

Testimony
Engrossed House Bill 1012 – Department of Human Services
Senate Appropriations
Senator Holmberg, Chairman
March 12, 2013

Chairman Holmberg, and members of the Senate Appropriations Committee, I am Shari Doe, Director of the Children and Family Services Division of the Department of Human Services. I am here today to provide you an overview of Division of Children and Family Services (CFS) for the Department of Human Services.

This Division provides leadership for the child welfare system in North Dakota.

Programs

- **Child Protective Services:** provides protection for children who have been or are at risk of being neglected and/or abused. Services provided include child protection assessments, case management, child fatality review, institutional child protection services, and child abuse and neglect prevention programs.
- **Family Preservation Services:** provides therapeutic intervention to families whose children have been or are at risk of abuse, neglect and out-of-home placement. Services include parent aide, prime-time child care, intensive in-home treatment services, respite care, family team decision making, family group conferencing, and safety/permanency funds to prevent placement. This program places emphasis on preventing removal of children from their homes.
- **Foster Care Services:** provides a substitute temporary living environment for children who cannot safely remain with their families.

Services include recruitment and retention of foster homes, and licensing and placement services for relative homes, family foster homes, group homes, residential child care facilities and licensed child placing agencies. This also includes foster care eligibility determination and payment, case planning and reviews, subsidized guardianship, and Interstate Compact on the Placement of Children, and services for Unaccompanied Minors. In addition, foster care offers Chafee Independent Living services to youth ages 16 to 21 to assist with assessment, skill building, employment training, and education stipends.

- **Adoption Services:** provides permanent adoptive homes for eligible children. Services include recruitment, adoption assessment, placement, follow-up services, post-adoption services, adoption subsidy, birth family services, adoption search, licensure of child placing agencies (adoption related), licensure of Maternity Homes, and the Interstate Compact on the Placement of Children for Adoption.
- **Early Childhood Services:** coordinates activities, establishes standards, and provides training to providers of early childhood care and education. Services include licensing, child care resource and referral, providing consultation to the tribes on licensing, and coordination with other early childhood stakeholders and agencies through the Head Start Collaboration Office.

All these services are provided either by the county social service agencies or through contracts with non-profit providers with a focus on the safety, permanency, and well-being of children and their families.

Caseloads/Customer Base

The numbers of **Child Abuse and Neglect** assessments completed for federal fiscal year (FFY) 2012 was 3,761, a decrease of thirty-seven from FFY 2011.

Family Group Decision Making (FGDM) is available in all county social service agencies and the Division of Juvenile Services. This service brings family members and other community and agency support people to the table to develop a permanency plan for children who are either in foster care, at risk of being placed in foster care, or being cared for by their extended family. This also brings significant people in the lives of a child (ren) together to discuss how to maintain and build family connections. A total of 102 FGDM conferences were completed from May 2011 to June 2012.

Family Team Decision Making (FTDM) is currently provided in Burleigh/Morton, Cass, and Grand Forks county social service agencies. FTDM provides an opportunity either immediately prior to placement or immediately upon removal of a child to bring families, community supports and agency personnel to the table with a neutral facilitator to make plans and seek opportunities and resources to maintain child safety and reduce the need for removal. This differs from Family Group Decision Making in that it is an expedited process that happens more quickly to address emergent issues such as emergency removals. FTDM has proven to be a promising practice with positive outcomes targeted at reducing foster care placements by keeping children safely in their home or with relatives and enhancing the engagement of parents in protecting and maintaining relationships with their children. A total of 149 FTDM conferences were held from May 2011 to June 2012 in the piloted counties. In 58 percent of the FTDM conferences the planned outcome was that the child would remain

with the parent or live with a relative rather than go into a foster care placement.

The number of children in **foster care** on September 30, 2012 was 1018 in comparison to the number of children in foster care on September 30, 2011 which was 1107. Approximately 30 percent of these children were Native American.

The number of children, as of November 2012, placed in **out-of-state Residential Child Care Facilities (RCCF) and Psychiatric Residential Treatment Facilities (PRTF) was 50**. This number is an increase from 2011 when the number was 48.

Preliminary findings show the number of youth who participated or are participating in the **18+ Continued Foster Care** program since January 2012 is approximately 30. As per program eligibility requirements, these youth were all age 18 or older who either chose to remain in foster care or to return to foster care within six month from their last discharge date.

The number of current and former foster care youth who received **Chafee Independent Living** services in FFY 2012 was 415. Over 75 percent (309) of the youth participants were Foster Care Alumni (youth who had exited or aged out of foster care and youth still in care who are likely to age out of foster care).

The number of foster children gaining permanency through **adoption** has increased over the last three years and this trend is projected to continue through the 2013 to 15 biennium. Of the 127 finalized public agency adoptions in FFY 2012, 125 (98.4 percent) were special needs adoptions with 92 (72.4 percent) of these children adopted by foster parents.

The number of **subsidized guardianships** approved as of November 2012 was 62. This compares to 58 subsidized guardianships approved in November 2011.

The **Refugee Services Program** presently has 33 youth receiving foster care services as unaccompanied minors. This number has remained steady since January 2011.

Program Trends/Major Program Changes

CFS continues to place an emphasis on safety, permanency, and well-being of children across all programs. **Foster care services** continue to see the most significant program changes in the division. The *Child and Family Services Improvement and Innovation Act* (P.L. 112-34) was signed into law in September 2011, and a number of program changes resulted from this federal law:

- A workgroup on psychotropic drug use in the foster care population has been convened with representation from CFS, the Medical Services Division, the Division of Mental Health and Substance Abuse and field services. The workgroup is currently in the process of reviewing and developing protocols used to monitor the use of psychotropic medications for children in the foster care system.
- Since January 2012, North Dakota foster care agencies are required to assist foster children ages 16 and older in obtaining an annual copy of their consumer credit report from all three credit reporting agencies, interpreting the results, and resolving any inconsistencies. The intent of this law is to identify if the child has been subject to identity theft, as well as teach the child how to request and review a credit report, help the child understand the importance of having a credit check

completed, and position the child to continue this practice upon discharge from foster care.

Elements of the *Fostering Connections to Success and Increasing Adoptions Act of 2008* (P.L. 110-351) have been implemented in North Dakota during the past two years.

- States were allowed to opt into Title IV-E Federal reimbursement to assist youth who choose to remain in or return to foster care until they reach the age of 21. **18+ Continued Foster Care** was passed as SB 2192 last legislative session and has been operating in North Dakota since January 2012.
- States were requested to participate in the **National Youth in Transition Database (NYTD)** program in order to eliminate fiscal penalty of federal Chafee funding. Since October 2010, North Dakota has been documenting the number of independent living services provided to youth as well as tracking outcomes of identified foster care youth at ages 17, 19, and 21. North Dakota is currently in the second phase of NYTD surveying; and is collecting data from former foster care youth who are now age 19.
- Caseworkers are utilizing **Health Tracks Screenings** and Child and Family Team Meetings as a means to ensure continuity of health care services. The health screenings include a physical and mental health assessment.

The second Federal Child and Family Services Review (CFSR) was held in April 2008 in North Dakota. North Dakota did not reach "substantial conformity" (e.g. we did not pass). No state passed the federal CFSR. Therefore, all states must develop a **Performance Improvement Plan (PIP)** in negotiation with federal partners. While we were noted in this

recent round to have many strengths and a few challenges, our performance did require a PIP. The ND PIP was formalized in June of 2010 and mostly completed in June of 2012. While the strategies employed to reach the PIP goals were implemented with great commitment, the work was disrupted by a series of statewide flooding challenges. These challenges did not cause us to abandon the work but clearly impacted our ability to create the change in the timeline given in our Program Improvement Plan. The federal government granted a one-year extension on the ND PIP for this reason. In spite of these challenges, it is notable that North Dakota has met all the national data standards, a significant indicator of positive changes in practice outcomes for the state.

There continues to be significant challenges in the **availability of child care** across the state. There are currently 1431 licensed early childhood programs in the state (Family 343, Group 821, Centers and Multiples 162, School-age 40, Preschool-age 65) with a licensed capacity of 31,520 children. The proportion of North Dakota mothers with children ages birth to five) in the labor force was 77.5 percent. The proportion raise to 86.5 percent for mothers with older children ages 6 to 17 according to the 2010 Census. This has created a demand for assurances of safety in child care settings and the need to provide professional development opportunities for this large workforce and industry in North Dakota. Statewide, the availability of licensed child care meets only 37 percent of the potential demand, with the demand greater in certain areas of the state and for certain groups of children. According to child care resource and referral agencies across the nation, the goal is to have 50 percent licensed child care capacity. Because of this, there is continued need for a focus on recruitment and retention of early childhood service providers. This industry includes providers and staff members in both home-based and center-based care settings.

Overview of Budget Changes

Description	2011 - 2013 Budget	Increase / Decrease	2013 - 2015 Executive Budget	House Changes	To Senate
Salary and Wages	2,549,711	106,157	2,655,868		2,655,868
Operating	5,744,630	959,746	6,704,376	(205,416)	6,498,960
Grants	127,255,162	11,790,851	139,046,013	150,000	139,196,013
Total	135,549,503	12,856,754	148,406,257		148,350,841
General Fund	34,197,540	6,092,077	40,289,617	16,480	40,306,097
Federal Funds	81,259,109	4,134,141	85,393,250	(71,896)	85,321,354
Other Funds	20,092,854	2,630,536	22,723,390		22,723,390
Total	135,549,503	12,856,754	148,406,257	(55,416)	148,350,841
FTE	17.0	0.0	17.0		17.0

Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item increased by \$106,157 and can be attributed to the following:

- \$57,737 in total funds of which \$31,958 is general fund to fund the Governor's salary package for state employees.
- \$51,255 in total funds of which \$30,660 is general fund needed to fund the employee increases for 24 months versus the 12 months contained in the current budget.
- The remaining (\$2,835) is a combination of increases and decreases needed to sustain the salary of the 17 FTE in this area of the budget.

The Operating line item increased by \$959,746 and is a combination of the increases expected next biennium which are offset by decreases, with the majority of changes as follows:

- \$102,832 increase in travel is due to the department conducting additional IV-E Tribal and state reviews, and additional county staff attending the CFS conference to ensure the safety, well-being, and permanence of children and families.
- \$911,385 increase in operating fees & services with the majority being attributed to the Adults Adopting Special Needs Kids Services (AASK) contract, and a 4 percent inflationary increase for providers each year of the biennium.

The Grants line item increased by \$11,790,851 which can be mainly attributed to the following:

- \$2,734,088 increase in subsidized adoption due to cost and caseload increases, as well as a \$1,405,697 increase for a 4 percent provider inflationary increase each year of the biennium for an overall general fund increase of \$1,996,913.
- \$1,015,524 increase in foster care due to increases in cost which were offset by decreases in caseload, as well as a \$4,054,297 increase for a 4 percent provider inflationary increase each year of the biennium for an overall general fund decrease of \$157,052.
- \$413,543 increase for additional child abuse assessments, as well as a \$394,868 increase for a 4 percent provider inflationary increase each year of the biennium for an overall general fund increase of \$808,411.
- \$718,968 increase for County administration reimbursement for their efforts in administering the Department's programs.
- Attachment A lists all the grants and compares the cost and caseload of the 2011-2013 appropriation to the 2013-2015 budget.

The general fund request increased by \$6,092,077 of which, \$4,349,342 or 71.3 percent of the increase is due to the 4 percent provider inflationary increase each year of the biennium, and a decrease in the FMAP. The

remaining increase is associated with the changes in operating and grants as noted above.

House Changes:

- The Post Adoption Services, which provides services to adoptive families to maintain adoptive placements and permanency, was removed from the budget, this included funding of \$205,416, of which \$133,520 was general fund.
- Added \$150,000 in general fund for a grant, to a county who does not receive Indian County allocation funding, and whose mill levy was significantly impacted based upon the County Social Service Board administrative costs for calendar year 2011.

This concludes my testimony on the 2013-2015 budget requests for CFS. I would be happy to answer any questions.