

# **State of Alaska FY2003 Governor's Operating Budget**

## **Department of Health and Social Services Subsidized Adoptions & Guardianship Component Budget Summary**

## **Component: Subsidized Adoptions & Guardianship**

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### **Component Mission**

The mission of the Division of Family and Youth Services (DFYS) 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, which are in the permanent custody of the Department, and are unlikely to be adopted without a subsidy. As of September 2001, 1,674 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.

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 program 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.
- Adoption Program: 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.
- Guardianship Program: The Subsidized Adoption & Guardianship 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.
- Subsidized Adoption & Guardianship Grants and Contracts: This component also provides funding for other services including contracts to recruit and train adoptive families, match adoptive families with children, as well as utilizes the services of child placement agencies to help identify those children who have special needs, and support the post-adoption needs of those families and children.
- Adoption Initiative 2002: Recruitment and retention of adoptive and 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. The Division contracts for the services of the Alaska and Northwest Adoption Exchange Programs to assist in matching children with potential adoptive families.

- **Adoptive Parent Training:** In recent years, children placed in permanent homes have more complex needs and issues, and adoptive parents are often required to have a greater level of specialized knowledge. The Department provides training for adoptive parents of special needs children to provide parents with the skills they need to successfully deal with the special needs of their adoptive children.
- **Implementation of SNAP, the Simple New Adoption Process:** SNAP, an adoptive re-engineering process, will help speed up and streamline the adoption process. SNAP will simplify adoption approval, use technology to expedite the process, and create a team with the Guardian Ad Litem and the Attorney General's office to prepare for termination of parental rights. Goals of SNAP also include reducing the time for an adoption by half and working concurrently rather than sequentially in the adoption process.

**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.
- **DFYS maintains RSA's with the Department of Law, the Public Defender Agency and the Office of Public Advocacy to address the problem of backlogged adoption court cases.** The Division anticipates the services provided by these agencies will continue to be a significant factor in Subsidized Adoption & Guardianship caseload growth during FY2003.
- **Continue the Homestudy Project:** The Homestudy Project focus is on homestudy completion for those children who are in out-of-home care but are not yet legally free for adoption. The Homestudy Project further concentrates on preparing the family for the adoption so when the child is legally free, the adoption can proceed. Additionally, this project serves families that are interested in adoption of special needs children. In these cases, families have not been identified for specific children, but rather are interested in being considered for the possible adoption of a special needs child.
- **The Alaska Adoption Exchange:** The Alaska Adoption Exchange purpose is recruitment and referral of Alaska's waiting children and families. The Division contracts with the Northwest Adoption Exchange who operates the Alaska Adoption Exchange. The Exchange facilitates adoptive placements for waiting children, facilitates placement for home studied families wanting to adopt children with special needs, increases the awareness that children in Alaska are in foster care waiting for permanent families, and provides consultation of children who are in foster care waiting for permanent homes.

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

- **Adoptive parents and legal guardians assume legal custody of the child 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 FY2002 – 2003**

- **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 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. In FY2001 the Subsidized Adoption & Guardianship program case load growth was 13.7%. Due to

continuing efforts of the State initiative Project SUCCEED and the Balloon Project, the Department is anticipating a 14% growth rate in FY2003 and is requesting an increment of \$3,641.9 to ensure continuity of subsidy payments and continued success of the subsidy program.

- Homestudy Writers Training: DFYS intends to offer homestudy writing training to all private homestudy writers. This training will impart a more uniform approach to homestudy writing on a statewide basis and will ensure that all homestudy writers are utilizing the same procedures and processes in the completion of homestudy services for DFYS children and families.
- Advanced Adoptions Training: The Division plans to present Advanced Adoptions Training to DFYS social workers. This training will further define and clarify the social workers' role in child and family preparation in the permanency process.

### **Major Component Accomplishments in 2001**

#### **1) OVER 1,515 CHILDREN HAVE BEEN REMOVED FROM THE FOSTER CARE SYSTEM AND HAVE BEEN PLACED IN PERMANENT HOMES:**

The Subsidized Adoption & Guardianship program provided permanent homes for "hard-to-place" children that have been placed in permanent custody of the state.

- Meeting the continuing caseload growth continued to be a significant accomplishment of this program. From FY1992 to FY2001 the number of children removed from the foster care system and placed in a permanent home increased 348%, from 338 to 1,515 (a net increase of 183 children from FY2000).
- The majority of the children in the subsidy program meet the general criteria for multiple special needs. Specific special needs identified include Fetal Alcohol Effect/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.
- 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 to 137 finalized adoptions. In 2000 the Adoption Bonus was once again awarded to Alaska. Adoptions for that year increased 48.2%, from 137 to 203.

#### **2) UTILIZATION OF TITLE IV-E FEDERAL REVENUE:**

- As of September 2001, there were 1,653 children receiving Adoption & Guardianship subsidies. The number of these children eligible to receive Federal IV-E adoption assistance was 1,117 or 67.6% of all adoption and guardianship children. State-funded adoptions numbered 196 or 11.9%, and 340 or 20.6% of the children were in State-funded guardianships. The State is reimbursed 85.07% of the subsidy payments for Federal Title IV-E 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 183 children in FY2001 with many of these children receiving services from Project SUCCEED and the Balloon Project. Project SUCCEED targets funds to the Department of Law, the Office of Public Advocacy and the Public Defender Agency. These agencies focus on the legal proceedings needed for children who have been in custody the longest. Project SUCCEED funds are also contracted out through community grants to help prepare the child and family for the 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 695 children referred to two community grantees who provide assistance to adoptive families. As of July 2001, there have been 221 adoptions, 109 permanent guardianships and 205 children with adoption or guardianships in process. These children are in custody and both of their parents' rights have been terminated. 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.
- Alaska Adoption Exchange: 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, which have been identified as needing permanent placement and identifies potential families wanting them. The Alaska Adoption Exchange lists children in custody who are available now or soon will 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) STATEWIDE ADOPTION AND PERMANENCY PLANNING (THE 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 Statewide Adoption and Permanency Planning or Balloon Project is a collaborative effort of the Department of Health and Social Services, the Department of Law, 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 project provides dedicated funds and all these agencies work as a team to move these children out of foster care and into permanent homes.
- In FY2001 the Balloon Project provided funding for an additional 14 DFYS social workers positions that worked exclusively on the "Transition List" of children that have been in custody the longest. The original transition list (Phase I) was created from those children who, on November 19, 1997 had been in custody 15 of the previous 22 months. Phase II were those children in custody more than 38 months as of January 1, 2000 and Phase III were those children in custody between 27-38 months as of January 1, 2000. All of these children were in out-of-home custody who had not had parental rights terminated. Balloon Project social worker positions continued in FY2001 to focus on timely case plans and to provide services to those children that have been in the state's custody the longest.

Transition List as of October 15, 2001

Phase	Children	Adoptions	Guardianship	Other Permanent Placements	Awaiting
I	661	217	103	274	67
II	43	14	3	16	10
III	374	95	46	159	74
IV	366	71	40	119	136
V	186	10	5	22	149

5) THE HOMESTUDY PROJECT:

- The Homestudy Project focus is on homestudy completion for those children who are in out-of-home care but are not

yet legally free for adoption. The Homestudy Project further concentrates on preparation of the family for the adoption so when the child is legally free, the adoption can proceed. Additionally the Homestudy serves families that are interested in adoption of special needs children. In these cases, families have not been identified for specific children, but rather are interested in being considered for the possible adoption of a special needs child.

- Since its inception, the Homestudy Project has served 201 children and 29 families interested in adoption. Of those 230 total referrals, family placements for 102 children have received positive homestudies. An additional 12 families for non-specific child placement have received positive homestudies for possible referral to the Alaska Adoption Exchange. Additionally, 39 children remain active for services with the Homestudy Project, while 10 families remain active for possible referral to the Adoption Exchange.

### **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

## Subsidized Adoptions &amp; Guardianship

## Component Financial Summary

All dollars in thousands

Formula Program:	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	1.2	0.0	0.0
73000 Contractual	525.1	450.0	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	12,242.1	12,518.2	16,160.1
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>12,768.4</b>	<b>12,968.2</b>	<b>16,610.1</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	3,997.9	4,862.8	5,458.9
1003 General Fund Match	2,756.1	3,152.0	3,152.0
1004 General Fund Receipts	5,277.4	4,953.4	7,999.2
1037 General Fund / Mental Health	323.0	0.0	0.0
1092 Mental Health Trust Authority Authorized Receipts	414.0	0.0	0.0
<b>Funding Totals</b>	<b>12,768.4</b>	<b>12,968.2</b>	<b>16,610.1</b>

## Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Federal Receipts	51010	3,997.9	4,862.8	4,862.8	5,458.9	5,458.9
Mental Health Trust Authority Auth.Rec.	51410	414.0	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>4,411.9</b>	<b>4,862.8</b>	<b>4,862.8</b>	<b>5,458.9</b>	<b>5,458.9</b>
<b>Total Estimated Revenues</b>		<b>4,411.9</b>	<b>4,862.8</b>	<b>4,862.8</b>	<b>5,458.9</b>	<b>5,458.9</b>

**Subsidized Adoptions & Guardianship**

**Proposed Changes in Levels of Service for FY2003**

The Subsidized Adoption & Guardianship budget and FY2003 \$3,641.9 increment request is based on projected caseloads. The Department anticipates the number of children in the Subsidized Adoption & Guardianship program to increase by 14% to 1,727 in FY2002 with an additional 14% growth to 1,969 in FY2003.

**Summary of Component Budget Changes**

**From FY2002 Authorized to FY2003 Governor**

*All dollars in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2002 Authorized</b>	<b>8,105.4</b>	<b>4,862.8</b>	<b>0.0</b>	<b>12,968.2</b>
<b>Proposed budget increases:</b>				
-Subsidized Adoption & Guardianship Growth of 14%	3,045.8	596.1	0.0	3,641.9
<b>FY2003 Governor</b>	<b>11,151.2</b>	<b>5,458.9</b>	<b>0.0</b>	<b>16,610.1</b>