable the department to provide electronic funds transfers through an automated clearing  
29   house. No other forms of payment are permitted, unless approved by the department.

30   ~~— **SECTION 6. EFFECTIVE DATE.** Section 5 of this Act becomes effective on January 1,~~  
31   ~~2022.~~

- 1     **SECTION 6. APPLICATION.** The department of human services shall stagger  
2 implementation of Section 5 of this Act so it applies:
- 3         1. On January 1, 2022, to foster home for children, supervised independent living  
4             program, and qualified residential treatment program for children providers first  
5             certified on or after January 1, 2022; and
- 6         2. On January 1, 2023, to foster home for children, supervised independent living  
7             program, and qualified residential treatment program for children providers in  
8             existence on December 31, 2021.

21.8070.01003  
Title.

Prepared by the Legislative Council staff for  
Representative Devlin  
January 13, 2021

PROPOSED AMENDMENTS TO HOUSE BILL NO. 1091

Page 4, line 19, after the underscored period insert "If the entity has diligently pursued other placement, the department may grant an extension for the health and safety of the child or due to unforeseeable circumstances."

Renumber accordingly

**2021 SENATE HUMAN SERVICES**

**HB 1091**

# 2021 SENATE STANDING COMMITTEE MINUTES

## Human Services Committee Sakakawea Room, State Capitol

HB 1091  
2/16/2021

A BILL for an Act to create and enact a new section to chapter 50-11 of the North Dakota Century Code, relating to the use of an automated clearing house to facilitate payment; to amend and reenact subsection 1 of section 50-06-01.4, subsection 8 of section 50-11-00.1, and sections 50-11-02 and 50-11-03.2 of the North Dakota Century Code, relating to shelter care services, foster care for children, foster care approval and licensing of facilities, and the use of public funds; and to provide for application.

**Madam Chair Lee** opened the hearing on HB 1091 at 9:24 a.m. Members present: Lee, K. Roers, Hogan, Anderson, Clemens, O. Larsen.

### Discussion Topics:

- Kinship program
- Facility usage
- Shelter care study

**[9:25] Cory Pedersen, Director, Children and Family Services Division, DHS.** Provided testimony #6696 in favor.

**[9:42] Margarette Longsdorf, Student.** Provided testimony #6713 in favor.

**Senator K. Roers** moves **DO PASS**.

**Senator Clemens** seconded.

Senators	Vote
Senator Judy Lee	Y
Senator Kristin Roers	Y
Senator Howard C. Anderson, Jr.	Y
Senator David A. Clemens	Y
Senator Kathy Hogan	Y
Senator Oley Larsen	Absent

The motion passed 6-0-0

**Senator Clemens** will carry HB 1091

### Additional written testimony: (1)

**Kim Jacobson, Director, Aggasiz Valley Human Service Zone.** Provided written testimony #6621 in favor.

**Madam Chair Lee** closed the hearing on HB 1091 at 9:47 a.m.

*Justin Velez, Committee Clerk*

**REPORT OF STANDING COMMITTEE**

**HB 1091, as engrossed: Human Services Committee (Sen. Lee, Chairman)**  
recommends **DO PASS** (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING).  
Engrossed HB 1091 was placed on the Fourteenth order on the calendar.



**Testimony**  
**House Bill 1091 Department of Human Services**  
**Senate Human Services Committee**  
**Senator Judy Lee, Chairman**  
**February 16th, 2021**

Chairperson Lee, and members of the Senate Human Services Committee, I am Cory Pedersen, Director of the Children and Family Services Division with the Department of Human Services (Department). I am here today in support of House Bill 1091 as an amended bill introduced at the request of the Department.

This bill proposes changes to North Dakota Century Code chapters 50-06 and 50-11 relating to shelter care services, foster care for children, foster care approval and licensing of facilities, use of public funds, the use of an automated clearing house to facilitate payments, and to provide for delayed application for the implementation of an automated clearing house payment to a foster care provider.

The proposed change in Section 1 of this Bill is to amend subsection 1 of section 50-06-01.4 of the North Dakota Century Code regarding clarification of programs administered by Children and Family Services Division. Page 1, line 19, adds the ability for the Department to certify shelter care services. Shelter care is a service offered in various forms across North Dakota. Today, licensed foster parents are granted the authority by holding a license to provide family foster care for children to also provide emergency shelter care for up to 96 hours. Certification of shelters (single family dwellings offering shelter care for a group of children) will create options for short term placements across North Dakota, if foster homes are not immediately available. The need for short

term temporary shelter care services reimbursed by the Department has become increasingly heightened. In order for the Department to reimburse for the service, certification of that service is necessary. The certification will require safety standards to ensure the quality of care a child receives is adequate while temporarily placed in a shelter care setting. Certification will also require a time limit for placement, where children are not to remain in shelter care for greater than seven days unless circumstances exist that require the custodial agency to request an extension from the Department.

The proposed change in Section 2 of this Bill is to amend subsection 8 of section 50-11-00.1 of the North Dakota Century Code regarding the provision of family foster care. Page 3, line 8 adds language to the law for clarification and consistency specific to licensed or approved family foster homes for children. There are three provider types that meet the federal definition for a foster care placement, which allow for federal funding to support the placement costs; 1) licensed or approved family foster homes for children, 2) supervised independent living programs, or 3) qualified residential treatment programs.

The proposed changes in Section 3 of this Bill are to amend subsection 1 of section 50-11-02 of the North Dakota Century Code to add subdivisions (e) and (f) regarding terms and conditions for the Department to grant a license for the operation of a facility providing foster care. Page 3, lines 25 through 30 and page 4, lines 1 and 2 will provide clarification surrounding the ability for an applicant to reapply to become a foster parent if they were previously denied a license to provide family foster care for children or adults or if their previous license was revoked by the

department. The additions will provide parameters for reapplication and will offer consistency in managing requests from applicants statewide.

The proposed change in Section 4 of this Bill is to amend section 50-11-03.2 of the North Dakota Century Code regarding the use of public funds for the purchase of foster care. Page 4, lines 17 through 21 will allow the use of non-federal funds to reimburse the costs of shelter care placements for seven days so long as the shelter care services being provided are certified by the Department. The bill was amended to allow the Department to grant placement extensions beyond seven days as long as the entity has diligently pursued other placement options for the child. The Department supports the extension request as we understand there are circumstances that require additional time to ensure the health and safety of a child. Historically, the use of public funds has not been authorized to reimburse the daily rate. At this time, federal funds for foster care are not available for shelter care placements unless the shelter care service is offered by a licensed or approved facility. Shelters, for the purposes of short-term placement, do not meet the federal definition for foster care. Without the proposed certification by the Department, previously noted, shelter care settings will not be eligible for reimbursement with public funds.

Section 5 of this Bill proposes a new section be added to chapter 50-11 of the North Dakota Century Code and will allow the Department to provide payment to foster care providers using an automated clearing house to provide for electronic fund transfers. Page 4, lines 25 through 31 allows all licensed or approved family foster homes for children, supervised independent living programs, and qualified residential treatment programs for children to receive reimbursement using an automated clearing house.

Today, roughly 1,200 foster care providers receive foster care reimbursement at various times throughout the month. A majority of the providers have direct deposit set up with the Department. However, roughly 400 (33%) of the providers receive a paper check from the Department. The issuance of a paper check is a manual process which takes additional staff time to prepare and mail out. In addition, receipt of a paper check requires additional time on the part of the provider to go to the bank and cash the check timely. As a point of reference, the Department is proposing a comparable transition to electronic payment processing for Medicaid providers in Senate Bill No. 2085 and for subsidized adoption in Senate Bill No. 2088.

The proposed change in Section 6 of this Bill, located on page 5, lines 3 through 10 will stagger implementation for the automated clearing house for new foster care providers to be in effect January 1, 2022. The bill further delays implementation to January 1, 2023 for foster care providers licensed previous to December 31, 2021. The Department supports this delayed implementation in efforts to work with foster care providers, licensing workers and the Bank of North Dakota.

This concludes my testimony. I would be happy to answer any questions. Thank you.

HB 1091

**Human Services Committee**

Testimony of Margarethe Longsdorf, student, in support of

2/16/2021

Mrs. Chair and members of the committee:

I am here today to offer testimony in support of House Bill No. 1091 which will propose that any facility or foster family which applies to have shelter care certification and gets denied, cannot reapply for another two years. This change provides a higher bar for the level of care that the children will get. This will hopefully weed out any facility which may not have the best services or intentions. With this change any family or shelter care facility who gets their certification revoked cannot reapply for another 5 years. This change has the ability to make sure that the level of care is continued, and any family or facility that does not do this must make big changes in order to have children in the facility. This bill also does state that sometimes these two and five year wait periods can be waived by the department of human services, after the department looks into the safety and health of the family or facility who is reapplying. I think that this bill keeps the care and concern for the children in foster care as the highest priority which is really important. Although we need many foster families, we should not sacrifice the standard of care that our families and facilities give to the children in foster care.

Testimony Prepared for the  
**House Human Services Committee**

February 16, 2021

By: Kim Jacobson, Agassiz Valley Human Service Zone Director

**RE: House Bill 1091 – Related to Shelter Care Services and Foster Care**

Chairman Lee and members of the Senate Human Service Committee, my name is Kim Jacobson. I serve as the Director of Agassiz Valley Human Service Zone which includes the service area of Traill and Steele Counties. In addition, I am a current member of the North Dakota County Director's Association. Please consider my testimony in support of House Bill 1091.

Human service zones are responsible for the care, custody, and placement of children in the North Dakota foster care system. There are 19 children currently ordered by the Juvenile Court to be in my legal custody, care, and control as a human service zone director. Part of the responsibility and duty as legal custodian is to ensure proper placement of children in which we are responsible. At times, we are faced with emergency situations, a lack of available placements, and/or faced with the need to take a step back and closely evaluate specialized needs of a child as unique or challenging factors are presented. Yet other times, a temporarily placement is needed so that protective measures can be implemented, and a foster care placement can be diverted. HB 1091, if enacted, would support human service zones with this important responsibility of child placement.

Currently, there are three licensed shelter care/assessment programs in North Dakota. These facilities are important to supporting the foster care system. However, due to technical challenges this type of placement has not been eligible for approved funding. Rather, custodial agencies have historically needed to use other funds, often local funds, to pay for this

foster care related cost. SB 1091 would provide for a certification process for shelter care programs which will allow the use of nonfederal funds for this important service. This closes this funding gap and helps meet a long-term need. In addition, HB 1091 provides important accountability while requiring that shelter care programs to be subject to set standards.

This bill was improved upon while in the House. The improvements made are on Page 4, Lines 17-21. The use of nonfederal funds for this purpose was clarified. Historically, there was a conflict between the term public funds vs. nonfederal funds as it relates to shelter care. HB 1091 now contains language that provides clarity and provides important flexibility. In addition, this section now provides the flexibility for DHS to issue an extension, beyond seven days, if there is legitimate need. Both of these areas of clarification were at the request of Human Service Zone Directors and are included in the bill before you today.

Thank you for this opportunity to provide testimony in support of HB 1091. I stand available to the committee for questions.