

**Testimony**  
**Engrossed House Bill 1012 – Department of Human Services**  
**Senate Appropriations**  
**Senator Holmberg, Chairman**  
**March 13, 2017**

Chairman Holmberg, and members of Senate Appropriations. I am Shari Doe, Director of the Children and Family Services Division (CFS) for the Department of Human Services (Department). I am here today to provide an overview of programs and services that make up the budget request for CFS.

**Role of the Children and Family Services Division**

CFS's role in accomplishing the Department's mission falls into three areas each involving specific functions.

1. **Safety** - Children are, first and foremost, protected from abuse and neglect.
  - ❖ Child Protection Services
  - ❖ Child Fatality Review Panel
  - ❖ State Child Protection Team (institutional abuse and neglect)
  - ❖ Parent Resource Centers
  - ❖ Alliance for Children's Justice
  - ❖ Nurturing Parenting Programs
  - ❖ Healthy Families
  - ❖ Background Check Unit
  - ❖ Licensing
    - Residential Child Care Facilities
    - Child Placing Agencies
    - Maternity Homes
    - Childcare Facilities
    - Family Foster Homes

2. **Permanency** - Children have permanency and stability in their living situations.

- ❖ Foster Care
- ❖ Adoption
- ❖ Guardianships
- ❖ Interstate Compacts for the placement of children
- ❖ Independent Living Services
- ❖ Unaccompanied Minor Services

3. **Well-Being** - Families have enhanced capacity to provide for their children's needs and children receive adequate services to meet their educational, physical and mental health needs.

- ❖ Family Preservation Services
  - Intensive In-home Therapy
  - Parent Aide
  - In-Home Case Management
  - Respite Care
  - Family Team and Group Decision Making
  
- ❖ Early Childhood Services
  - Licensing
  - Training

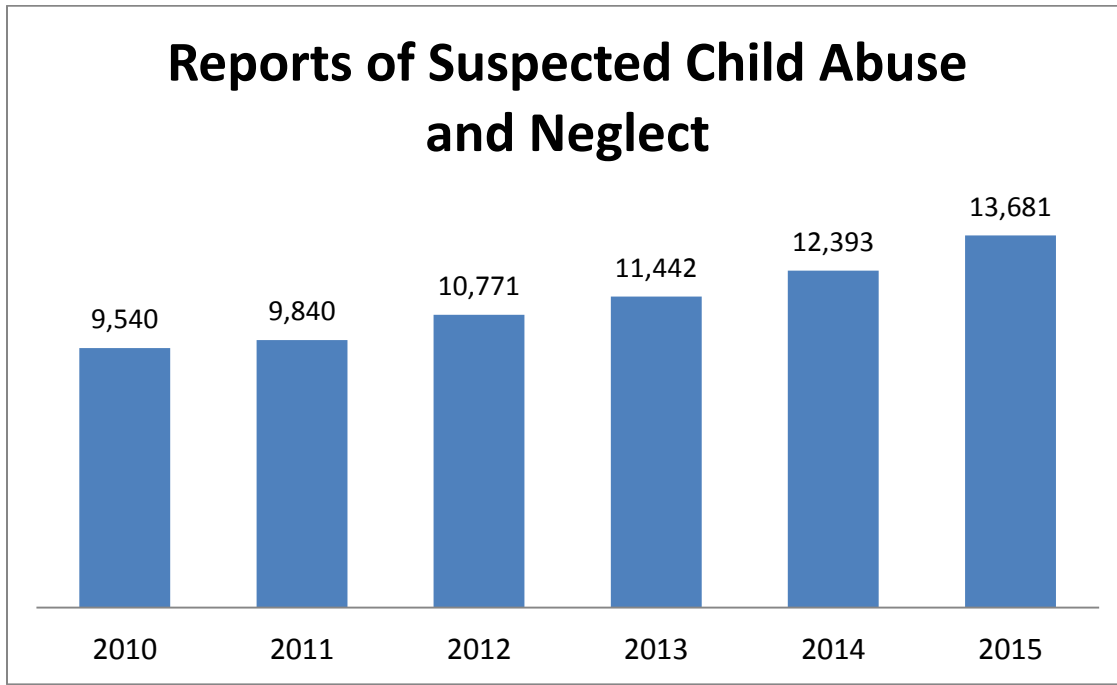
### **Service Providers**

Most of the State's public child welfare services are provided directly through county social service offices or through contracts with non-profit providers and tribes. Staff at the Department's eight regional human service centers serve as resources for the counties and as liaisons between the counties and CFS.

## Child Welfare Program Trends

### Child Protection

The number of suspected Child Abuse and Neglect Reports received has increased by 43% between Federal Fiscal Year (FFY) 2010 and FFY 2015.

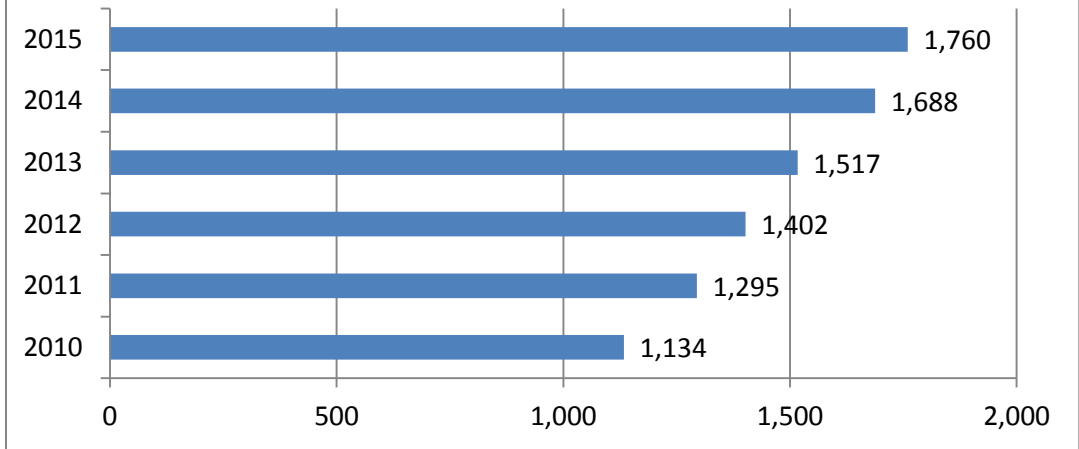


Source: FFY 2015 NCANDS

Of the 13,681 reports of suspected child abuse and neglect in FFY 2015, 3,790 unduplicated reports received a full assessment. These assessments involved 6,437 children.

From FFY 2010 through FFY 2015 the number of child victims of abuse or neglect increased by 55% - from 1,134 children to 1,760 children.

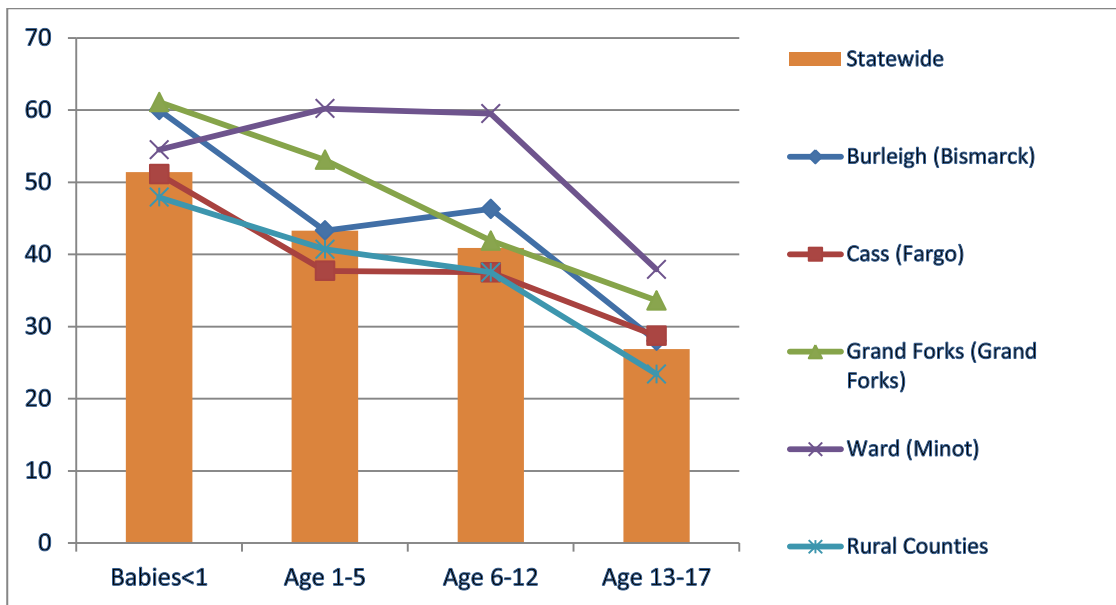
## Child Victims of Abuse and/or Neglect by FFY



Source: NDCANDS

The rates of children receiving full child abuse and neglect assessments are higher for young children. On average, children age five and younger made up 45% of all child victims, with infants under age one representing the majority of child victims.

### Age of child victims by region – FFY 2015



The most common circumstances leading to a child abuse and neglect assessment are related to:

- substance abuse
- mental health issues
- domestic violence

### **Foster Care (FC)**

The number of children removed from their home because of a child abuse or neglect issue continues to increase. The graph below details the increase from FFY 2011 when North Dakota had 1,762 children in care to FFY 2016 when North Dakota cared for 2,396 children in need of foster care services. This is a 36% increase in the number of children in care from FFY 2011 to FFY 2016.

<b>Year</b>	<b># Youth in Foster Care in FFY</b>	<b># Youth in Foster Care on September 30</b>	<b>% Native Americans in FC on September 30 (N)</b>	<b>% in FC with Goal of Reunification on September 30 (N)</b>
<b>2011</b>	1,762	1,107	31.9% (353)	54.2% (600)
<b>2012</b>	1,878	1,177	30.3% (357)	61.5% (724)
<b>2013</b>	2,019	1,297	29.6% (384)	62.9% (816)
<b>2014</b>	2,183	1,448	32.3% (467)	66.1% (957)
<b>2015</b>	2,344	1,467	29.4% (431)	59.9% (879)
<b>2016</b>	2,396	1,506	Not yet Available	Not yet Available

Source: AFCARS

- 29.4% (431) of these children were Native American.
- 59.9% (879) of these children had a permanency goal of reunification.
- The average age of a child was 8.8 years old.

### **18+**

The ND 18+ Continued Foster Care program implemented in January 2012 allows for young people who reach the age of 18 to choose to remain in or return to foster care until they reach the age of 21. The following chart

details the decrease in the number of youth aging out of foster care and the increase in the youth in the 18+ program.

Year	# Youth in Foster Care in FFY	# Youth Who Aged Out	# Youth in 18+ CC Program
2011	1,762	83	N/A
2012	1,878	72	42
2013	2,019	76	48
2014	2,183	84	57
2015	2,344	76	53

Source: AFCARS for FFY 2011 - 2015

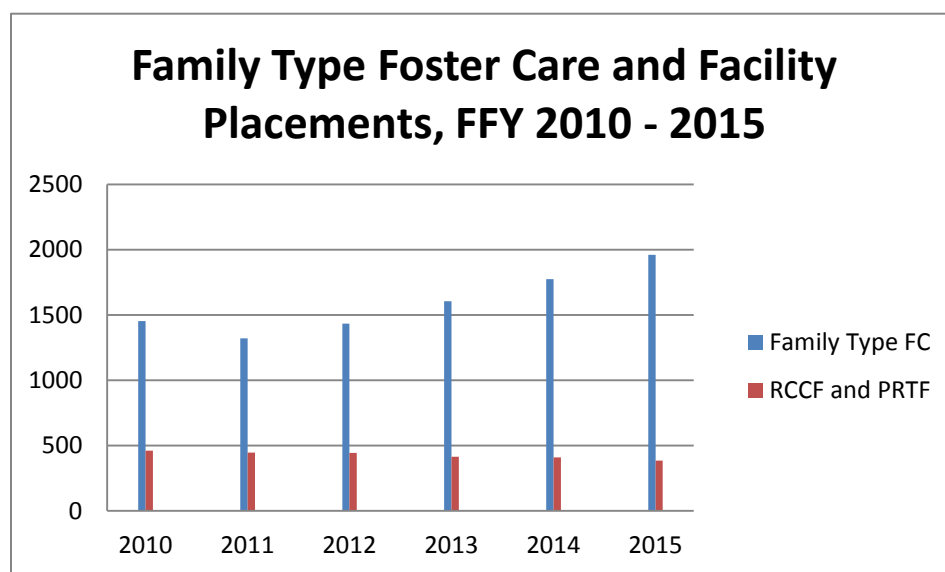
During FFY 2015, North Dakota had 53 youth remain in or returned to foster care after obtaining the age of 18 – this is a 26% increase from FFY 2012. The value of this program is the ability to assist young people longer and to enhance their overall preparedness for independent living. The number of youth “aging out” of foster care in FFY 2015 decreased by 8% from FFY 2011.

Children in foster care have a variety of placement options available to them. Foster care case managers will first seek the *least restrictive* placement option with preference given to relatives. If a relative comes forward and can divert a foster care placement, the benefits for the child can be life changing. Being in a safe placement with family outside of a public agency is what we hope for all children. If foster care is necessary, relatives can choose to become a licensed foster parent and receive a maintenance payment on behalf of the child to help financially provide for the child. If a relative placement is not an option, a licensed family foster home is used.

If a child’s needs are greater than a family foster home can provide, a referral for a therapeutic family foster home is made. Therapeutic foster care will help maintain the least restrictive environment while offering

therapeutic interventions to best meet the needs of the child in a family setting.

However, there are times when a family setting is not possible and foster children require placement in a Residential Child Care Facility (RCCF) group home or a Psychiatric Residential Treatment Facility (PRTF). The graph below identifies the placement type of foster children; the majority of children in FFY 2015 were placed in a family setting (83%).



### **Out-of-State Placements**

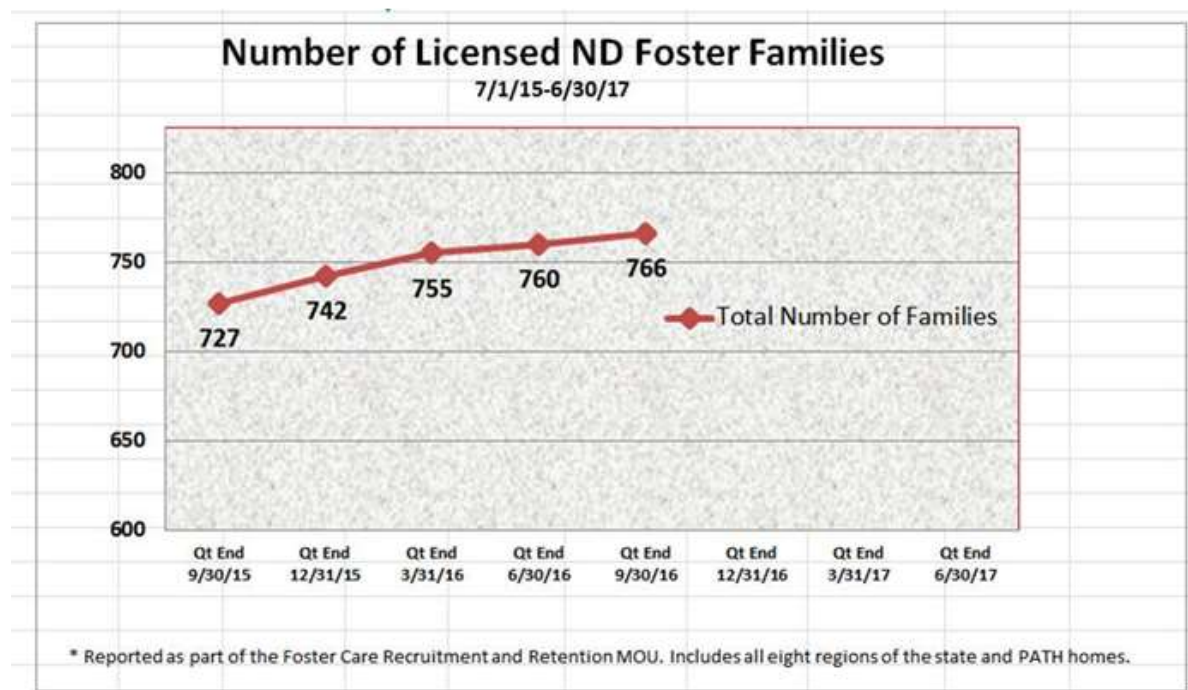
Out-of-state placements occur after in-state alternatives have been exhausted. Consequently, these children have often experienced multiple placements. CFS works with the Behavioral Health Division (BHD) and other divisions of the Department to reduce the number of youth experiencing multi-placements and placements out-of-state. Some of the strategies include:

- Enhanced training opportunities for in-state facilities;
- Providing additional supports to the facility for high-needs youth;
- Accessing intensive in-home services for families sooner.

The number of out-of-state placements has significantly decreased, even while the numbers of ND foster children have increased. Reasons for this may include more relative care-givers and, due to training and additional supports allowing in-state facility providers to accept youth with higher needs.

### ND Foster Homes

The number of family foster homes in North Dakota increased steadily over the past few years, with a slight decrease noted in CY 2015. CFS, the regional offices, counties, Tribes, and private agencies participate in the Foster and Adopt Recruitment and Retention Task Force to further statewide recruitment efforts.



North Dakota is always looking to increase the numbers of foster homes. Ongoing recruitment helps keep children close to their familiar communities, increasing availability of specialized treatment foster homes, as well as



identifying new families for target populations (homes needed for Native American children, teenagers, drug exposed newborns, and 18+ Continued Care transition-aged youth.

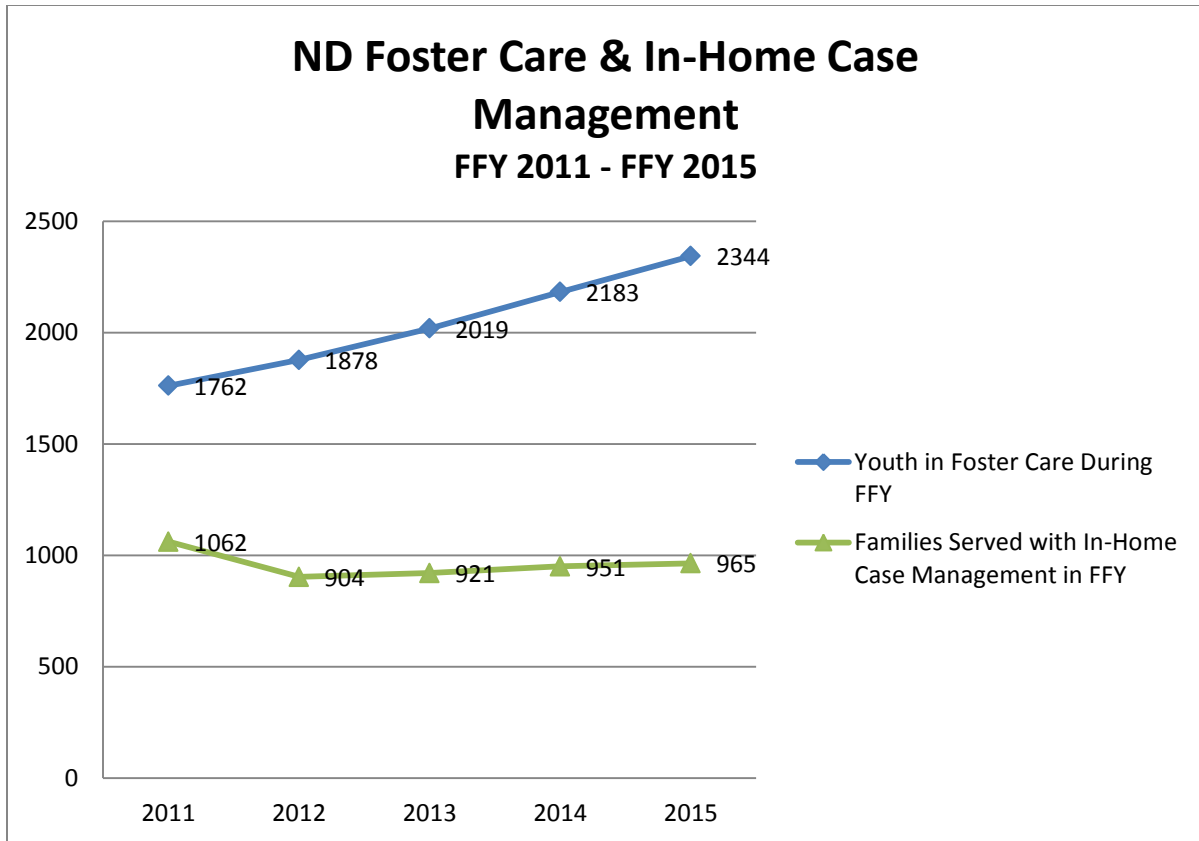
A majority of ND foster homes are located in the four largest urban areas. North Dakota ended the SFY 2016 with 760 licensed family homes. This is a 14% increase over the July 1, 2013 total foster homes of 669.

### **Family Preservation Services**

Family preservation services are short-term, family-focused services designed to assist families in crisis by improving parenting and family functioning while keeping children safe. Family preservation services acknowledge that children need a safe and stable family and that separating children from their families is traumatic, often leaving lasting negative effects. Family preservation services are provided based on the belief that many children can be safely protected and treated within their own homes when parents are provided with services and support to keep their child safe.

The services under the family preservation umbrella are designed to engage families in the child's welfare and strengthen their ability to safely parent their child. Evidenced based practices like Intensive In-Home therapy, in-home case management, parent aide assistance, respite for families in crisis, and family group and team decision making are all proven strategies for reducing out-of-home placement and increasing family engagement.

The following chart shows the number of in-home case management cases compared to the number of youth in foster care from FFY 2011 through FFY 2015.



Reducing the number of out of home placements is a goal CFS works toward; enhancing family preservation services is one pathway to accomplish reductions in foster care placements thereby reducing costs, both fiscal and the emotional cost children experience by being removed from their homes. CFS is working on initiatives to enhance or implement Family Preservation services such as Intensive In-Home therapy, parent aide services, and Family Team Decision Making (FTDM) – all in an effort to curtail the rising number of children placed in foster care.

### **Adoptions**

In FFY 2015, there were 133 public agency adoptions – a slight increase in the public agency adoptions completed in FFY 2011 (128) – these adoption were all special needs adoptions. Special needs adoptions involve children

with greater challenges in securing adoptive families. Special needs may include disabled conditions, race, age or sibling groups.

- 37.6% (50) of adopted children in FFY 2015 with special needs were Native American.
- 82.5% (80) of the special needs adoptions involved family foster parents adopting the children they fostered.

About 25% of the foster care youth exit care to adoption, guardianship or another planned permanent living arrangement.

### **Post Adoption Services**

Post adoption services are available for adoptive and guardian families in North Dakota who are struggling with issues, questions or concerns about the adoption. Post adoption services connect families to others who understand, and perhaps share, their experiences. With this type of support specific to the needs of an adoptive family, disruptions to the adoption placement can be avoided. For a child, the disruption of an adoption placement - losing another home and another family, is shattering.

North Dakota's post adoption services began in January 2016 via a new program called the ND Post Adopt Network (contracted through the AASK Program). Currently there is one worker providing post adoption services for the entire state. Focus groups were held throughout the state in order to direct program development. Services include: information and referral, toll free phone number and website, education and support groups and supportive services, including social media presence and supports, development of a mentor family program, webinars, parent and professional training in post adoption issues, flexible funding to support professional

development and provide family supports (such as specialized camping opportunities for youth) and advocacy for adoptive families.

Newly adopting families receive a personal contact at 3, 6, 9 and 12 months after the finalization of their adoption to see if there are any outstanding needs for services or support. In the first six months of the ND Post Adopt Network, contacts were made with 91 individual families.

North Dakota's Post Adoption services are funded by savings the states realize from adoption subsidies that can now be partially funded by Title IV-E dollars instead of state general funds. This difference between what the IV-E funding now covers and what the state general fund had been covering is referred to as "de-linked" funding.

### **De-Linked Funding**

Public Law 110-351, the Adoption and Safe Families Act, was passed in 2008 and provided in part that the adoption assistance (subsidy) program would be progressively "de-linked", primarily by the age of the child at the time the subsidy was initiated, so that by October of 2018 all NEW adoption subsidies will be IV-E eligible. Although the State has been realizing these savings for a number of years, P.L. 113-183 (Preventing Sex Trafficking and Strengthening Families Act) passed in 2014 provides that these savings must be reported to the federal government, that they must be used to fund post adoption/post permanency services or other IV-B allowable programming, and that the states may not SUPPLANT their own funding when using these savings, but must SUPPLEMENT previous funding with these savings. States must additionally report how these savings are being spent on an annual basis.

Children and Family Services has applied de-linked funding to supplement adoption and post adoption services and various other IV-B allowable services efforts including: worker and supervisor training, Family Team Decision Making, Continuous Quality Improvement measures, services provided through the Chaffee Independent Living Program (preparing youth ages 14+ for adulthood) and other family preservation efforts.

### Early Childhood Services

Improving the availability of childcare across the state remains a focus of the Department. As of June 30, 2016, there were 1,349 licensed early childhood programs in the state:

	<i>SFY 2013</i>	<i>SFY 2014</i>	<i>SFY 2015</i>	<i>SFY 2016</i>
• Family	309	316	337	337
• Group Homes	816	718	726	715
• Group Facilities <sup>1</sup>		112	115	126
• Centers	162	157	171	171

<b>TOTAL</b>	<b>1,336</b>	<b>1,350</b>	<b>1,348</b>	<b>1,349</b>
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These facilities provide a licensed capacity for 34,657 children. There are 25 counties in which the licensed capacity meets less than 30% of the demand for child care. There are two counties that exceed the recommended 50% of capacity to meet the demand.<sup>2</sup>

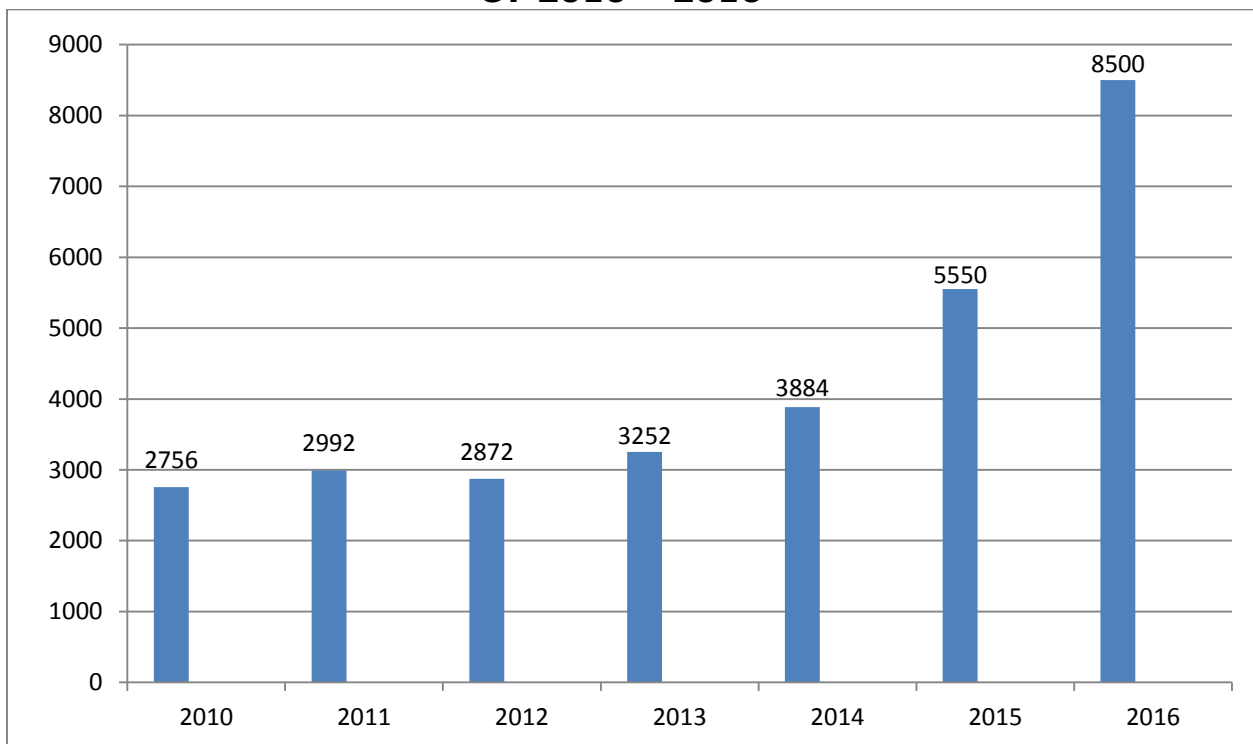
Early Childcare Services has experienced several program changes with the reauthorization of the Child Care and Development Block Grant (CCDBG). One of the requirements mandates state Federal Bureau of Investigation background checks for all providers and staff of a childcare facility before hire and to repeat the background check every 5 years. The background

<sup>1</sup> Group Facilities and Group Homes began reporting separately in SFY 2014

<sup>2</sup> ND Child Care Aware

check is to be completed 45 days following a provider enrollment or employment; if states do not comply, a penalty affecting the amount of the CCDBG will be imposed. CFS has always completed background checks for foster parents, guardians, prospective adoptive parents and child care providers if they did not live in the State 10 years prior to licensure. With the requirement that all childcare staff must have a complete background check, the demand for background checks increased by almost 120% since the required implementation date of October 1, 2014.

### **Criminal Background Checks Completed Statewide CY 2010 – 2016\***



\* CY 2016 estimate

### **Trauma-Informed Practice Model**

Because trauma can fundamentally affect how a young person grows and develops, a treatment approach that acknowledges the role trauma plays in people's lives is being developed and refined as a method of treatment. Our goal is to ensure that everyone working in child welfare is aware of and

sensitive to the significance of trauma on children and families and how it impacts behaviors and relationships. Child welfare specific trauma-informed training has been incorporated into the child welfare certification process at the University of North Dakota Child Welfare Training Center. CFS is collaborating with the Behavioral Health Division and other agencies to further the development of a state-wide, cross-systems, trauma-informed system of care.

### **Children and Family Services Review**

In September 2016, CFS experienced a federal Children and Family Services Review (CFSR). The CFSR is a comprehensive review of child welfare case work and systems capacity. A total of 65 child welfare cases were reviewed and 21 stakeholder interviews were conducted during the CFSR week.

This was the third round of federal CFSRs nationally. North Dakota participated in the first federal CFSR in 2001 and the second in 2008. Four counties were selected for the 2016 review: Cass, Grand Forks, and Burleigh, and Morton. Federal reviewers, quality assurance experts, and support staff worked collaboratively with state and local participants to review randomly selected case files.

The official results of the review have been received. As expected there are areas of improvement and CFS is currently working with stakeholders (counties, courts, DJS, etc.) on the development of a Performance Improvement Plan. The areas for improvement include development of safety plans, family engagement, placement stability, and other permanency-related outcomes.

## Overview of Budget Changes

Description	2015-2017 Budget	Increase / (Decrease)	2017-2019 Executive Budget	House Changes	2017-2019 Budget To Senate
Salary and wages	2,999,769	659,576	3,659,345	(76,014)	3,583,331
Operating	7,264,985	(702,569)	6,562,416	362,524	6,924,940
Grants	168,899,591	(11,136,480)	157,763,111	26,001,339	183,764,450
Total	179,164,345	(11,179,473)	167,984,872	26,287,849	194,272,721
General Fund	72,715,305	6,406,097	79,121,402	9,144,999	88,266,401
Federal Funds	95,369,113	(15,200,100)	80,169,013	16,307,000	96,476,013
Other Funds	11,079,927	(2,385,470)	8,694,457	835,850	9,530,307
Total	179,164,345	(11,179,473)	167,984,872	26,287,849	194,272,721
Full Time Equivalent (FTE)	17.5	1.0	18.5		18.5

### Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item increased by \$659,576 and can be attributed to the following:

- \$66,240 in total funds of which \$57,101 is general fund needed to fund the Governor's compensation package for state employees.
- \$26,480 in total funds of which \$23,056 is general fund needed to sustain the employee increases approved by the last Legislative Assembly.
- \$119,552 in total funds of which \$82,706 is general fund for an FTE which was repurposed from the State Hospital to perform background



checks to ensure compliance with the change in federal child care laws.

- \$205,276 increase in Temporary Salaries is due to clarification of labor laws that require Children and Family Service Reviewers and Residential Child Care Facility reviewers to be hired as temporary employees rather than being paid as a contractor.
- \$52,326 increase budgeted as a result of compliance with the Fair Labor Standards Act regulations.
- \$157,070 increase in Fringe Benefits mainly due to new staff utilizing the health insurance benefit where previous staff did not.
- The remaining \$32,632 is a combination of increases and decreases needed to sustain the salary of the 18.5 FTEs in this area of the budget.

The Operating line item decreased by \$702,569 and is a combination of the increases and decreases expected next biennium. Outlined below are the significant areas of change:

- \$42,299 decrease in Travel due to the Department-wide process used to develop the Department's savings plan.
- \$277,864 decrease in Professional Development primarily due to clarification of labor laws that require Children and Family Service Reviewers and Residential Child Care Facility reviewers to be hired as temporary employees rather than as a contractor.
- \$413,276 decrease for county wide cost allocation plan fee, due to change in reimbursement methodology for services provided by County Social Services and implementation of the County Social Service Financing Fund.

The general fund request increased by \$6,406,097, with the majority of the increase attributed to increases in the Child Welfare program's cost and caseload offset with a decrease of \$10,563,216 for County Social Service Financing Fund. The remaining \$308,925 or 5% is related to salary, operating, and grants changes for the Children and Family Services area as described earlier.

The federal fund request decreased by \$15,200,100 and is mainly attributed to a decrease of \$16,519,413 for change in reimbursement methodology for services provided by County Social Services and implementation of the County Social Service Financing Fund offset with increase cost and caseload in the Child Welfare's programs.

The other fund request decreased by \$2,385,470 and is mainly attributed to a funding shift due to the county no longer paying for programs due to 2015 SB 2206.

### **House Changes From Executive Budget:**

- \$13,367 decrease in Salary and Wages, of which \$11,422 is general fund due to the elimination of the 1% salary increase that had been proposed for the second year of the biennium.
- \$62,647 decrease in Salary and Wages, of which, \$24,614 is general fund due to the removal of the Fair Labor Standards Act overtime funding. The loss of this overtime will impact the Frame (CFS management information and case file system) helpdesk support provided to the county and regional staff. Access to Frame provides staff with information needed to make decisions about the safe

placement for a child. Lack of timely Frame helpdesk support means a foster parent may not get paid, or the placement of a child in a facility or therapeutic foster home will be delayed. The loss of overtime will also impact the licensing of Residential Child Care Facilities and Licensed Child Placing Agencies by limiting the time licensors spend each day on the licensing process. A two day licensing visit could become a three day visit to avoid overtime for the licensors.

- \$13,739 general fund decrease in Operating expenses, will result in an overall operating expense decrease of approximately \$30,531 when federal matching funds are considered. It is anticipated that this reduction will reduce travel costs identified for on-site training, oversight visits to regional offices and Children and Family Service reviews. On-site training and oversight visits to regional offices are strategies to enhance the child welfare Continuous Quality Improvement (CQI) process. CQI is an area of improvement federally required for the Children and Family Services Review program improvement plan.
- \$850,000 general fund decrease in Grants due to the reduction of the early childhood enhanced grant program. This will result in less funding to recruit new child care providers, retain existing child care providers and will reduce the ability to promote quality improvement in the early childhood setting through training and technical assistance.
- \$694,380 decrease in Grants and contracts, of which \$518,442 is general fund due to the elimination of the 1% inflationary increase for providers that had been proposed for the second year of the biennium.

- \$27,921,982 increase in Grants and contracts, of which \$10,563,216 is general fund due to removing the County Social Service Financing funding from the Executive Budget.

For Grant line items changes, please refer to **Attachment A** for a walkthrough for detail on the increases/decreases in this area.

This concludes my testimony on the 2017-2019 budget requests for CFS. I would be happy to answer any questions.