

Testimony
Senate Bill 2012 – Department of Human Services
House Appropriations – Human Resources Division
Representative Pollert, Chairman
March 4, 2011

Chairman Pollert, members of the House Appropriations Committee – Human Resources Division, I am Tara Lea Muhlhauser, the Director of Children and Family Services (CFS) in the Department of Human Services. I am here today to provide an overview of Division of Children and Family Services for the Department of Human 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 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, 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, and Interstate Compact on the Placement of Children, and services for Unaccompanied Minors. Independent Living services to assist transitioning youth, including skills assessment, training and stipends is another program area within foster care.

- **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 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 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 number of **Child Abuse and Neglect assessments** completed for federal fiscal year (FFY) 2010 was 3887, a slight decrease from FFY 2009.

The daily snapshot of **children in foster care** on 9/30/10 was 1,131 children in comparison to the daily snapshot on 12/31/09 which included 1,018 children. This snapshot includes tribal IV-E cases, Division of Juvenile Services (DJS) youth placed in foster care, and pre-adoptive placements. Approximately 35.5% of these children are Native American (402 children) in the most recent daily snapshot.

As of December, 2010, 25 youth were placed out-of-state in institutional care. This number has varied slightly throughout the year with a low of 24 and a high of 32. This number has continued to decline in the past two years.

The number of foster children gaining permanency through subsidized adoption has increased over the last three years and this trend is projected to continue through the 2011-13 biennium. Of the 160 finalized adoptions in FFY 2010, 109 were special needs adoptions with 71% of these children adopted by foster parents.

At current, there are an average of 39 guardianship payments per month during state fiscal year (SFY) 2010. In both 2008 and 2009, payments were made to 36 children (average) a year.

At present we have 33 youth receiving foster care services as unaccompanied minors. In the past year, CFS transferred administration of the Refuge Services Program to Lutheran Social Services of North

Dakota. Federal requirements provide that the state foster care administrator must retain administration of the Unaccompanied Minor Program.

Program Trends/Major Program Changes

CFS continues to place emphasis on safety, permanency and well-being of children across all programs in the division. **Family preservation programs** and **involvement of relatives and kin** when children are in need of placement, during service delivery and during reunification efforts are central to our work in achieving this emphasis. In October 2008, a new federal law, P.L. 110-351 "Fostering Connections" brought us several new federal requirements. These requirements related to notification of relatives when a child is placed in care, and guidance for involving school, medical providers, relatives and other services providers in providing a comprehensive plan for a child while in care, and at the time of transition to adulthood from care. This requirement also placed emphasis on placing siblings together and working diligently to locate and maintain family connections for children involved with child welfare services.

The second **Federal Child and Family Services Review (CFSR) in North Dakota took place in April 2008**. North Dakota did not reach "substantial conformity" (e.g. we did not pass). The second national round of the reviews was just completed in 2010 and no state has yet passed the CFSR in either the first or second round of federal reviews. All states in this category 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 we have two years to complete the work in this plan. Work of

this plan is focused around further refinement of the Wraparound Case Practice Model for child welfare practice. North Dakota was recently notified by our federal partners in December that we have met all the national data standards, a significant indicator of positive changes in practice outcomes for the state.

Family Preservation programs and prevention services (to prevent child abuse and neglect or to prevent child placement) continue to be a primary focus of the work of CFS. When foster care placements occur we emphasize placement with relatives and reunification efforts to keep the child(ren) connected with families and in close proximity to relatives.

Services in this program area include **Family Group Decision Making** available to most county social services agencies, 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. In 2009-2010 there were 215 referrals with 136 conferences completed. A new pilot program, Family Team Decision-making (FTDM), recently began and will provide an early opportunity (either immediately prior to placement or immediately upon removal) to bring families and agency personnel to the table with a neutral facilitator to make plans and seek opportunities to maintain safety and reduce the need for removal. The pilot sites for this work are in Burleigh/Morton and Cass counties. This differs from Family Group Decision Making in that it is an expedited process that can happen more quickly to address emergent issues such as emergency removals. This is a promising practice

nationally with positive outcomes targeted to reducing foster care placements and enhancing the engagement of parents in protecting and maintaining relationships with their children.

Over the past three years we have worked hard with our IT partners to develop a new component to our **child welfare data system**. This new system, FRAME, allows us to take the current individual program applications, streamline and connect them. Development was targeted to reduce duplication and create ease in using all the programs developed for safety, permanency and well-being together; enhancing program and data links. FRAME and the data warehouse will also support the generation of usable and accessible data to assist with data-driven decision making for child welfare programs in the Division. This new system was launched in December of 2009 and is in use for all child welfare programs. While the overall development and rollout went smoothly, we continue to work with the community of FRAME users to troubleshoot and resolve FRAME system issues.

There are still significant challenges in the **availability of child care** across the state. There are currently 1422 licensed early childhood programs in the state (Family-394, Group-844, Center-139, School-age-45) with a licensed capacity of 33,100 children. The proportion of North Dakota mothers (with children ages 0 to 5) in the labor force was 76.1% and rises to 84.9% for mothers with older children (ages 6 to 17) in 2009. Current national and state-level data indicate that these proportions have changed little since 2000. This has created a demand for assurances of safety in childcare settings and the need to provide training opportunities for this large workforce industry in North Dakota.

This industry includes workers in home-based and center-based care settings.

Overview of Budget Changes

Description	2009 - 2011 Budget	Increase / Decrease	2011 - 2013 Executive Budget	Senate Changes	To House
Salary and Wages	2,578,175	(22,767)	2,555,408		2,555,408
Operating	5,817,823	(73,193)	5,744,630		5,744,630
Grants	120,930,241	5,863,720	126,793,961		126,793,961
Total	129,326,239	5,767,760	135,093,999		135,093,999
General Funds	25,060,229	5,993,008	31,053,237		31,053,237
Federal Funds	85,194,925	(2,216,867)	82,978,058		82,978,058
Other Funds	19,071,085	1,991,619	21,062,704		21,062,704
Total	129,326,239	5,767,760	135,093,999		135,093,999
FTE	17.0		17.0		17.0

Budget Changes from Current Budget to the Executive Budget:

The Salary and Wages line item decreased by (\$22,767) and can be attributed to the following:

- \$129,923 in total funds of which \$65,838 is general fund to fund the Governor’s salary package for state employees.
- \$50,357 in total funds of which \$33,085 is general fund needed to fund the second year employee increase for 24 months versus the 12 months that are contained in the current budget.
- A decrease of (\$30,117) due to retirement payouts during the 2009-2011 biennium. There are no retirements anticipated for the 2011-2013 biennium.

- A decrease of (\$82,904) due to appropriations for child care background check fees to be paid to the Attorney General's office from Senate Bill 2162 in the 2009-2011 legislative session inadvertently included in the salary line. A corresponding increase is included in the operating line later on in my testimony.
- A decrease of (\$90,026) is the result of transitions in key positions and retirements of key personnel as well as a combination of increases and decreases needed to sustain the salary of the 17.0 FTE in this area of the budget

The Operating line item decreased by (\$73,193) and is a combination of the increases expected next biennium which are offset by decreases, with the majority of changes as follows:

- A decrease in travel (\$93,068). This decrease is attributed to use of technology tools to facilitate meetings without travel costs, including polycom and webinar meetings.
- A decrease in professional development (\$67,862) was made using creativity and internal resources to conduct a peer review process.
- An increase in background checks \$95,988 for adoption, foster care and child care checks, with a corresponding decrease in salaries and wages.

The Grants line item increased by \$5,863,720 which can be mainly attributed to the following:

- An increase in subsidized adoption caseload and cost per case, as well as a 3 % inflationary increase each year of the biennium for an overall program increase of \$2,361,638 of which \$2,156,749 is general fund. The large general fund increase is mainly due to the change in FMAP, and an increase in caseload for non IV-E eligible adoptions.

- An increase in the foster care caseload and cost per case, as well as a 3% inflationary increase for foster care providers each year of the biennium for an overall program increase of \$8,761,251 of which \$5,160,076 is general fund.
- Increase of \$377,253 of which all are general fund for 5 additional child abuse and neglect assessments per month and a 3% inflationary increase for each year of the biennium.
- A (\$4,514,667) decrease of one-time ARRA funding for Foster Care Subsidized employment (\$870,667) and Child Care Grants (House Bill 1418 of the 2009-2011 legislative session appropriated \$3,644,000 for the Quality Rating Improvement System).
- A (\$2,722,300) decrease of federal Refugee Assistance grants that were moved to Lutheran Social Services.
- A \$1,689,992 increase for County administration reimbursement all of which are federal and other funds.
- Attachment A lists all the grants and compares the cost & caseload of the 2009-2011 appropriation to the 2011-2013 budget to the Senate for Foster Care & Adoption grants.

The general fund request increased by \$5,993,008 with 44% of that increase (\$2,662,910) related to the 3% inflationary increase. The remaining increase of \$3,330,098 is associated with the increase in the grant changes described above.

The net change of the federal and other funds is a result of the increases and decreases noted above.

Senate Changes:

The Senate made no changes to this section of the Department's budget.

This concludes my testimony on the 2011-2013 budget requests for CFS.

I would be happy to answer any questions.