

State of Alaska FY2002 Governor's Operating Budget

Department of Health and Social Services
Subsidized Adoptions & Guardianship
Component

Component: Subsidized Adoptions & Guardianship

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Component Mission

The mission of the Division of Family and Youth Services is to protect children who are abused and neglected or at risk of abuse and neglect.

Component Services Provided

The Subsidized Adoptions & Guardianship component provides permanent homes through adoptions and guardianships for children that have been placed by the court in the permanent custody of the State. Subsidized adoption is a way to establish permanent homes through adoption for children who are hard to place, who are in the permanent custody of the Department, and are unlikely to be adopted without a subsidy. As of September, 2000, 1,392 children were living in permanent homes provided under the Subsidized Adoption & Guardianship program.

The Division has known for some time that children in our custody are becoming more difficult to care for, with increasing levels of disturbance and complexity of problems. These factors make it difficult to find permanent adoptive or guardianship homes without a subsidy. It is preferable that the State provide a means for children to be given a permanent home with State funding than for the State to continue to be completely responsible for the child. In other words, subsidized adoptive and guardianship cases are those that reach a successful resolution because children are given a permanent home.

AS 25.23.240 (7) mirrors Federal guidelines for Title IVE Federal Adoptions and defines "hard-to-place" as a "minor who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these conditions." The children that are placed in the Subsidized Adoption & Guardianship program generally face severe problems, and many meet more than one criteria qualifying them as "hard-to-place."

Additional individual program efforts include directing grant funding towards special projects to meet permanency process needs - obtaining home studies, recruiting and training families, matching families and children, and providing on-going support to adoptive parents and guardians.

Component Goals and Strategies

1) PROVIDE PERMANENT ADOPTIVE HOMES OR GUARDIANSHIPS FOR HARD-TO-PLACE SPECIAL NEEDS CHILDREN:

- The primary goal of the Subsidized Adoption & Guardianship BRU is to facilitate permanent placements in adoptive homes or stable guardianships for the increasing number of children in State custody whose special needs make them hard-to-place.

- AS 25.23.240 (7) mirrors Federal guidelines for Title IVE Federal Adoptions and defines a "hard-to-place" child as a "minor who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these conditions."

- This Component provides for adoptions in accordance with State law (AS 25.23.190-25.23.240). Adoption is viewed as the most permanent placement for a child and is therefore generally the preferable option.

- This component provides for guardianships in accordance with State law (AS 13.26.062). Guardianships are considered for children who cannot be freed for adoption, but for whom a reasonably permanent home can be provided through guardianship. This is often the best choice for children who cannot live with their parents but continue to have an important emotional tie with their families that should not be severed.
- DFYS utilizes the services of child placement agencies to help identify those children who have special needs, recruit and train adoptive families, match adoptive families with children, and support the post-adoption needs of those families and children.
- Recruitment and retention of adoptive/guardianship families is necessary to remove one of the major barriers to placing children in permanent homes. The President's Adoption Initiative Adoption 2002 provides incentives for States to double adoptions by the year 2002. The Division contracts for the services of the Alaska and Northwest Adoption Exchange Programs to assist in matching children with potential adoptive families.
- The Division provides training for adoptive parents of special needs children to provide them with the skills they need to successfully deal with the special needs of their adoptive children.

2) **REDUCE THE LENGTH OF TIME BETWEEN INITIAL OUT-OF-HOME PLACEMENT AND ALTERNATE PERMANENT PLACEMENT:**

- Placement must be accomplished within the shortened time frames mandated by State and Federal law, including Alaska's HB 375 (Chapter 99, SLA 98) and the Federal Adoption and Safe Families Act of 1998. Those changes were intended to encourage and enable the State to emphasize permanency planning and to place children who are in State custody into stable, safe, supportive, and permanent homes without unnecessary delay.
- The Child Protection Legal Assistance BRU, created within DFYS in FY1999, strengthens the State's ability to process Child in Need of Aid (CINA) cases through the legal system to increase the number of children legally eligible to be adopted. This new BRU provides funding for RSA's with the Public Defender Agency and the Office of Public Advocacy for processing Child in Need of Aide cases (CINA). The Public Defender Agency provides attorney resources to concentrate on CINA cases, and the Office of Public Advocacy provides Guardian Ad Litem for these new cases.
- DFYS maintains RSA's with the Department of Law and the Court System to address the problem of backlogged adoption court cases. The Division anticipates that the services provided by these agencies will continue to be a significant factor in Subsidized Adoption & Guardianship caseload growth in FY2002.

3) **REMOVE CHILDREN FROM STATE CUSTODY:**

Adoptive parents and guardians assume legal custody of the child(ren) in their care. The child achieves a sense of belonging, and the State is relieved of the legal responsibility for the care of the child. For many of these children the Subsidized Adoption & Guardianship program provides their only hope of finding a permanent home.

Key Component Issues for FY2001 – 2002

Beneficiaries to be Served: When children leave foster care, their special needs are re-assessed to determine whether they will continue to need assistance through the Subsidized Adoption & Guardianship program. Approximately 95 percent of children leaving custody have special needs and usually continue in the Subsidized Adoption & Guardianship program. Of these children, a large percent have a medical condition or a physical, mental, or emotional disability. A needs assessment is performed annually to determine the need for continuation of Adoption & Guardianship subsidy payments. The special needs of these children combined with budgetary constraints, make this a challenging task at best.

Caseload Growth: The Subsidized Adoption & Guardianship program has been very successful in finding permanent homes for children over the past few years. The FY1999 caseload grew by 14.9% and an additional 13.9% in FY2000. Due to continuing efforts of the State Initiative Project Succeed and the Balloon Project, the Department is anticipating a 14% growth rate in the Subsidized Adoption and Guardianship program in FY2002 and is requesting an increment to ensure continuity of subsidy payments and continued success of the program.

FY2001 Funding: The Department anticipates the need for an FY2001 supplemental. During the last legislative session, the Legislature moved funding in the amount of \$1,000.0 from General Fund to TANF, with the intention of using the TANF funds for the Subsidized Adoption and Guardianship program. In reviewing the program, the Department has determined that the use of TANF for the subsidy program jeopardizes Title IV-E funding. A supplemental may be necessary to avoid an FY2001 deficit. The Department has also submitted an FY2002 budget proposal which would switch from I/A (TANF) back to General Funds to permanently correct this situation.

Major Component Accomplishments for FY2000

1) OVER 1,392 CHILDREN HAVE BEEN REMOVED FROM THE FOSTER CARE SYSTEM AND HAVE BEEN PLACED IN PERMANENT HOMES:

The Subsidized Adoption & Guardianship program provides permanent homes for "hard-to-place" children that have been placed in permanent custody of the State. This program has been very successful due to increased emphasis on permanency planning and the State initiatives such as Project SUCCEED and the Balloon Project.

Meeting the continuing caseload growth continues to be the most significant accomplishment of this program. From FY1992 to FY2000 the number of children removed from the foster care system and placed in a permanent home increased 294% from 338 to 1,332 (a net increase of 163 children from FY1999). The Department anticipates the number of children in the Subsidized Adoption & Guardianship program to increase by 14% to 1,518 in FY2001 with an additional 14% growth to 1,730 in FY2002.

The majority of the children in the subsidy program meet the general criteria for multiple special needs. Specific special needs factors identified include: Fetal Alcohol Effected/Fetal Alcohol Syndrome; mental disabilities; neglect; Attention Deficit Disorder/Attention Deficit Hyperactivity Disorder; cocaine positive at birth; developmental delays; sexual, physical, and emotional abuse; drug/alcohol abuse in home; domestic violence; Post-traumatic Stress Disorder; vision, hearing, and speech disabilities; children born to mothers with AIDS; inadequate prenatal care; psychosis/organic brain dysfunction; and Sickle Cell Anemia.

In addition, the Federal Government awarded Alaska an Adoption Bonus for 1999, due to the increase in completed adoptions. Under the Adoptions and Safe Families Act, the Federal Adoption Incentive bonus program provides financial incentive to states to increase adoptions of children waiting in the foster care system. In 1999 Alaska increased its adoptions by 26% from its baseline of 109 state adoptions increased to 137 finalized adoptions.

2) UTILIZATION OF TITLE IVE FEDERAL REVENUE:

As of September 2000, there were 1,392 children receiving Adoption & Guardianship subsidies. 939 (67.5%) of these children were eligible to receive Federal IVE adoption assistance, 161 (11.6%) were in State funded adoptions, and 292 (20.9%) were in State funded guardianships. The State is reimbursed 54.13% of the subsidy payments for Federal Title IVE adoptions.

3) PROJECT SUCCEED:

Project SUCCEED has been one of the driving forces contributing to the success of the Subsidized Adoption and Guardianship Program. As stated above, the net subsidy caseload increased by 163 children in FY2000 with many of these children receiving services from Project SUCCEED and the Balloon Project. Project SUCCEED targets funds to the Court System, Department of Law, Office of Public Advocacy and the Public Defender Agency to focus on legal proceedings needed for children who have been in custody the longest period of time. Project SUCCEED funds are also contracted out through community grants to help prepare the child and family for final adoption or guardianship and to follow the child and family for up to one year after the final adoption or guardianship court hearing.

Community Grants: Since the inception of Project Succeed in 1997 there have been 556 children referred to the two grantees. As of October 2000 there have been 147 adoptions, 56 permanent guardianships, 10 children aged out, 56 are inactive, 85 are waiting for finalization through the court process and 202 are in the process of having their home studies finalized. These children are in custody and both of their parents' rights have been terminated. They are waiting for their final adoption or guardianship to be completed. Two principal grantees, Bristol Bay Native

Association and Catholic Social Services, subcontract to eight tribal organizations and two adoption agencies throughout the state to coordinate efforts on this child-specific grant program. The community grants include four deliverables: recruitment of homes for children who do not already have permanent homes; home studies on potential adoptive families; pre-adoption services for the child and family; and post adoption services for up to one year after the final adoption or guardianship court hearing.

In FY2000, the State added a third component to Project SUCCEED, the Alaska Adoption Exchange. The Alaska Adoption Exchange promotes early identification of children in the system, who have been identified as needing a permanent placement and identifies potential families wanting them. The Alaska Adoption Exchange listed children in custody who are available now or soon to be available for adoption. The Exchange also lists potential adoptive families who are considered for placements of special needs children. The Exchange creates a mechanism for different DFYS workers to know about other children and potential adoptive families in the state. Children in custody are registered on the Exchange as soon as adoption has been identified as the permanent plan. This includes children who are not legally free but have termination of parental rights planned and the division has court approval to register.

4) Balloon Project:

State and Federal law requires children that have been in foster care for 15 of the past consecutive 22 months to be placed into permanent homes. To comply with this law and to help eliminate the backlog of children in long-term foster care, the 1999 Legislature approved a two-year special appropriation to implement the State's permanency planning initiative, the Balloon Project.

The Balloon Project is a collaborative effort of the Department of Health and Social Services, the Department of Law, the Alaska Court System, the Office of Public Advocacy and the Public Defenders Agency to move children who have lingered in the child protection system for more than three years into permanent placements. The original transition list (Phase I) was created from those children who, on 11/19/97 had been in custody 15 of the previous 22 months. Phase II were those children in custody more than 38 months as of 01/01/2000, and Phase III were those children in custody between 27-38 months as of 01/01/2000. All of these children were in out of home custody who had not had parental rights terminated.

Transition list	# of Children	# Adopted	# in permanent Guardianship
Phase 1	662	166	92
Phase II	45	9	2
Phase III	373	42	29

Statutory and Regulatory Authority

AS 25.23	Adoption
AS 25.23.190	Subsidy for hard-to-place child.
AS 47.10.080	Judgments and orders.
7 AAC 53 Article 2	Subsidized Adoption and Subsidized Guardianship Payments

Key Performance Measures for FY2002

Measure: The performance measure for this component is set up at the BRU level. Please see the performance measures under the Purchased Services BRU.
(Not yet addressed by Legislature.)

Status of FY2001 Performance Measures

<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
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Component — Subsidized Adoptions & Guardianship

	<i>Achieved</i>	<i>On track</i>	<i>Too soon to tell</i>	<i>Not likely to achieve</i>	<i>Needs modification</i>
<ul style="list-style-type: none">The performance measure for this component is set up at the BRU level. Please see the performance measures under the Purchased Services BRU.			X		

Subsidized Adoptions & Guardianship**Component Financial Summary***All dollars in thousands*

	FY2000 Actuals	FY2001 Authorized	FY2002 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Contractual	362.6	550.0	450.0
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	9,645.5	11,148.8	13,046.3
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	10,008.1	11,698.8	13,496.3
Funding Sources:			
1002 Federal Receipts	3,301.1	3,496.6	4,321.0
1003 General Fund Match	1,969.3	2,758.4	3,152.0
1004 General Fund Receipts	4,432.1	3,953.4	6,023.3
1007 Inter-Agency Receipts	0.0	1,000.0	0.0
1092 Mental Health Trust Authority Authorized Receipts	305.6	490.4	0.0
Funding Totals	10,008.1	11,698.8	13,496.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2000 Actuals	FY2001 Authorized	FY2001 Cash Estimate	FY2002 Governor	FY2003 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	3,301.1	3,496.6	3,496.6	4,321.0	4,321.0
Interagency Receipts	51015	0.0	1,000.0	0.0	0.0	0.0
Mental Health Trust Authority Auth.Rec.	51410	305.6	490.4	490.4	0.0	0.0
Restricted Total		3,606.7	4,987.0	3,987.0	4,321.0	4,321.0
Total Estimated Revenues		3,606.7	4,987.0	3,987.0	4,321.0	4,321.0

Subsidized Adoptions & Guardianship**Proposed Changes in Levels of Service for FY2002**

Participation in new projects such as Project SUCCEED and the Adoption Exchange require additional work on the part of workers in the field and in the adoption and guardianship unit. Under Federal law - the acceleration of the permanency planning process (the Adoptions and Safe Families Act, 1997) and the institution of programmatic changes (the Multi-Ethnic Placement Act of 1994 and the Interethnic Adoption Provision modifications in 1996) - and under subsequent state law (AS 47.10.080 as modified by HB 375 in 1998), subsidies must be in place more quickly than ever before. State program activities are also being developed in accordance with additional Federal programs such as the Adoption 2002 Initiative. The Division is anticipating a 14% caseload increase in the Subsidized Adoption and Guardianship program in FY2002.

Summary of Component Budget Changes**From FY2001 Authorized to FY2002 Governor***All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2001 Authorized	6,711.8	3,496.6	1,490.4	11,698.8
Adjustments which will continue current level of service:				
-Refinance Child Protection Services-TANF with GF	1,000.0	0.0	0.0	1,000.0
Proposed budget decreases:				
- Reduce uncollectable I/A Receipts (TANF)	0.0	0.0	-1,000.0	-1,000.0
-Reduce MHTAAR to reflect end of project funding.	0.0	0.0	-490.4	-490.4
Proposed budget increases:				
-Subsidized Adoption & Guardianship Caseload Growth.	1,463.5	824.4	0.0	2,287.9
FY2002 Governor	9,175.3	4,321.0	0.0	13,496.3