

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Revised
 Bill/Resolution No.: SB 2114

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

A bill relating to foster care; the definition of a permanency hearing, reasonable efforts for sibling placements, the definition of a group home, and liability coverage for foster homes

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

The proposed property damage reimbursement would allow the Department to reimburse the claimant up to 25% of remaining property damage after any insurance reimbursement, not to exceed the \$10,000 annual maximum. There is no fiscal impact for this bill as liability coverage for foster homes is already included as an ongoing expense in base level budget HB1012 and the Department's Executive Budget HB1072.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*
- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*
- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: Jennifer Scheet

Agency: Dept of Human Services

Telephone: 701-328-4608

Date Prepared: 01/06/2017

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Bill/Resolution No.: SB 2114

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Revenues						
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Counties			
Cities			
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The proposed property damage reimbursement would allow the Department to reimburse the claimant up to 25% of remaining property damage after any insurance reimbursement, not to exceed the \$10,000 annual maximum. There is no fiscal impact for this bill as liability coverage for foster homes is already included in the Department's 17-19 budget bill HB1072 as an ongoing expense.

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

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Name: Jennifer Scheet

Agency: Dept of Human Services

Telephone: 701-328-4608

Date Prepared: 01/04/2017

2017 SENATE HUMAN SERVICES

SB 2114

2017 SENATE STANDING COMMITTEE MINUTES

Human Services Committee
Red River Room, State Capitol

SB 2114
1/9/2017
JOB NUMBER 26667

- Subcommittee
 Conference Committee

Committee Clerk Signature

N. Monson

Explanation or reason for introduction of bill/resolution:

A bill relating to the definition of permanency hearing, reasonable efforts for sibling placement, definition of group home, and liability coverage to foster homes for children.

Minutes:

1 Attachment

Kelsey Bless, Permanency Administrator for the Department of Human Services, Children and Family Services Division testified in support of SB 2114. (Attachment #1) (0:45-3:30)

Chairman Judy Lee asked for an example of how this would affect a child who is in that situation as far as the age change etc.

Ms. Bless answered that the hope of the federal legislation, lowering the age from 16 to 14, was that the young people would have more skill building prior to their discharge from foster care. At this time the chief independent living program does assist youth over the age of 16 until their 21st birthday. However, this will lower the access to that program. The priority is still being kept at 16 for that program and leaving the goal setting and task building with case managers until the child reaches age 16 unless it is presented to the program as a priority case where the child can really use the extra support. Then that program would help take them on and the case manager would coordinate with them on anything from budgeting to home management, making sure their education goals are satisfactory, planning for going to school etc.

Chairman Judy Lee stated that when they age out at 18 they can choose to participate in support services up to the age of 21. She asked if it was correct that this is supposed to enable them to remain connected with people who can be supportive after the age of 18 in particular so they can set some educational goals and skills for independent living etc.

Ms. Bless answered that it is correct that they want to engage with young people about what their independent goals are as early as possible but, the longer they can help assist a young person, they can ultimately help with their long term outcome.

Senator Kreun asked if this is required by federal law.

Ms. Bless answered that it is a federal requirement.

Senator Kreun asked if they had a choice in doing this and how much is required that they didn't have any change on the input.

Ms. Bless stated that lowering the age was part of the preventing sex trafficking strengthening family act and the goal was to provide youth engagement. There's a lot more to that legislation but felt lowering the age to 14 would be helpful long term.

Senator Kreun asked if there was flexibility with the child placement.

Ms. Bless responded that there would be state policy that would help support the state law.

Senator Piepkorn asked about the insurance issues as to what kind of claims there would be and how the caps or limits would be determined.

Ms. Bless gave typical examples of property damage claims from foster parents such as: broken windows, carpet damage, vehicles keyed. The foster parents claim through their home insurance and anything additional that their insurance won't cover would be claimed through the property damage policy in the state law. There have been 3rd party pay as well. This law would only apply to licensed family foster homes. There haven't been extremely large property damage claims.

Senator Heckaman wanted to review the difference between c and d on pg. 3.

Ms. Bless explained the 25% a little further and gave examples of a flooded basement with damage. There would still be a \$10,000 limit per family. There is no fiscal impact because it's already in their budget and they don't foresee any increases in paying families a larger value than what they would already be entitled to.

There was no opposition or neutral testimony on SB 2114.

Senator Kreun moved a Do Pass on SB 2114. Seconded by Sen. Piepkorn.

Roll call vote, 7 yeas, 0 nays, 0 not voting. Motion carried.

Carrier is Sen Kreun.

Hearing closed.

Date: 4/9/ 2017
 Roll Call Vote #: 1

**2017 SENATE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. 2114**

Senate Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
 Other Actions: Reconsider _____

Motion Made By Sen. Krown Seconded By Sen. Piepkorn

Senators	Yes	No	Senators	Yes	No
Senator Judy Lee (Chairman)	X		Senator Joan Heckaman	X	
Senator Oley Larsen (Vice-Chair)	X		Senator Merrill Piepkorn	X	
Senator Howard C. Anderson, Jr.	X				
Senator David A. Clemens	X				
Senator Curt Krown	X				

Total (Yes) 7 No 0

Absent _____

Floor Assignment Sen. Krown

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2114: Human Services Committee (Sen. J. Lee, Chairman) recommends **DO PASS**
(7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2114 was placed on the
Eleventh order on the calendar.

2017 HOUSE HUMAN SERVICES

SB 2114

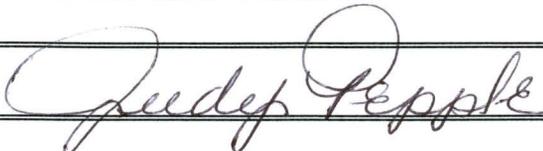
2017 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

SB 2114
2/15/2017
28396

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the definition of permanency hearing, reasonable efforts for sibling placement, definition of group home, and liability coverage to foster homes for children.

Minutes:

1

Chairman Weisz: called the committee to order.

Attendance taken.

Opened the hearing on SB 2114.

Is there testimony here in support of SB 2114?

Kelsy Bless, Permanency Administrator for the Dept. of H.S.; Children & Family Services
(Attachment 1)

4:14

Chairman Weisz: questions for Ms. Bless?

Representative Devlin: I have a problem with the judgmental change on 19 and 20 for living to successful adulthood. Who is going to make that judgement that the person is now a successful adult? There are some in my family that would argue that I haven't gotten there yet. At least when you used "independent living" I could understand that, but "successful adulthood", I have a problem with.

K. Bless: It is the federal legislation and it is the federal language that is being incorporated into this.

Chairman Weisz: How will you interpret that?

K. Bless: We really take into account independent living for young people in foster care. The bonus to this particular legislation is reducing that age from 16 to 14, so we are engaging earlier. We hope that the transition into adulthood would be easier. There are multiple meanings to independent living as well. Our definition of independent living is being able to transition out of the foster care system and live a successful independence upon discharge. So when the federal government expounded on the definition of adulthood, I know they are really encouraging us to look at young people as adults and using that language.

Vice Chairman Rohr: On the last past that references insurance. Is there risk management data that indicated that it needed to be included?

K. Bless: I have numbers of the number of cases we have had in the last 10 years. We have had 26 claims and our payout was about \$1100/claim. I averaged it out. Typically, we get these claims because a young person maybe broke a window. It doesn't meet the deductible of the family home insurance, but it is still a \$450 fix. We then have a department of human services \$100/ deductible that comes off of that claim. I review all of those claims. I work with risk management to accommodate what that payment will be. The problem that we run into is, unfortunately, we have had a couple of claims that have come in that have exceeded that \$5000 amount. We wanted to pay out to that family more than the \$5000 claim, but still not to exceed that \$10,000. An example would be that if we had a claim that was \$200,000 and their insurance was going to cover \$90,000 of that claim, that left us with a \$110,000 to view. I take that times 25%, which would be \$27,000. We would then want to pay them out at \$10,000 reimbursement. Now using that same example, they had \$200,000 and their insurance covered \$170,000 of the claim. That leaves us with \$30,000. When I take that times 25% it is \$7500 so they would not get more than \$7500.

Representative Devlin: Does the federal language include successful? I am not having a problem with adulthood, I am having a problem with the adjective successful.

K. Bless: Yes, it is.

Representative McWilliams: I am curious why the federal government is trying to push younger and younger kids to recognize as in adulthood, when at other times they are pushing the age back like in health care they raised it to 26. It seems like a giant span. We are trying to push kids in foster care to leave foster care sooner, but yet we are trying to keep young adults under federal law longer. I am wondering why there is a discrepancy in the policy.

K. Bless: I was formally the independent living administrator for the department, so I have had a lot of national conversations and they have incorporated the national youth in transition data base at the federal government. That requires states to do some tracking of outcomes. What we are finding with that data is that if you don't engage earlier with a young person and offer them those supportive services so they have haven't had the opportunity to see some of the things that we take for granted. Having those conversations as early as possible is appropriate for the long term goals of those kids. The federal government wanted to reinforce the younger you start to work on independent living and skills, the better success and more long term outcomes we will see in those young people. Statistics are that kids that leave foster care have higher outcomes of criminal activity, higher outcomes of using drugs and alcohol, and higher outcomes of having children out of wedlock. Our hope is that if we start earlier, offer the service we will lower that rate and have better long term outcomes of having more kids going to school, etc.

Vice Chairman Rohr: Adulthood is usually 18. If you have an 18-year old that is not a successful adult. What happens then? How long are you going to take care of that individual?

K. Bless: We do provide services to the age of 21. We have the 18 plus program that allows them to continue getting services. We have had about 55 children who have continued in care every year, so over a 12- month time span 55 youth have chosen to remain in the foster care system past the age of 18 because they did not think they were ready. The other part to that program that is of particular benefit to them is that they make choose to leave at the age of 18 and go out on their own, but if they can't make it they can come back into the foster care system within 6 months. There is also a transition program that works with young adults up to the age of 24. We have levels of care to offer to these young people and if we can get them started on the right path early on they are going to be able to be followed and have that supportive service on going.

Representative Skroch: Expanding on successful adulthood. The state becomes the parent at the age of 14. Could one of those kids come back and say that my life is not successful so I am going to sue the state.

K. Bless: I can't speak to a child or young adult coming back, but the goal for the involvement at the age of 14 is to allow them to be involved. They are part of their case planning. If they are capable we want to include them as soon as possible. We have some that are even involved in their plan at the age of 11 or 12. If you don't include them they won't have a successful adulthood. They will be disgruntled, unhappy and they won't have been having their needs met. This part of the bill is specific to the court order. We want to insure that when they go before the judge they are talking about how they are talking about how their independent living needs are going to be met with a goal of successful transition to adulthood. How we determine success is very individualized. Everyone's success might be different.

Representative McWilliams: Is the intention of this bill is to lower the age to 14 to assist that child on how to buy groceries and how to budget and such. Why then set that age at 14? Why don't we start younger?

K. Bless: The federal government says we have to do it at 14, but if we want to do it younger, we have all the capabilities of doing that. Some of the things they learn are basic home management like being able to clean their room. Foster parents do a good job with that and it is important even if they don't go on their own, but return home. They can then help Mom and Dad.

Chairman Weisz: are there further questions?

Chairman Weisz: Further testimony in support of SB 2114? Testimony in opposition?
Seeing none, hearing closed.

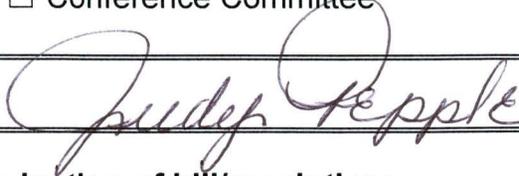
2017 HOUSE STANDING COMMITTEE MINUTES

Human Services Committee
Fort Union Room, State Capitol

SB 2114
2/15/2017
28398

- Subcommittee
 Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the definition of permanency hearing, reasonable efforts for sibling placement, definition of group home, and liability coverage to foster homes for children.

Minutes:

Chairman Weisz: called the committee to order:
Discussion on SB 2114.

Representative Porter: In visiting with people with kids in their 40s I am not sure that that is anything that is able to happen. That is really setting the bar high. I move a do pass SB 2114.

Representative Westlind: second

Chairman Weisz: Just to be clear though, the language just said there is a system in making the transition to a successful adulthood. It didn't say they would ever be successful. It is just that they are trying to start working with kids at an earlier age to help prepare them for adulthood.

Representative Westlind: I just have a comment. I don't like going down to 14 year olds either, but if it is mandated by the federal government we can't change it.

Chairman Weisz: We need to kind of clarify here. These children are in foster care. Maybe they have been there a long time. All this is saying is that they are going to try to work with them at an earlier age to help them adjust to hopefully become competent adults at some point and we don't see them in our prison system. Obviously they wouldn't be in foster care if there wasn't an issue. It takes some pretty major issues before they end up in that system. There are certainly issues to begin with, so I guess I don't see a problem with it being 2 years younger. It isn't like we are mandating therapy or whatever.

Representative Devlin: My problem is that someone in the Dept. of Human Services is going to determine what a successful adult is. I have a real problem with that. I don't think that is the department of human services position in life to tell you, your parents, or someone else

that no your son or daughter is not a successful adult. I don't care whether this came out of the last administration or the current one, I think it is just plain wrong.

Chairman Weisz: Further discussion or questions?

If not, the clerk will call the roll for a do pass on SB 2114.

Roll call vote taken Yes 10 No 4 Absent 0

Motion passed.

Chairman Weisz: do we have a volunteer to carry this one?

Representative Westlind: I will carry it.

Committee adjourned.

Date: 2/15/17
Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2114

House Human Services Committee

Subcommittee

Amendment LC# or Description: _____

Recommendation: Adopt Amendment
 Do Pass Do Not Pass Without Committee Recommendation
 As Amended Rerefer to Appropriations
 Place on Consent Calendar
Other Actions: Reconsider _____

Motion Made By Rep. Porter Seconded By Rep. Westlind

Representatives	Yes	No	Representatives	Yes	No
Chairman Weisz	✓		Rep. P. Anderson	✓	
Vice Chairman Rohr		✓	Rep. Schneider	✓	
Rep. B. Anderson	✓				
Rep. D. Anderson		✓			
Rep. Damschen	✓				
Rep. Devlin		✓			
Rep. Kiefert		✓			
Rep. McWilliams	✓				
Rep. Porter	✓				
Rep. Seibel	✓				
Rep. Skroch	✓				
Rep. Westlind	✓				

Total (Yes) 10 No 4

Absent 0

Floor Assignment Rep. Westlind

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2114: Human Services Committee (Rep. Weisz, Chairman) recommends **DO PASS**
(10 YEAS, 4 NAYS, 0 ABSENT AND NOT VOTING). SB 2114 was placed on the
Fourteenth order on the calendar.

2017 TESTIMONY

SB 2114

**Final Testimony
Senate Bill 2114– Department of Human Services
Senate Human Services Committee
Senator Judy Lee, Chairman
January 9, 2017**

Chairman Lee and members of the Senate Human Services Committee, I am Kelsey Bless, Permanency Administrator for the Department of Human Services (Department); Children and Family Services Division. I am here today in support of Senate Bill 2114, which was introduced at the request of the Department.

North Dakota Century Code chapter 27-20 addresses juvenile court proceedings. The proposed changes on page 2, lines 18 through 20, meet compliance with federal legislation "Preventing Sex Trafficking and Strengthening Families Act" (P.L. 113-183) which requires states to engage earlier with young people in efforts to build their independent living skills. The proposed change will reduce the age required in foster care permanency planning from age 16 to age 14 when case managers must assist youth with goals and tasks to transition to successful adulthood.

In addition, the proposed changes on page 2, line 28, will mirror the language on page 1, lines 15 through 18, requiring sibling language be present in permanency hearings and case planning only if applicable; meaning if the child has siblings. If a child does not have siblings, case planning would not require discussions or documentation as a means to maintain family connections. Adding "if applicable" will allow for the topic to be addressed only if relevant.

North Dakota Century Code chapter 50-11 addresses foster care homes for children and adults. The Department proposes the change on page 3, line 6, to correct the definition of a group home to include the number four, allowing an agency who meets the compliance for licensing under N.D.A.C 75-03-16 Residential Child Care Facilities/Group Homes to operate as a group home if the agency has at least four, but less than thirteen beds licensed for children in need of placement.

Lastly, there are proposed changes on page 3, lines 20 through 27, related to liability coverage to foster homes for children. The Department has the ability to reimburse a licensed foster care provider if property damage is caused by acts or omissions of a foster child. The proposed changes will allow the Department limited discretion when more than \$25,000 of total damage is caused to a property. At this time, the Department can reimburse up to \$5,000 per claim with a maximum of \$10,000 per claimant per year. However, the proposed change would allow the Department to reimburse the claimant more than \$5,000 per claim if determined appropriate, but still not exceed the \$10,000 annual maximum.

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

Att. 1 SB 2114
2/15/17

Testimony
Senate Bill 2114- Department of Human Services
House Human Services Committee
Representative Robin Weisz, Chairman
February 15, 2017

Chairman Weisz, and members of the House Human Services Committee, I am Kelsey Bless, Permanency Administrator for the Department of Human Services (Department); Children and Family Services Division. I am here today in support of Senate Bill 2114, which was introduced at the request of the Department.

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