

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

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SENATE BILL 423

Short Title: Foster Care Family Act. (Public)

Sponsors: Senators Barringer, Harrington, Tucker (Primary Sponsors); Bingham, Brock, Bryant, Clark, Cook, Daniel, J. Davis, Ford, Foushee, Hartsell, Hise, J. Jackson, Krawiec, Lowe, McInnis, Pate, Rabin, Rabon, Robinson, Sanderson, Smith, Smith-Ingram, Soucek, Tarte, Van Duyn, Waddell, and Woodard.

Referred to: Rules and Operations of the Senate.

March 26, 2015

A BILL TO BE ENTITLED

1 AN ACT TO ALIGN STATE LAW WITH FEDERAL LAW BY PROVIDING FOR THE  
2 SUPPORT OF HEALTHY DEVELOPMENT OF YOUTH IN FOSTER CARE  
3 THROUGH IMPLEMENTATION OF A REASONABLE AND PRUDENT PARENT  
4 STANDARD FOR DECISIONS MADE BY A FOSTER PARENT OR A DESIGNATED  
5 OFFICIAL FOR A CHILD CARE INSTITUTION AND REVISING TO THE JUVENILE  
6 CODE UNDER THE LAWS PERTAINING TO ABUSE, NEGLECT, AND  
7 DEPENDENCY REGARDING JUVENILE PLACEMENT; TO PROVIDE LIABILITY  
8 INSURANCE FOR FOSTER PARENTS; TO REDUCE BARRIERS TO OBTAINING A  
9 DRIVERS LICENSE FOR FOSTER CHILDREN BY DIRECTING THE NORTH  
10 CAROLINA REINSURANCE FACILITY TO MAKE AVAILABLE A NONOWNER  
11 AUTOMOBILE INSURANCE POLICY FOR FOSTER CHILDREN, BY PROVIDING  
12 THAT MINORS AGED SIXTEEN AND OVER IN THE CUSTODY OF THE  
13 DEPARTMENT OF HEALTH AND HUMAN SERVICES ARE COMPETENT TO  
14 CONTRACT FOR AUTOMOBILE INSURANCE, BY SPECIFYING PERSONS OTHER  
15 THAN THE FOSTER PARENT WHO MAY SIGN FOR A FOSTER CHILD TO  
16 OBTAIN A LEARNER'S PERMIT OR PROVISIONAL DRIVERS LICENSE, AND BY  
17 CLARIFYING THAT FOSTER PARENTS DO NOT VIOLATE FINANCIAL  
18 RESPONSIBILITY REQUIREMENTS BY ALLOWING FOSTER CHILDREN WITH  
19 THEIR OWN INSURANCE COVERAGE TO OPERATE A VEHICLE OWNED BY THE  
20 FOSTER PARENT; AND TO REQUIRE THE DEPARTMENT OF HEALTH AND  
21 HUMAN SERVICES TO STUDY A MEDICAID WAIVER FOR CHILDREN WITH  
22 SERIOUS EMOTIONAL DISTURBANCE.

23  
24 The General Assembly of North Carolina enacts:

25  
26 **PART I. SHORT TITLE**

27 **SECTION 1.1.** This act shall be known and may be cited as the "Foster Care  
28 Family Act".

29  
30 **PART II. REASONABLE AND PRUDENT PARENTING STANDARD IN FOSTER**  
31 **CARE**

32 **SECTION 2.1.** Part 1 of Article 1A of Chapter 131D of the General Statutes is  
33 amended by adding a new section to read:



1 **"§ 131D-10.2A. Reasonable and prudent parenting standard.**

2 (a) The reasonable and prudent parenting standard is characterized by careful and  
3 sensible parental decisions that maintain a child's health, safety, and best interests while  
4 encouraging the child's emotional and developmental growth.

5 (b) Every child care institution shall designate an on-site official who is authorized to  
6 apply the reasonable and prudent parenting standard pursuant to this section.

7 (c) A caregiver, including the child's foster parent or the designated official at a child  
8 care institution where the child is placed, must use the reasonable and prudent parenting  
9 standard when determining whether to allow a child in foster care to participate in  
10 extracurricular, enrichment, and social activities.

11 (d) A caregiver or a county department of social services with custody of or placement  
12 authority over a child in foster care shall not be held liable for an act or omission of the child if  
13 the caregiver or county department of social services is acting in accordance with the  
14 reasonable and prudent parenting standard under this section.

15 (e) Unless otherwise ordered by a court with jurisdiction pursuant to G.S. 7B-200, a  
16 caregiver exercising the reasonable and prudent parenting standard has the authority to provide  
17 or withhold permission, without prior approval of the court or a county department of social  
18 services, allowing a child in foster care, in the custody of a county department of social services  
19 or under the placement authority of a county department of social services through a voluntary  
20 placement agreement, to participate in normal childhood activities. Normal childhood activities  
21 shall include, but are not limited to, extracurricular, enrichment, and social activities, and may  
22 include overnight activities outside the direct supervision of the caregiver for periods of over 24  
23 hours and up to 72 hours.

24 (f) Neither the caregiver nor the county department of social services with custody of  
25 or placement authority over the child may be held liable for injuries to the child that occur as a  
26 result of authorization provided in this section, unless the action or inaction of the caregiver or  
27 county department of social services resulting in injury to the child is by willful or reckless  
28 misconduct."

29 **SECTION 2.2.** G.S. 7B-505(b) reads as rewritten:

30 "(b) The court shall order the Department to make diligent efforts to notify relatives and  
31 any custodial parents of the juvenile's siblings that the juvenile is in nonsecure custody and of  
32 any hearings scheduled to occur pursuant to G.S. 7B-506, unless the court finds such  
33 notification would be contrary to the best interests of the juvenile. In placing a juvenile in  
34 nonsecure custody under this section, the court shall first consider whether a relative of the  
35 juvenile is willing and able to provide proper care and supervision of the juvenile in a safe  
36 home. If the court finds that the relative is willing and able to provide proper care and  
37 supervision in a safe home, then the court shall order placement of the juvenile with the relative  
38 unless the court finds that placement with the relative would be contrary to the best interests of  
39 the juvenile."

40 **SECTION 2.3.** G.S. 7B-800.1(a)(4) reads as rewritten:

41 "(a) Prior to the adjudicatory hearing, the court shall consider the following:

42 ...

43 (4) Whether relatives or parents with custody of a sibling of the juvenile have  
44 been identified and notified as potential resources for placement or support."

45 **SECTION 2.4.** G.S. 7B-901 reads as rewritten:

46 **"§ 7B-901. Dispositional hearing.**

47 The dispositional hearing shall take place immediately following the adjudicatory hearing  
48 and shall be concluded within 30 days of the conclusion of the adjudicatory hearing. The  
49 dispositional hearing may be informal and the court may consider written reports or other  
50 evidence concerning the needs of the juvenile. The juvenile and the juvenile's parent, guardian,  
51 or custodian shall have the right to present evidence, and they may advise the court concerning

1 the disposition they believe to be in the best interests of the juvenile. The court may consider  
2 any evidence, including hearsay evidence as defined in G.S. 8C-1, Rule 801, including  
3 testimony or evidence from any person who is not a party, that the court finds to be relevant,  
4 reliable, and necessary to determine the needs of the juvenile and the most appropriate  
5 disposition. The court may exclude the public from the hearing unless the juvenile moves that  
6 the hearing be open, which motion shall be granted.

7 At the dispositional hearing, the court shall inquire as to the identity and location of any  
8 missing parent and whether paternity is at issue. The court shall include findings of the efforts  
9 undertaken to locate the missing parent and to serve that parent and efforts undertaken to  
10 establish paternity when paternity is an issue. The order may provide for specific efforts in  
11 determining the identity and location of any missing parent and specific efforts in establishing  
12 paternity. The court shall also inquire about efforts made to identify and notify ~~relatives~~  
13 relatives, including parents with custody of a sibling of the juvenile, as potential resources for  
14 placement or support."

15 **SECTION 2.5.** Article 9 of Chapter 7B of the General Statutes is amended by  
16 adding the following new sections to read:

17 **"§ 7B-903.1. Juvenile placed in custody of a county department of social services.**

18 (a) To the extent authorized by federal law, a county department of social services with  
19 custody of a juvenile is authorized to make decisions about matters not addressed in this section  
20 that are generally made by a juvenile's custodian, including, but not limited to, educational  
21 decisions and consenting to the sharing of the juvenile's information. The county department of  
22 social services may delegate any part of this authority to the juvenile's parent, foster parent, or  
23 another individual.

24 (b) When a juvenile is in the custody or placement responsibility of a county  
25 department of social services, the placement provider may, in accordance with  
26 G.S. 131D-10.2A, provide or withhold permission, without prior approval of the court or  
27 county department of social services, allowing a juvenile to participate in normal childhood  
28 activities. If such authorization is not in the juvenile's best interest, the court shall set forth  
29 alternative parameters for approving normal childhood activities.

30 **"§ 7B-912. Juveniles 14 years of age and older; Another Planned Permanent Living**  
31 **Arrangement.**

32 (a) In addition to the permanency planning requirements under G.S. 7B-906.1, at every  
33 permanency planning hearing for a juvenile in the custody of a county department of social  
34 services who has attained the age of 14 years, the court shall inquire and make written findings  
35 regarding each of the following:

- 36 (1) The services provided to assist the juvenile in making a transition to  
37 adulthood.
- 38 (2) The steps the county department of social services is taking to ensure that  
39 the foster family or other licensed placement provider follows the reasonable  
40 and prudent parent standard as provided in G.S. 131D-10.2A.
- 41 (3) Whether the juvenile has regular opportunities to engage in age or  
42 developmentally appropriate activities.

43 (b) At or before the last scheduled permanency planning hearing, but at least 90 days  
44 before a juvenile attains 18 years of age, the court shall (i) inquire as to whether the juvenile  
45 has a copy of the juvenile's birth certificate, Social Security card, health insurance information,  
46 drivers license or other identification card, and any educational or medical records the juvenile  
47 requests and (ii) determine the person or entity that should assist the juvenile in obtaining these  
48 documents before the juvenile attains the age of 18 years.

49 (c) The plan of Another Planned Permanent Living Arrangement (APPLA) is only  
50 available as a juvenile's primary permanent plan when the court concludes each of the  
51 following:

1           (1)   The juvenile is 16 or 17 years old.

2           (2)   The county department of social services has made diligent efforts to place  
3           the juvenile permanently with a parent or relative or in a guardianship or  
4           adoptive placement.

5           (3)   There are compelling reasons why it is not in the best interest of the juvenile  
6           to be placed permanently with a parent or relative or in a guardianship or  
7           adoptive placement.

8           (4)   APPLA is the best permanency plan for the juvenile.

9           (d)   When APPLA is the juvenile's permanent plan, the court shall, after questioning the  
10          juvenile, make written findings addressing the juvenile's desired permanency outcome."

### 12 **PART III. LIABILITY INSURANCE FOR FOSTER PARENTS**

13           **SECTION 3.1.** Article 36 of Chapter 58 of the General Statutes is amended by  
14 adding a new section to read:

#### 15 **"§ 58-36-43. Development of policy form or endorsement for personal liability insurance** 16 **for foster parents.**

17           (a)   The Rate Bureau shall develop an optional policy form or endorsement to be filed  
18           with the Commissioner for approval no later than May 1, 2016, that provides liability insurance  
19           for foster parents licensed under Article 1A of Chapter 131D of the General Statutes to provide  
20           foster care in a family foster home or therapeutic foster home. The policy form or endorsement  
21           shall provide coverage for all of the following:

22           (1)   Acts or omissions of the foster parent while the parent is acting in his or her  
23           capacity as a foster parent in a licensed family foster home or therapeutic  
24           foster home licensed under Article 1A of Chapter 131D of the General  
25           Statutes.

26           (2)   Acts or omissions of a child who is placed in a licensed family foster home  
27           or therapeutic foster home while the child is in the foster parent's care.

28           (b)   Nothing in this section is intended to require that the liability insurance policy or  
29           endorsement required by this section cover an act or omission of a foster parent of a child in a  
30           family foster home or therapeutic foster home when the act or omission is not in compliance  
31           with any written instructions received from the child placing agency or the Department of  
32           Health and Human Services regarding specific care and supervision of the child."

### 34 **PART IV. REDUCE DRIVING BARRIERS FOR FOSTER CHILDREN**

35           **SECTION 4.1** G.S. 58-37-35(g) reads as rewritten:

36           "(g) Except as may be delegated specifically to others in the plan of operation or  
37 reserved to the members, power and responsibility for the establishment and operation of the  
38 Facility is vested in the Board of Governors, which power and responsibility include but is not  
39 limited to the following:

40           ...  
41           (13) To establish, with the approval of the Commissioner, a form of nonfleet  
42           private passenger motor vehicle liability insurance providing named  
43           nonowner coverage for a foster child in State custody. This policy shall meet  
44           the following requirements:

45           a.   It shall be available to any foster child who does not own a motor  
46           vehicle. For purposes of this subdivision, "foster child" shall mean a  
47           person placed into foster care, as that term is defined by  
48           G.S. 131D-10.2, who is (i) a child between the ages of 16 and 18 or  
49           (ii) between the ages of 18 and 21.

50           b.   The policy shall apply only to the foster child.

- 1           c.     The policy shall provide the minimum coverages specified under this  
2           Chapter and Chapter 20 of the General Statutes in order to provide  
3           the proof of financial responsibility required by G.S. 20-7(c1).  
4           d.     The policy shall cover the operation by the foster child of any  
5           automobile furnished or available to the foster child for regular use.  
6           e.     The policy shall be portable if the foster child's placement for foster  
7           care changes, as long as the placement is located in this State.  
8           f.     The rates charged by the Facility shall be the same as those provided  
9           for a clean risk under subsection (l) of this section, for as long as the  
10          foster child meets the criteria for classification as a clean risk under  
11          that subsection. If the foster child no longer meets that criteria, the  
12          Facility may charge the actuarially sound and self-supporting rate."

13           **SECTION 4.2.** Article 1 of Chapter 48A of the General Statutes is amended by  
14 adding a new section to read:

15           "§ 48A-4. Certain minors competent to contract.

16           A minor who is 16 years of age or older and who is in the legal custody of the Department  
17           of Health and Human Services, Division of Social Services, shall be qualified and competent to  
18           contract for the purchase of an automobile insurance policy with the consent of the court with  
19           continuing jurisdiction over the minor's placement under G.S. 7B-1000(b). The minor shall be  
20           responsible for paying the costs of the insurance premiums and shall be liable for damages  
21           caused by the minor's negligent operation of a motor vehicle. No State or local government  
22           agency, foster parent, or entity providing services to the minor under contract or at the direction  
23           of a State or local government agency shall be responsible for paying any insurance premiums  
24           or liable for damages of any kind as a result of the operation of a motor vehicle by the minor."

25           **SECTION 4.3.** G.S. 20-11(i) reads as rewritten:

26           "(i) Application. — An application for a permit or license authorized by this section  
27 must be signed by both the applicant and another person. That person must be:

- 28           (1) The applicant's parent or guardian;  
29           (2) A person approved by the applicant's parent or guardian; or  
30           (3) A person approved by the Division.  
31           (4) With respect to minors in the legal custody of the Department of Health and  
32           Human Services, Division of Social Services, any of the following:  
33           a.     A guardian ad litem or attorney advocate appointed to advocate for  
34           the minor.  
35           b.     A case manager or other type of case worker assigned to work with  
36           the minor.  
37           c.     If no person listed in sub-subdivisions a. or b. of this subdivision is  
38           available, the court with continuing jurisdiction over the minor's  
39           placement under G.S. 7B-1000(b)."

40           **SECTION 4.4.** G.S. 20-309 is amended by adding a new subsection to read:

41           "(a2) The owner of a motor vehicle who is a foster parent providing foster care to a  
42           person between the ages of 16 and 21 shall not violate the requirements of this Article by  
43           allowing the motor vehicle to be operated by the person if the person is covered by a nonowner  
44           motor vehicle insurance policy issued by the North Carolina Reinsurance Facility as authorized  
45           by G.S. 58-37-35(g)(13). Nothing in this section is intended to prevent a foster parent from  
46           including a foster child on the parent's own motor vehicle insurance policy."

47  
48           **PART V. STUDY MEDICAID WAIVER FOR CHILDREN WITH SERIOUS**  
49           **EMOTIONAL DISTURBANCE (SED)**

50           **SECTION 5.1.(a)** The Department of Health and Human Services, Division of  
51 Medical Assistance, shall design and draft, but not submit, a 1915(c) Medicaid waiver to serve

1 children with Serious Emotional Disturbance (SED) in home and community-based settings.  
2 The Department may submit drafts of the waiver to the Centers for Medicare and Medicaid  
3 Services (CMS) to solicit feedback but shall not submit the waiver for CMS approval until  
4 authorized by the General Assembly.

5         **SECTION 5.1.(b)** The Department shall report the draft waiver, other findings, and  
6 any other options or recommendations to best serve children with SED to the Joint Legislative  
7 Oversight Committee on Health and Human Services by December 1, 2015. Specifically, the  
8 report shall provide an in-depth analysis of the cost per slot, including an analysis of the  
9 estimated number of waiver recipients who would be transitioned from a facility to a home and  
10 community-based setting and the estimated number of waiver recipients who would avoid  
11 placement in a facility.

12  
13 **PART VI. EFFECTIVE DATE**

14         **SECTION 6.1.** Part 4 of this act becomes effective October 1, 2015. The remainder  
15 of this act is effective when it becomes law.