

Testimony
Senate Bill 2012 – Department of Human Services
House Appropriations Human Resources Division
Representative Pollert, Chairman
February 22, 2007

Chairman Pollert, members of the House Appropriations Human Resource Division, I am Paul Ronningen, Director, Children and Family Services (CFS), of the Department of Human Services. I am here today to provide you with an overview of the Division of Children and Family Services.

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 assessment, case management, child fatality review panel, institutional child protection services and child abuse and neglect prevention.

- 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 group conferencing and safety/permanency funds to prevent placement.

- Foster Care Services

Provides a substitute temporary living environment for children who cannot safely remain with their families. Services include recruitment and retention, licensing and placement services for relative homes, family foster homes, group homes, and residential child care facilities and licensed child placing agencies. This also includes foster care eligibility determination and payment, case planning and reviews, subsidized guardianship, Interstate Compact on the Placement of Children, Independent living skills assessment, training and 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, and the Interstate Compact on the Placement of Children for Adoptions.

- 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 through the Head Start Collaboration Office.

- Refugee Services

Provides resources to eligible refugees so they can become self-sufficient. Services include job development and employment enhancement, case management, cash assistance, refugee medical assistance, and education.

These services are **provided either by the county social services or through contracts with non-profit providers** and they focus on safety, permanency, and the well-being of children and their families.

Caseloads

The number of **Child Abuse and Neglect** assessments has remained relatively stable over the last two bienniums.

FFY 2001	FFY 2002	FFY 2003	FFY 2004	FFY 2005
3969	4138	3892	3904	3956

One thousand three hundred thirty one (1,331) children are placed in **foster care** – daily snapshot as of 12/14/2006. This snap shot includes tribal IV-E cases, Division of Juvenile Services (DJS) youth placed in foster care, and pre-adoptive placements. Approximately 33% of these children are Native American.

As of November 30, 2006, 51 youth were placed **out-of-state in institutional care**. This number has varied in 2006 from a low of 44 to a high of 59. The Department released a Request for Proposal in December 2006 to address the issue of adolescent sex offenders receiving in-state treatment services. Proposals are required back to the Department by February 28, 2007.

Overall, the number of foster care placements has increased by 11.7% since FFY 2000. In FFY 2000 there were 1,978 children in care while in FFY 2006 there were a total of 2,209. However, the number of placements from FFY 2005 to FFY 2006 did decrease by 105 children for the year. In addition, the number of children placed in residential care during this time frame has decreased slightly while the number of children being placed with relatives has increased by 140% (237 placements in FFY 2000 to 569 in FFY 2006). The average length of stay for youth coming into foster care is approximately 6.7 months.

The number of foster children gaining permanency through **subsidized adoption** has increased from a total of 704 in July of 2005 to 801 in October 2006. This increase is projected to continue through the 2009 biennium with an estimated 983 children in subsidized adoptive placement by June 2009. Of the 111 finalized adoptions in FFY 2006, foster parents adopted 85% of these children. Currently, there are 121 **children whose parents rights have been terminated** and are waiting for a permanency option of adoption, guardianship or another planned permanent living arrangement.

Refugees

Refugees entering North Dakota from 2000 to 2006 (October 1 – September 30) are as follows:

Year	Number of Refugees
2000	647
2001	367
2002	51
2003	111
2004	223
2005	225
2006	182

These numbers do not include secondary migration refugees who resettle in other states and move to North Dakota, which averages about 165 each year.

Trends/Issues/Accomplishments/Major Program Changes

During the 2007 biennium, the State of North Dakota will under go a **Federal Child and Family Services Review (CFSR) in April 2008**. In September 2001, the first Federal CFSR Review was completed. Though North Dakota received the highest rating in the nation, all 50 states and two territories were found to be deficient and were required to negotiate a Program Improvement Plan. North Dakota successfully completed its program improvement plan in 2006.

In addition, North Dakota will undergo a **Federal IV-E Audit in August 2008**. This audit is conducted every three years. North Dakota successfully passed this audit in 2005 with only one error found in the 80 cases under review. Several other states in the nation had more than the four errors allowed. Thus, a secondary audit of 150 cases was required

by the Federal Government in these states. Fiscal sanctions are applied when cases are found in error.

The Village Family Services, in collaboration with the Department, sought a grant to provide Family Group Decision Making in the State of North Dakota. The Bush Foundation did award this grant to the Village and has made this service available to county social services, the Division of Juvenile Services and the Tribes. This service brings family members to the table to develop a plan for children who are either in foster care, at risk of being placed in foster care, or children who are being cared for by their extended family. This also brings significant people in the life of the child(ren) together to discuss how to maintain and build family connections. As of December 1, 2006, Family Group Decision Making has had 78 referrals, with 34 completed conferences.

Over the next two years we will be developing a new component to our child welfare data system. This will allow us to take the current individual program applications, streamline and connect them. This will reduce duplication and create ease in using all the programs developed for safety, permanency and well-being together; enhancing program and data links. This will also support the generation of more usable data to assist with data-driven decision making for child welfare programs in the Division.

Currently, County Social Services provides **case management for children in the custody** of the Department of Human Services (children whose parental rights have been terminated). These children were in the custody of the county while placed in foster care, prior to the termination of parental rights. The custody of these children is then transferred from

the county to the state when the legal termination of parental rights process is complete. In these situations the county no longer has custody and has continued to provide case management to these children. Cass County is indicating that they will no longer provide this service if the state does not reimburse them at 100% of actual costs. Cass County has the largest number of children in this category – about one half of the state total of children whose rights have been terminated. Currently, the counties are receiving 50-60% of their costs, through reimbursement from the state.

In the child care arena, North Dakota continues leading the nation in the percentage of mothers with children six years of age and under in the workforce (72.8%). This has created a demand for quality childcare and the need to provide training opportunities for this 10th largest industry in North Dakota. However, due to reductions in the Child Care Development Block Grant fund there will be a contract reduction to support services provided by the Child Care Resource and Referral Network.

Overview of Budget Changes

Children and Family Services Division

Description	2005 –2007 Budget	Increase / Decrease	2007 –2009 Budget	Senate Changes	To House
Salary and Wages	2,000,971	266,176	2,267,147	-	2,267,147
Operating	5,032,203	58,604	5,090,807	48,532	5,139,339
Grants	106,013,848	5,768,609	111,782,457	1,496,854	113,279,311
Total	113,047,022	6,093,389	119,140,411	1,545,386	120,685,797
General Funds	17,211,750	2,110,524	19,322,274	984,277	20,306,551
Federal Funds	79,663,548	2,982,082	82,645,630	561,109	83,206,739
Other Funds	16,171,724	1,000,783	17,172,507	-	17,172,507
Total	113,047,022	6,093,389	119,140,411	1,545,386	120,685,797

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Budget Changes from Current Budget to Executive Budget:

- Salaries and Wages:
 - The increase in salary and fringe benefits is a result of the salary and health insurance package, which adds \$161,410 in total funds of which \$90,245 is general fund.
 - Additional increase in salary resulted from staff turnover with new hires having significant education (JD and PhD) and experience. This also includes two retirement payouts anticipated during the 2007-2009 biennium. Even though the

total salaries increased the general fund share decreased by \$8,057.

- Operating:
 - The operating line item decreased by \$38,651 due to anticipated reduction in the fees distributed to the counties though the cost allocation plan. However, the addition of the 3% inflationary increase adds \$97,255. Thus, the overall increase in this line item is \$58,604.

- Grants increased based on the following:
 - Overall foster care costs dropped by \$446,604 due to the shift of Psychiatric Residential Treatment Facilities (PRTF) to Medicaid. (General Fund monies of \$1,049,757)
 - Subsidized adoption is projected for 914 children per month for a total program increase of \$3,649,605, of which \$1,801,088 is General Funds.
 - Post Adoption Services will be established with an initial budget of \$176,000, of which \$19,234 is General Funds.
 - Foster Parent Recruitment and Retention was increased by \$150,000, of which \$112,500 is General Funds.
 - The 3% inflationary increase for foster care providers for each year of the biennium totals \$2,180,054 of which \$451,419 is General Funds.
 - The 3% inflationary increase for family preservation services for each year for the biennium totals \$563,809 of which \$370,759 is General Funds.

- An additional \$296,773 was added for children, with serious emotional disturbances, needing out-of-home placement. This program allows parents' access to needed Medicaid and mental health treatment and out-of-home placement without relinquishing custody of their child to a county social service agency. (All Federal and County Funds)
- The funding for Children's Advocacy Centers (CACs) was transferred from the Attorney General's Office to the Department resulting in an increase of \$100,000 in Children and Family Services. (All General Funds)
- Attachment A lists the major grants and describes how the foster care budget has been developed.

Senate Changes:

The Operating line item increased by \$48,532, of which \$39,416 is general fund. This increase ties to the inflationary increase for providers which was adjusted from 3% to 4% for Intensive In-Home Family Services.

The grants line item increased by \$1,496,854. This increase includes:

- ✓ \$796,854 due to the inflationary increase for providers from 3% to 4%. (General Funds of \$244,861)
- ✓ \$400,000 of General Funds for the Children's Advocacy Centers.
- ✓ \$300,000 of General Funds for the Healthy Families Program in Grand Forks.

This concludes my presentation on the 2007-2009 budget request for the Division of Children and Family Services. I would be happy to answer any questions.