

1999 SENATE HUMAN SERVICES

SB 2032

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2032

Senate Human Services Committee

Conference Committee

Hearing Date JANUARY 12, 1999

Tape Number	Side A	Side B	Meter #
1	X		
2	X		1,815
Committee Clerk Signature <i>Carol Goldreich</i>			

Minutes:

The Human Services Committee was called to order by Chairman, SENATOR THANE . All senators were present.

The hearing on SB2032 was opened.

JIM SMITH, Dept of Human Services, explained the bill. Bill is result of Human Services Minutes on pages 84-86 of Legislative Council Report. The study was conducted pursuant to House Resolution 3032 which was passed by the last legislature. It dealt with the state and county administrative and financial responsibilities relating to children and family service programs. Personate to that the Dept formed a committee that reported to the interim committee regarding to looking at a children's family services swap with what was done last session for the economic assistance program. Personate to that the committee inquired what would need statutory changes; the bill before you is a result of that questioning. The bill in Section 1

identifies programs that are funded entirely at state expense except for any federal funds that may be available. Lines 18-19 deal with adoptive children's special needs. Section 2 deals with assistance for adopted children's special needs. Changes references from county to state throughout the section. Lines 18-22 is the definition of the child with special needs that would be affected by the program. He passed out the fiscal impact on the state. This cost is not included in the budget. SENATOR DEMERS asked that someone go over the changes. Mr. SMITH stated that the state would pick up all the non Federal costs of the grant. It would relieve the counties of all cost and the administrative costs. Case loads are increasing.

JULIE HOFFMAN, Administrator of Adoption Services for the Children and Family services Division of the Department of Human Services, supports the bill (written testimony).

SENATOR THANE asked if you are going to rely on private agencies. Ms. HOFFMAN stated that currently it involves 3 agencies; Lutheran Social Services, Catholic Family Services, The Village Family Center and Dept. The three agencies do the recruitment, assessment, submit all documents sent by counties, and submit documents to state for determination of special needs of the family, post-placement adoption. Post-finalization for families that have adopted special needs children. SENATOR DEMERS: is this in the Governor's budget. Answer: No, it is not.

SENATOR KILZER asked about the 323 adoptions; are those the ones going on now? Ms. HOFFMAN: Yes, that is the current number of active cases. SENATOR KILZER: How many were approved during the last year. Ms. HOFFMAN: Probably a steady increase of 20-25 and then there are those who have aged out and are no longer eligible for assistance. SENATOR KILZER: what about out of state or out of country adoptions? Ms. HOFFMAN: We do provide subsidies to some families out of state if they adopt in ND and move, we maintain the subsidy.

Occasionally, we do place children with a family out of state, sometimes a relative or a special needs child that we cannot accommodate in ND. If a family in ND adopted a child from another state, that state would supply the assistance. Foreign born children usually do not meet criteria for subsidy payments. SENATOR LEE asked if rules were consistent within the agencies. Are the rules going to be consistent or will they continue to proceed as they have in the past. MS HOFFMAN: We do have a director who functions as a supervisor over all the agencies. There are great attempts made at making this consistent with all workers. There is a great level of openness with birth mother. SENATOR DEMERS: When you talk about needing an additional half-time person for negotiations are those going to be done in the family's homes or do they have to drive to Bismarck. Ms. HOFFMAN: Our eligibility worker will travel to the homes. Currently when an adoption subsidy is reviewed on a yearly basis there may or may not be any involvement on a personal level. It may be done by mail or phone. SENATOR DEMERS asked what the swap was. What is on the other side? Ms. HOFFMAN: There is no swap; it is a more consistent approach to this program. SENATOR DEMERS: Why didn't the department put this in their budget, or was it put in a rejected? Ms. HOFFMAN deferred the question and would check on it. SENATOR THANE: We have a large Native American population; do they handle their own problems or how does the department get involved with special needs children on the Reservation. Ms. HOFFMAN: Traditionally Native American families have not looked at adoption in the same way as we have, but have begun to move in that direction. Adoption subsidy has always been available to IV-E eligible children. Tribes would have paid these subsidies for ineligible children. Medicaid has provided the medical portion to that child if we apply for it. Tribes are just coming around, and are requesting just the medical portions as a

backup. SENATOR THANE: 638 Funds. These are Federal funds that come to tribes for child welfare. SENATOR LEE: Can Native American children now be adopted by a non-Indian family? Ms HOFFMAN: Children of Native American Tribes must first be placed with members of that Tribe, secondly with other Native Americans, and only if those options have been exhausted and if the Tribe agrees can they be placed with a nonnative family.

JOHN GRAHAM, Director of Burleigh County Social Services, supports bill. The basis of support is 1. costs of implementation and costs of subsidized adoption grants are assumed by the department. 2. Tremendous emphasis on adoption; termination of rights and then permanent placement. These rules must be uniform statewide.

TERRY TRAYNOR, ND County Commissioners, supports the bill. We try to have more consistency; the goal is to bring the administration into the state. The philosophy of the commissioners is to determine the eligibility, making the placements, and determining the amount of grants going to the adoptive parents. State should be responsible for those costs. It is a way to move away from county costs.

SENATOR DEMERS asked how is SWAP working out from last session. Mr. TRAYNOR answered by enlarge the swap was a success. The county savings or cost avoidance hasn't been as great as we had anticipated. Recent figures based at year end of 1998 suggest that about a million dollars of cost were avoided because in the change of the way costs were allocated. Grant costs have gone down. Savings are increasing, but not as much. Problem of the Native American counties and their administrative costs have complicated it somewhat. Overall it was a statewide success and had we not moved down that road and made that change we would have had increasing problems. Mrs. GARY ZENTZ , A MOM, 4 of 15 children are special needs

Page 5

Senate Human Services Committee

Bill/Resolution Number SB2032

Hearing Date JANUARY 12, 1999

adoption, supports bill. The hope that there will be more emphasis put on the assistance that is offered to families so these children will be accepted and given a loving home.

MARI DAUGHERTY, specialist for AASK program, gave information on the bill (written testimony). SENATOR DEMERS asked if she was employed by state. All AASK workers are employed by private agencies. We are supervised by one and it works very well having the agencies represented.

No opposition. The hearing was closed on SB2032.

Discussion was resumed on 1/13/99. This bill needs to go to appropriations. This was not on the Governor's budget.

SENATOR LEE moved a DO PASS and rereferred to Appropriations Committee.

SENATOR DEMERS seconded it. Roll call vote carried 6-0. SENATOR LEE will carry the bill.

FISCAL NOTE

(Return original and 10 copies)

Bill / Resolution No.: SB 2032

Amendment to: _____

Requested by Legislative Council

Date of Request: December 10, 1998

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

The intent of this bill is to shift the responsibility for the entire review and approval of adoption subsidy applications and yearly reviews to the Department of Human Services. The Department would also become responsible for the entire cost of the non-federal share of adoption subsidy payments. Currently adoption subsidy applications are submitted to County Social Services, subsidy amounts are negotiated and approved and then the application referred to the Department for final approval.

Additionally, the County is responsible for a part of the non-federal share of adoption subsidy payments. The process results in varying adoption subsidy amounts for similar child circumstances around the state. This shift in responsibility would result in a more consistent application of policy and practice related to adoption subsidy eligibility, negotiations and payment.

2. State fiscal effect in dollar amounts:

	1997-1999		1999-2001		2001-2003	
	Biennium		Biennium		Biennium	
	General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds
Revenues:						
Expenditures:	-0-		597,349	(569,898)	687,799	(659,151)

3. What, if any, is the effect of this measure on the appropriation for your agency or department:

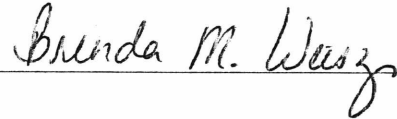
a. For rest of 1997-99 biennium:	-0-
b. For the 1999-01 biennium:	27,451
c. For the 2001-03 biennium:	28,648

4. County, City, and School District fiscal effect in dollar amounts:

	1997-1999			1999-2001			2001-2003		
	Biennium			Biennium			Biennium		
	Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
Revenues: Administration				(33,000)			(40,000)		
Expenditures: Administration				(89,000)			(126,000)		
Revenues: Grants									
Expenditures: Grants				(579,094)			(668,748)		

If additional space is needed,
attach a supplemental sheet.

Signed



Typed Name

Brenda M. Weisz

Date Prepared: January 6, 1999

Department

Human Services

Phone No.

328-2397

Date: 1/13/99
Roll Call Vote #: 1

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2032

Senate HUMAN SERVICES COMMITTEE Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass Referred to Approp.

Motion Made By Sen Lee Seconded By Sen DeMers

Senators	Yes	No	Senators	Yes	No
Senator Thane	✓				
Senator Kilzer	✓				
Senator Fischer	✓				
Senator Lee	✓				
Senator DeMers	✓				
Senator Mutzenberger	✓				

Total 6 (yes) 0 (no)

Absent 0

Floor Assignment Sen Lee

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 14, 1999 8:50 a.m.

Module No: SR-08-0580
Carrier: Lee
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2032: Human Services Committee (Sen. Thane, Chairman) recommends DO PASS and BE REREFERRED to the Appropriations Committee (6 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2032 was rereferred to the Appropriations Committee.

1999 SENATE APPROPRIATIONS

SB 2032

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB2032

Senate Appropriations Committee

Conference Committee

Hearing Date JANUARY 26, 1999

Tape Number	Side A	Side B	Meter #
1	X		1-3933
2-11-99 1		X	821-965
Committee Clerk Signature <i>Kathy C. Kottelrock</i>			

Minutes:

SENATOR NETHING: Opened the hearing on SB2032; A BILL FOR AN ACT TO AMEND AND REENACT SECTIONS 50-06-20 AND 50-09-02.2 OF THE NORTH DAKOTA CENTURY CODE, RELATING TO ASSISTANCE FOR ADOPTED CHILDREN WITH SPECIAL NEEDS.

JIM SMITH: Legislative Council introduced the bill (tape 1, side A, meter 86-370). Jim, was the staff person on the Interim Committee on Human Services. Bill was introduced by the Budget Committee on Human Services, the study is discussed on pages 84-86 of the Legislative Council report. The Joint Committee recommended that subsidized Adoption programs be totally administered by the State with no County involvement or participation. Under the Bill draft, the State would assume responsibility for approval of the subsidy applications which are currently completed by the Counties. Also assumes the entire nonfederal share of the Adoption subsidy payments. Section 1, would amend 50-06-20, which details the programs funded at State expense, add letter H on lines 18 & 19, which relates to the assistance provided adopted children with special needs and the State would assume the entire nonfederal share of those payments. Section 2, would change the determination of eligibility from the Counties to the State agency. The total fiscal affect of the bill is about \$597,000 from the General Fund, which is not in the executive budget or SB2012. \$27,000 relates to a .5 FTE position in the Children and Family Services Division. This person would determine the eligibility's. \$570,000 is the State picking up the Counties responsibility for the grants.

SENATOR NETHING: What drove the switch from the County to the State?

JIM SMITH: Representatives from Family Children Services will go in more detail. It is difficult to maintain a level of expertise in its administration.

JULIE HOFFMAN: Administrator of the Adoption Services for the Children and Family Services Division of the Department of Human Services (testimony attached (tape 1, side A, meter 405-1110).

SENATOR ST. AUBYN: Page 3-family request-the family may request adoption subsidy in the form of a monthly payment, reimbursement for adoption related expenses or medical assistance through Medicaid as a secondary payor to their own private health insurance. Are these options?

JULIE HOFFMAN: Can choose anyone or all three options.

SENATOR ST. AUBYN: You mention they have options or can take all of the options, how is it determined which they take? The fiscal note is close to \$600,000 in General Funds, is there any Federal funds out of this also? Is there a way of shifting the cost to Federal Funds?

JULIE HOFFMAN: The reimbursement on the grant is 70%. If a child is eligible for the Federal program, 70% of those grant costs including monthly subsidy and nonrecurring expenses are reimbursed to the State, the remaining portion is picked up by the State and the County. This bill would change so that the State would be the only payer for that nonfederal share of children who are eligible for the Federal program. In the case where the child is not eligible for the Federal program, it would be State adoption subsidies, which would be out of General Funds.

SENATOR ST. AUBYN: No matter what option they choose, it's all going to be reimbursed at that level?

JULIE HOFFMAN: For the grant costs. Medicaid is reimbursed by the Federal government at a different level.

SENATOR TOMAC: Yesterday, we passed a Resolution on the floor, looking at moving things back to the County rather than the State. In the discussion of the Interim Committee, was there any discussion about a regional effort rather than moving it totally to the State? You indicate that 50% of the cases are in the three major cities and certainly there are Regional Human Service Centers. Are there any costs savings?

JULIE HOFFMAN: Not part of the discussions but, I certainly think it is a possibility.

SENATOR TOMAC: Where the children are placed and where those adoptive families are, it occurs that where the children come from and where the children go might be two different places. If you remove this from the Counties, even though there is a limited number of cases, don't you restrict yourself of potential adoptive placements to only what is in the State data base, and your not in the County recruiting.

JULIE HOFFMAN: Recruitment for these families is statewide. Four regional bases in the State. 80% of the children who are adopted as special needs children, are adopted by their foster families.

SENATOR BOWMAN: The shift from Counties to the State, if there is a shift, there also has to be a savings. You're asking the State to pick up this through the General Fund dollars. Were the Counties currently having mills or something to cover the costs of this program? Seems like the dollars should follow the child. There should be money that shifts to follow them.

JULIE HOFFMAN: The savings to the County are documented under #4 on the fiscal note. County savings is \$33,000 in the first biennium related to the administrative expenses.

SENATOR BOWMAN: It's actually a cost incurred to the County, shouldn't those dollars go to the State? That should actually be almost revenue neutral. You're just asking the State to do this because it would be easier for the State to do it but, in reality, we still have a responsibility of paying for that and the Counties that incur the most costs would be giving the most back to the State to cover their share. Otherwise what you're saying is you want the rest of the Counties to pick up for those four Counties that belong to this expense.

JULIE HOFFMAN: Currently, the Counties share does not necessarily follow the child. There is a formula worked out a number of years ago for how the County share is distributed. It related to the children who were receiving adoption subsidy at that point in time.

SENATOR BOWMAN: The Counties that are currently having the biggest part of this expense actually would be saving this money. What then does the County do with their savings of that money that's allocated for this if it doesn't follow the child?

JULIE HOFFMAN: I'm not sure, I can look into that.

SENATOR NETHING: It is going to be referred to the subcommittee working on the Human Services budget. You will get a chance to dig into it.

SENATOR NETHING: The question is, what are the Counties going to do with the money they saved?

JULIE HOFFMAN: Administratively, most Counties don't have enough adoption subsidy cases. The eligibility person working on these cases would either be put in another position or fired or released as a result of that. Even in the largest County, the eligibility person has other responsibilities and is not solely an adoption subsidy profile person. My assumptions would be that in most Counties the person would be doing their other responsibilities.

SENATOR NETHING: There is \$600,000 cost here to the General Fund, which would be a similar offset to County funds. If you take half of that because three of the Counties have half of the work, that would be \$300,000 somebody is going to save. Maybe we can get this answer later on.

SENATOR NETHING: We are looking at \$600,000 being the State's share, is there a match from the Federal dollars. How much Federal dollars are there?

JERRY HOUN: Fiscal person in the office. For the 1999/2001 biennium the total cost of the program is \$4.8M; \$2.3M Federal; \$580,000 County; the State the rest.

SENATOR NETHING: How much is the cost per adoption subsidy case?

JULIE HOFFMAN: It's an average amount of \$450 per month until the child is eighteen. An exception can occur if the child remains in school and continues to have special needs it can continue until age twenty-one.

SENATOR NETHING: What are the total administrative costs? Can you get us that breakout as well? As I understand it a lot of this is administration, the grants are going to be there regardless of who does it.

JERRY HOUN: The \$580,000 will transfer from the County to the State in paying for the subsidies. The \$27,000 in section 3, Line B, that will be the State's share for hiring a part-time person and of that, that's just the State share, the Federal share will also pickup part of that cost. Section 4, the \$580,000 transfers from the County to the State for the subsidy cost, the administration portion of the Counties will roughly be \$89,000 that they will save. Of that, part of that will be eligible for Federal funds and roughly estimated at \$33,000. So they will receive \$33,000 less in title 4-E funds to reimburse them for administration costs.

SENATOR TALLACKSON: In the case of Walsh County where we probable don't have the expertise and these cases come up. The State takes care of that, and do they bill the County? If the State has the expertise and the County doesn't, the State is paying for it now anyway?

JULIE HOFFMAN: Currently, those are negotiated at the level of Walsh County. The family would apply and the worker in Walsh County would negotiate the amount with the family, accomplish the application and then send to the State for final approval. Even though they have few, they are still responsible to do that.

SENATOR TALLACKSON: You said most Counties don't have the expertise. Then your saying Walsh County would have the expertise.

JULIE HOFFMAN: Even if they don't understand the program and don't have the expertise to administer, they would need to find that out. They could go to coworkers in another county or call the State and we would walk them through that application process.

SENATOR TALLACKSON: Then you'd bill them for the administrative costs of walking them through that?

JULIE HOFFMAN: No

SENATOR NETHING: I can understand why you'd want to transfer the administrative. I look at the cost of administration on the fiscal note and I see about \$27,000, that is a big item to the

counties but, I can see the merits of that. I can't see then why you have to transfer the grant costs as well. Why can't the grant costs still be born by the Counties?

JULIE HOFFMAN: From my perspective, I think they feel if the State is making the final approval and negotiating those amounts that the State should be responsible for the costs as well.

SENATOR NETHING: For \$27,000 I'm not so sure if I want to spend another \$550,000 to get that.

SENATOR ST. AUBYN: How long has this been a county responsibility?

JULIE HOFFMAN: Since 1982, the last eighteen years.

KATHY HOGAN: Director of Cass County Social Services and representing the North Dakota County Social Services Directors Association to testify in support of SB2032 (testimony attached tape 1, side A, meter 2940-3110).

SENATOR NETHING: I truly do understand the idea of the administrative work and the Counties and etc.. I appreciate your position and you should have some say in arriving at the final amount of the contract. We'll see how it flows.

KATHY HOGAN: The basic question is; why are we coming now and why are we asking for this reallocation of funding. Foster care, the part of my budget, has more than doubled in the last three years and that becomes a property tax bill. The whole question of when we have custody and when we have control of a child in Foster Care, we're willing to pay that share. When the care, custody and control goes to the department it's a question of who should be responsible for the pay of that child.

SENATOR SOLBERG: How many of these children do you deal with in Cass County?

KATHY HOGAN: Seventy children currently.

SENATOR SOLBERG: How many other programs after they are adopted are they eligible for?

KATHY HOGAN: Many of these children are very needy. These are the kids that used to be at our State Institutions.

SENATOR NETHING: Can you answer the question in a dollar range?

KATHY HOGAN: By program, I would guess that most of these children are in Special Education. Most are receiving Specialized Health Care and most have four to five service providers. Subject to family income. Many programs are involved.

SENATOR TOMAC: What kind of negotiations are there? Does this mean that there are a range of dollars per child with no cap or bottom?

KATHY HOGAN: That is the challenge of this program. We try to develop the subsidy rate based on the needs of the child.

SENATOR TOMAC: The range is what? A figure of \$450 was thrown out.

KATHY HOGAN: The \$450 is a statewide average. Our highest currently is \$1,900 and the lowest is \$200 per month.

SENATOR TOMAC: In your testimony, second paragraph; Because the children eligible for subsidized are the legal responsibility of the State. Is that part of the public law?

KATHY HOGAN: When parental rights are terminated in the Child Welfare System, the care custody in control of that child, becomes the responsibility of the North Dakota Department of Human Services. That was some of the argument.

SENATOR NETHING: I look at SB2171; The Adoption Safe Families Act, that's going to overlap what we are doing here?

JULIE HOFFMAN: I think that if the result of SB2171 is fully implemented, some children will move into pernanacy of adoption and we hope will move more quickly to that condition. We have built into this budget, projections for some minor increases. There is some overlapping.

LEANN JOHNSON: Director of the Adult Adopting Special Needs Program. Left written testimony in support of SB2032 (attached).

Hearing closed on SB2032.

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2/11/99

SENATOR NETHING: Reopened the hearing on SB2032 (tape 1, side B, meter 821-965).

JIM SMITH: LC explained the feeling of the subcommittee was do not pass. The fiscal impact is approximately \$600,000 of the General Funds.

SENATOR NETHING: Called for the motion on SB2032.

SENATOR ST. AUBYN: Moved a Do Not Pass on SB2032.

SENATOR SOLBERG: Seconded the motion.

ROLL CALL: 11 YEAS; 3 NAYS; 0 ABSENT & NOT VOTING.

Yeas: Nething; Naaden; Solberg; Tallackson; Tomac; Robinson; St. Aubyn; Grindberg; Kringstad; Bowman; Andrist.

Nays: Lindaas; Krauter; Holmberg.

CARRIER: SENATOR SOLBERG

Date: 2/11/99
Roll Call Vote #: _____

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2032

Senate APPROPRIATIONS Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Not Pass

Motion Made By SENATOR St. Aubyn Seconded By SENATOR Solberg

Senators	Yes	No	Senators	Yes	No
Senator Nething, Chairman	✓				
Senator Naaden, Vice Chairman	✓				
Senator Solberg	✓				
Senator Lindaas		✓			
Senator Tallackson	✓				
Senator Tomac	✓				
Senator Robinson	✓				
Senator Krauter		✓			
Senator St. Aubyn	✓				
Senator Grindberg	✓				
Senator Holmberg		✓			
Senator Kringstad	✓				
Senator Bowman	✓				
Senator Andrist	✓				

Total (Yes) 11 No 3

Absent 0

Floor Assignment SENATOR Solberg - ~~SENATOR Solberg~~

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 12, 1999 10:10 a.m.

Module No: SR-29-2691
Carrier: Solberg
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2032: Appropriations Committee (Sen. Nething, Chairman) recommends **DO NOT PASS** (11 YEAS, 3 NAYS, 0 ABSENT AND NOT VOTING). SB 2032 was placed on the Eleventh order on the calendar.

1999 TESTIMONY
SB 2032

North Dakota Department of Human Services
State Administered Subsidized Adoption Program

Estimated Impact

Grant Costs					
Biennium	Date of Estimate/Explanation	Total	Federal	State	County
97-99	August 1997	\$2,862,247	\$1,328,240	\$1,173,390	\$360,617
97-99	March 1998	\$2,959,218	\$1,374,942	\$1,212,820	\$371,456
99-01	Caseload increases due to program changes excluded for 97-99 biennium and 99-01 biennium	\$3,385,496	\$1,565,697	\$1,382,062	\$437,737
	Caseload increases due to program changes excluded for 99-01 biennium	\$4,135,391	\$1,969,555	\$1,659,331	\$506,505
	March 1998	\$4,742,041	\$2,294,716	\$1,884,475	\$562,850

Staff/Administrative Costs		
State Employee (.5 FTE Eligibility Worker II – Base Salary Approx. \$1,100 per month plus 45% fringe)		
– No Travel Costs Included		
– No additional cost for State Office Supervision Included		
\$38,280	for the biennium	
67%	IV-E eligible proportion	
<hr/>		
\$25,648		
50%	Reimbursement Rate	
<hr/>		
\$12,824		
Total		Federal
\$38,280	minus	\$12,824
	=	State
		\$25,456

Total Impact to State Costs \$588,306

Based on SFY97 RMTS data, County Administrative Subsidized Adoption costs are estimated to be approximately \$89,000 for a biennium with \$30,000 reimbursed by IV-E for a net county estimated cost of \$59,000.

SB 2032

Senate Human Services Committee

January 12, 1999

Good morning Chairman Thane and members of the Senate Human Services Committee. My name is Mari Daugherty and I serve as a Specialist for A.A.S.K. (Adults Adopting Special Children). I am here today to provide informational testimony for Senate Bill Number 2032.

The process of a family negotiating subsidy with a county happens after the child is in adoptive placement, and prior to finalizing the adoption. The A.A.S.K. worker is responsible to assist families in completing the paper work that gets turned in to the county. The worker also compiles documentation of the special needs of the child. That documentation is turned in with the subsidy request.

The process of review of these requests differ from county to county. However, the county director must sign off on the request. Some of the larger counties, such as Grand Forks, Cass and Burleigh, are able to hire people who are trained to do adoption subsidy to review these requests. Most counties, however, don't have such an individual. For counties that have few subsidies or none, the process can be confusing.

The A.A.S.K. program has four workers state wide. Each worker is responsible for two human service center regions. The result of our large areas is having several different counties with which we help families negotiate with.

Counties per A.A.S.K. worker:

Minot/Williston - 10 counties

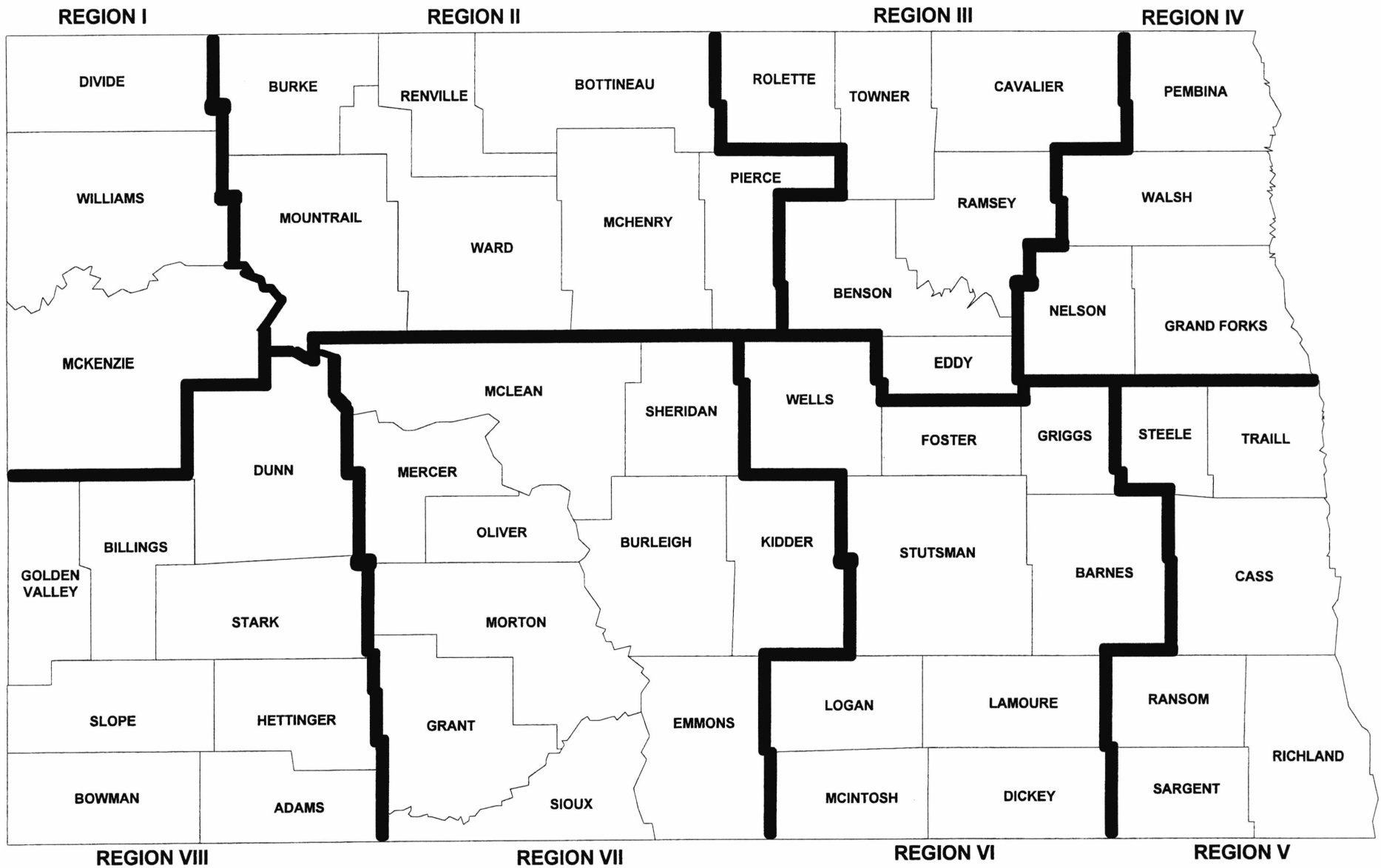
Grand Forks/Devils Lake - 10 counties

Fargo/Jamestown - 15 counties

Bismarck/Dickinson - 18 counties

Each county social services, their directors, and their boards have differing opinions on subsidy amounts and the subsidy process. It can be very difficult to assist families in receiving fair subsidy agreements when there are 16 different county social services, directors and boards in my region.

I hope this information has been helpful. Thank you for the opportunity to provide information to your committee regarding this important matter. I am available to answer any questions at this time.



SB 2032

Senate Human Services Committee

January 12, 1999

Good morning Chairman Thane and members of the Senate Human Services Committee. My name is Julie Hoffman and I serve as the Administrator of Adoption Services for the Children and Family Services Division of the Department of Human Services. I am here today to provide testimony in support of Senate Bill Number 2032.

This bill was introduced at the request of the Budget Committee on Human Services after receiving information in an interim committee meeting regarding this issue from Linda Schell, our Division's former Director and Administrator of Adoption Services. The intent of this bill is to shift the responsibility for the review and approval of adoption subsidy applications and yearly reviews from shared county/ state responsibility to a total responsibility of the Department of Human Services. The Department would also become responsible for the entire cost of the non federal share of adoption subsidy payments. This shift in responsibility has been discussed within the Department and with the counties for a number of years. The passage of this bill and it's implementation would result in a more consistent application of policy and practice related to adoption subsidy eligibility, negotiations and payment.

The adoption subsidy program is a result of the passage of Public Law 96-272, the Adoption Assistance and Child Welfare Act of 1980 and is regulated through numerous federal issuances, as well as applicable North Dakota statutes, specifically 50-09-02.2. The state administers federal adoption subsidy for those children eligible for Title IV - E and provides state funded adoption assistance for those who do not meet IV-E eligibility requirements, but are determined to be special needs children.

Who are the children on behalf of whom adoption subsidy payments are made by the state? These are children who have been placed for adoption who have special needs which require financial and medical assistance in order to support them in achieving permanence. These children have generally been in the custody of County Social Services or a Tribe prior to the termination of parental rights. They may be older children, children placed along with a sibling for adoption, children with a mental, physical or emotional disability, or children of minority race which make them difficult to place. We have children who receive adoption subsidy who have diagnoses of Down's syndrome, Reactive Attachment Disorder, Attention Deficit Hyperactivity Disorder, Fetal Alcohol Syndrome or Fetal Alcohol Effects, Bipolar Disorder, Learning Disabilities, Pervasive Developmental Disorders, Behavioral Disorders, or other serious medical diagnoses. They may have had multiple foster care placements. They may have been placed for adoption with their foster parents or with a new adoptive family. Many are determined to be "special needs" having met several of these criteria.

The current process for determining adoption subsidy is as follows. A child (and potential adoptive family if one has been identified) is referred to North Dakota's collaborative program for special needs adoption, the AASK program. The adoption specialists in this program work together with the family in the process of the adoption assessment. They may work together with the county case manager at preparing the child for adoptive placement. At the point at which the AASK program wishes to request an adoptive placement for a child in the custody of the Department, they will submit to the State office information which documents the special needs of the child in addition to the adoptive assessment of the prospective adoptive family. At the state office level I will determine that the child meets the special needs criteria that have been established in law and policy. The AASK worker also assists the adoptive family in completing an application for adoption subsidy which will be made to their local county social service office. The family may request adoption subsidy in the form of a monthly payment, reimbursement for adoption related expenses as a non reoccurring expense, or medical assistance

through the Medicaid program as a secondary payor to their own private health insurance. The amount of the adoption subsidy monthly payment is negotiated at the local level with the county. This amount is to be negotiated based on the **individual needs of the child** and is **not** to take into account the income of the family. When the amount has been negotiated, the agreement is signed by the adoptive parents and the county and then forwarded to the state office. At the state office level we review the application to assure the eligibility of the child (based on the determination of special needs, and eligibility related to IV-E versus non IV-E status) and make final approval of the application.

As of the end of December 1998, there were 323 adoption subsidy cases. Of these cases, almost 50 % are in three counties - Cass, Grand Forks, and Burleigh. Forty of our counties have less than five adoption subsidy cases, fourteen of those have none at all. Since so few counties deal with the adoption subsidy program on a regular basis, it is difficult to maintain a level of expertise in its administration. It is difficult for counties to devote its eligibility staff to training if that county carries few cases at any given point. It becomes difficult for the Department to provide training and technical assistance to so many counties who have little ability to apply the policies on a regular basis. There is also great variance in the perceived need for adoption assistance and the levels at which counties will approve adoption assistance monthly payments. This then results in an uneven provision of adoption subsidy payments across the state for children with similar special needs conditions. The Department believes that the adoption subsidy program would be more efficiently and equitably administered as a state-only responsibility.

The fiscal note attached to this bill reflects, in greatest part, the cost for the state to assume all of the non federal share of adoption subsidy payments. Currently, the state and county share that expense. It is fair that if the state were to negotiate the amount of an adoption subsidy and give that amount final approval, then the state should be responsible for the non federal share of the adoption subsidy payment. The balance of the fiscal note relates to the increased administrative costs to the

Division to assume this responsibility. We have requested an additional half-time position for an eligibility specialist in order to accommodate the responsibilities of relating directly to adoptive families when negotiating the adoption subsidy. An increase in the number of adoption subsidies is built into the budgets for the coming bienniums, based on the projection of the increase in the number of children placed for adoption as a result of the Adoption and Safe Families Act of 1997.

In summary, the Department supports the passage of SB 2032, and it's intent in shifting the responsibility of the adoption subsidy program to the state office of the Department of Human Services. We believe that this would positively effect the efficiency and equitableness of the administration of this program and thereby benefit the children and families who are the current and future recipients of adoption subsidy support. In light of the Adoption and Safe Families Act of 1997, the Department believes this change would streamline the process of adoption subsidy application and approvals and would provide us an incentive in our recruitment of adoptive families. I would encourage your support of the passage of SB 2032. Thank you for the opportunity to provide information to your committee regarding this important matter. I am available to answer your questions at this time, should you have any.

SB 2032

Senate Human Services Committee

Chairman Thane and members of the Senate Human Services Committee, this memo is in response to questions posed January 12, 1999 by Senator DeMers during my testimony on Senate Bill 2032, relating to adoption subsidy. Senator DeMers inquired as to why the Department had not included the amount of the fiscal note in the Department's budget for the upcoming biennium. Further Senator DeMers pointed out that although referred to as a "swap" with County Social Services by Mr. Smith from the Legislative Council as he introduced this bill, the Department is proposed to take the full responsibility of the non federal share of adoption subsidy payments. This does not appear to be a "swap".

I had discussion with Linda Schell, our Division's former Director and Adoption Administrator. She indicated that the issue of bringing the administration and payment responsibility for adoption subsidy into the Department, occurred in the context of a broader discussion with the Budget Committee on Human Services regarding how to provide more consistent funding to the Counties for programs administered by Children and Family Services Division. The question was posed regarding whether any Code changes would have to be made to streamline reimbursement to the counties. The adoption subsidy program was identified. This was considered a beginning point in the process of streamlining reimbursement to the counties. These discussions occurred throughout the fall of 1998 and apparently a decision was made by the committee after the October meeting to request the bill be drafted. This was sometime after the Departments' budget was built during June and July of 1998.

I hope this answers the questions which I was not able to adequately address in my presentation yesterday. I would be happy to provide any other information the committee requires regarding this issue.

Julie Hoffman, Administrator, Adoption Services, Department of Human Services 

SB 2032

Senate Appropriations Committee

January 26, 1999

Good morning Chairman Nething and members of the Senate Appropriations Committee. My name is Leanne Johnson and I am employed by Lutheran Social Services/ND and serve as the Adoption Director for A.A.S.K. (Adults Adopting Special Kids). I am here today to provide informational testimony for Senate Bill Number 2032.

The A.A.S.K. program is a collaborative effort between Lutheran Social Services/ND, Catholic Family Services, The Village Family Services Center, the North Dakota Department of Human Services and affiliated with the Turtle Mountain Band of Chippewa Indians. A.A.S.K. is responsible for the adoption of children with special needs in North Dakota.

Currently, the A.A.S.K. program has four adoption workers statewide with the Tribal adoption worker located in Belcourt. Each adoption worker is responsible for two human service center regions. A map outlining the regions is attached to my testimony. The result of our large areas is having several different counties with which we help families negotiate adoption subsidies. The Minot/Williston specialist and the Grand Forks/Devils Lake specialist are responsible to work with 10 counties each, the Fargo/Jamestown specialist is responsible to work with 15 counties and the Bismarck/Dickinson specialist is responsible work with 18 counties. Providing consistent services to all families becomes very difficult with the wide variety of counties with differing levels of expertise involved.

The process of a family negotiating an adoption subsidy typically happens after

the child is in adoptive placement and prior to finalizing the adoption. The AASK Adoption Worker assists families in completing any necessary application paperwork and compiles the documentation of the child's special needs. The combined packet is submitted to the county in which the adoptive family resides.

The amount of the monthly adoption subsidy payment is negotiated at the local level with the individual county. When the amount has been negotiated, the adoptive parents and the county sign the agreement. The application is then forwarded to the state office. At the state office, the application is reviewed to assure the eligibility of the child and gives final approval of the application.

From 1993 to 1998, the A.A.S.K. program has placed 194 children with special needs for adoption. Of these 194 children, 182 children qualified for some type of adoption subsidy. This represents over half of the total number of adoption subsidy cases (323) as of December 1998. The majority of these cases, both within our program and the state as a whole, are from Cass, Grand Forks and Burleigh counties. Most of the other counties statewide only deal with a few adoption subsidy cases each year, if at all. It is understandably difficult for the counties to maintain a level of expertise in such cases. There is little opportunity to apply information learned when there are so few cases to apply that knowledge. Furthermore, each county's social services, their directors and their boards have varying opinions on the need for subsidies and the level of subsidy payments. Once there is agreement that subsidy is needed, there is inequality in the amount a family might receive for a child with similar special needs in different parts of the same state.

The Special Needs Adoption workers and the Agencies they represent agree that bringing the responsibility and administration of the entire adoption subsidy program into the state office would have positive effects for special needs children and their adopting families. Families adopting children in need of

adoption subsidy support would receive more efficient and equitable services. The knowledge that subsidy determinations and amounts were being consistently applied statewide would also be beneficial in recruiting potential families. Finally, we believe that the changes and costs associated with Senate Bill 2032 are a fiscally responsible approach to improving North Dakota's adoption subsidy program.

I hope this information has been helpful. Thank you for the opportunity to provide information to your committee regarding this important matter. I am available to answer any questions at this time.

AA Regional Staff

Village Family Service Center



Catholic Family Service



Catholic Family Service



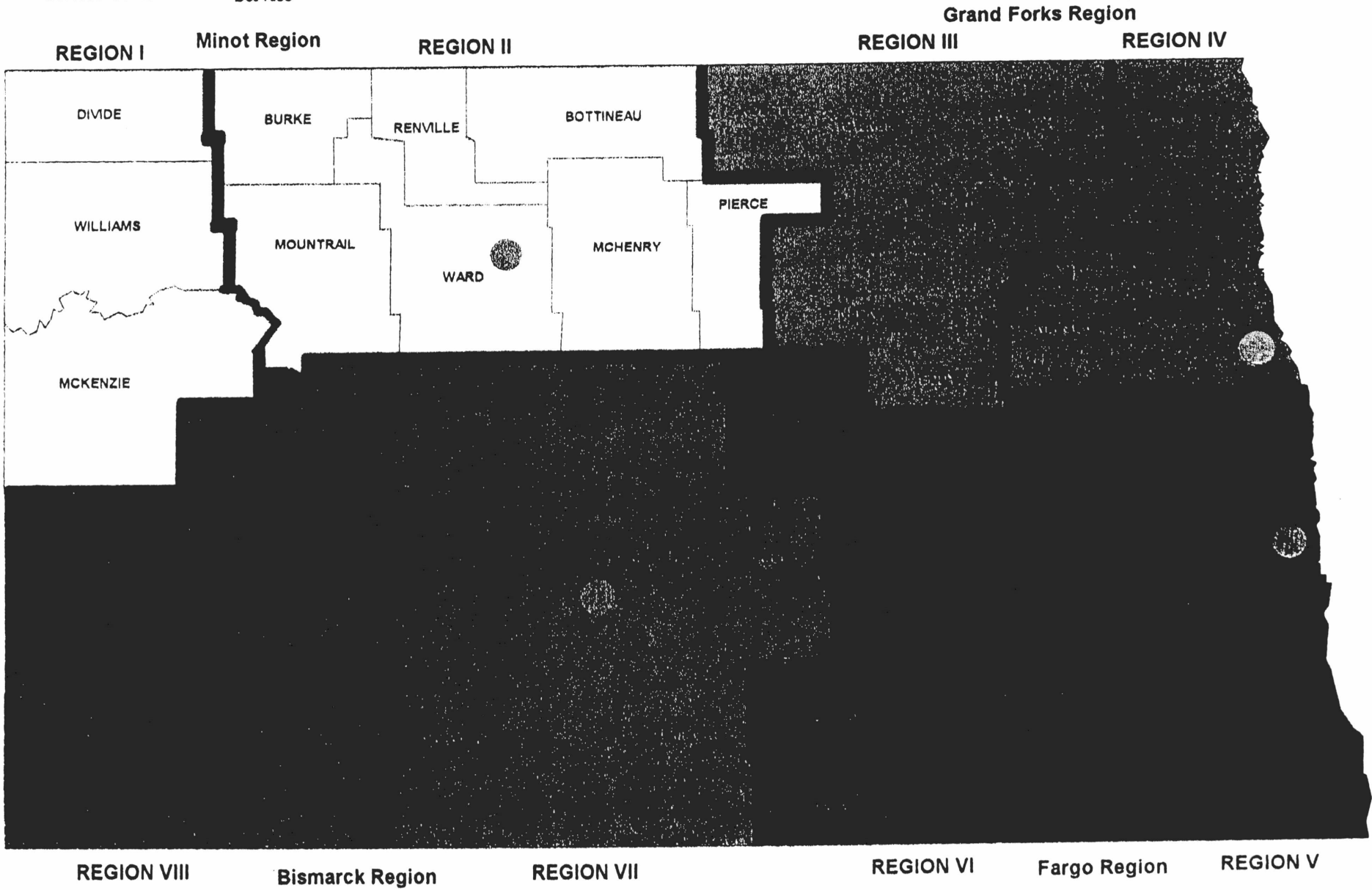
Village Family Service Center



Regional Staff



Coordination
Lutheran Social Services



SB 2032
Senate Appropriations Committee
January 26, 1999

Chairman Nething and members of the Senate Appropriations Committee, my name is Kathy Hogan. I am the Director of Cass County Social Services and today I am representing the North Dakota County Social Services Director's Association. I speak in support of SB 2032.

During the last four years, two legislative interim committees have studied the roles, responsibilities and funding of county based social services. Senate Bill 2032 is one of the results of those studies. After termination of parental rights, children in need of subsidized adoption are placed in the legal care custody and control of the Department of Human Services. Rather than maintain children in foster care, subsidized adoption allows for permanency for a child and generally reduced costs. Because the children eligible for subsidized adoption are the legal responsibility of the state, we also believe that the state should assume full financial responsibility for the children in this program. If this bill is not funded and a county share of subsidized adoptions is maintained, it is critical that the county social service agency paying a portion of the monthly costs be actively involved in determining the level of subsidy.

We strongly urge you to seriously consider Senate Bill 2032. Thank you for your time.

I am willing to answer any questions.

SB 2032

Senate Appropriations Committee

January 26, 1999

Good morning Chairman Nething and members of the Senate Appropriations Committee. My name is Julie Hoffman and I serve as the Administrator of Adoption Services for the Children and Family Services Division of the Department of Human Services. I am here today to provide testimony in support of Senate Bill Number 2032.

This bill was introduced at the request of the Budget Committee on Human Services after receiving information during the interim from Linda Schell, our Division's former Director and Administrator of Adoption Services. The discussion in that committee involved a larger issue of funding reimbursements to county social services for programs within Children and Family Services Division. The adoption subsidy program was identified as one program which would require a change in law in order to change the funding structure of the program. The fiscal impact of this bill was not included in the Department's budget as the bill was requested by the interim committee after the Department's budget had been constructed. The intent of this bill is to shift the responsibility for the review and approval of adoption subsidy applications and yearly reviews from shared county/state responsibility to a total responsibility of the Department of Human Services. The Department would also become responsible for the entire cost of the non federal share of adoption subsidy payments. This shift in responsibility has been discussed within the Department and with the counties for a number of years. The passage of this bill and its implementation would result in a more consistent application of policy and practice related to adoption subsidy eligibility, negotiations and payment.

The adoption subsidy program is a result of the passage of Public Law 96-272, the Adoption Assistance and Child Welfare Act of 1980 and is regulated through numerous federal issuances, as well as applicable North Dakota statutes,

specifically 50-09-02.2. The state administers federal adoption subsidy for those children eligible for federally funded Title IV-E adoption subsidy and provides state funded adoption assistance for those who do not meet IV-E eligibility requirements, but are determined to be special needs children.

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The current process for determining adoption subsidy is as follows. A child (and potential adoptive family if one has been identified) is referred to North Dakota's collaborative program for special needs adoption, Adults Adopt Special Kids (AASK) Program. The adoption specialists in this program work together with the family in the process of the adoption assessment. They may work together with the county case manager at preparing the child for adoptive placement. At the point at which the AASK Program wishes to request an adoptive placement for a child in the custody of the Department, they will submit to the State office information which documents the special needs of the child in addition to the adoptive assessment of the prospective adoptive family. At the State office level,

I will determine that the child meets the special needs criteria that have been established in law and policy. The AASK worker also assists the adoptive family in completing an application for adoption subsidy which will be made to their local county social service office. The family may request adoption subsidy in the form of a monthly payment, reimbursement for adoption related expenses as a non reoccurring expense, or medical assistance through the Medicaid program as a secondary payor to their own private health insurance. The amount of the adoption subsidy monthly payment is negotiated at the local level with the county. This amount is to be negotiated based on the **individual needs of the child** and is **not** to take into account the income of the family. When the amount has been negotiated, the agreement is signed by the adoptive parents and the county and then forwarded to the State office. At the State office level, we review the application to assure the eligibility of the child (based on the determination of special needs, and eligibility related to IV-E versus non IV-E status) and make final approval of the application.

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The fiscal note attached to this bill reflects, in greatest part, the cost for the state to assume all of the non federal share of adoption subsidy payments. Currently the state and county share that expense. The balance of the fiscal note relates to the increased administrative costs to the Division to assume this responsibility. We have requested an additional half-time position for an eligibility specialist in order to accommodate the responsibilities of relating directly to adoptive families when negotiating the adoption subsidy. An increase in the number of adoption subsidies is built into the budget for the coming bienniums, based on the projection of the increase in the number of children placed for adoption as a result of the Adoption and Safe Families Act of 1997.

The Department supports the passage of SB 2032, and its intent in shifting the responsibility of the adoption subsidy program to the Department of Human Services. We believe that this would positively effect the efficiency and equitableness of the administration of this program and thereby benefit the children and families who are the current and future recipients of adoption subsidy support. In light of the Adoption and Safe Families Act of 1997, the Department believes this change would streamline the process of adoption subsidy application and approvals and would provide us an incentive in our recruitment of adoptive families. Thank you for the opportunity to provide information to your committee regarding this important matter. I am available to answer your questions at this time, should you have any.