



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #509

Special Needs Adoption Network (DHFS -- Children and Families)

[LFB 2001-03 Budget Summary: Page 392, #10]

CURRENT LAW

The Department of Health and Family Services (DHFS) is required to distribute not more than \$125,000 GPR in each fiscal year as grants to individuals and private agencies to provide adoption information exchange services and to operate a state adoption center. The Special Needs Adoption Network, Inc., a nonprofit organization located in the City of Milwaukee, currently receives this grant to assist the state in finding adoptive homes for children with special needs who do not have permanent homes. In 2000-01, \$241,200 (\$125,000 GPR and \$116,200 FED) was provided for this program. Federal funding for the program is available under Title IV-E of the Social Security Act.

A child with special needs is defined in administrative rule as a child who is legally free for adoption for whom it is difficult to find an adoptive home. Typically, this includes children who are ten years of age or older, a child that is a member of a sibling group of three or more children or a child that exhibits special need characteristics requiring moderate or intensive levels of care.

GOVERNOR

Provide \$18,200 (\$10,000 GPR and \$8,200 FED) in 2001-02 and \$36,400 (\$20,000 GPR and \$16,400 FED) in 2002-03 for the special needs adoption network.

DISCUSSION POINTS

1. The funding in the bill would increase support for the state adoption information

exchange for the purpose of finding adoptive homes for children with special needs who do not have permanent homes. The Network has been awarded the contract for the state adoption information exchange since 1984 and the contract for the adoption center since 1998. The last time the Network received a funding increase for adoption exchange services was in 1991-92.

2. The Network is required by state statute to provide centralized information about special needs children available for adoption. In 2000-01, the Department's contract with the Network totaled \$241,200 (\$125,000 GPR and \$116,200 FED). Of this total contract amount, \$166,000 (all funds) is used to support adoption exchange services. Under this contract, the Network is responsible for: (a) maintaining a statewide registry and photo listing service of special needs children in Wisconsin who are eligible for adoption; (b) assisting prospective adoptive families with information about adoption agencies, procedures and support groups; and (c) promoting the adoption of special needs children through monthly feature stories about individual children in newspapers and through other public information efforts. In addition, the Network provides an internet site that maintains an up-to-date photo listing of available children.

3. From 1985 through 1999, the Network photo listed 1,726 children, of which 1,147 children were adopted.

4. The administration intends for the proposed funding increases under the Governor's budget to support the higher costs associated with the special needs adoption exchange services. In 1999-00, the Network's expenses exceeded the contract amount by \$22,000. The higher costs are associated with an increased workload that is believed to have resulted from the success of the website and weekly series on the local evening news highlighting special needs children eligible for adoption.

From 1999 to 2000, the Network's telephone contacts almost doubled, from 4,300 contacts in 1999 to 8,500 contacts in 2000. In the past year, the Network has experienced an 11% increase in the number of children photo listed, a 26% increase in the number of calls from prospective families, a 57% increase in calls regarding specific children and a 65% increase in the number of new family packets requested. Each month, the network's special needs adoption website receives over 200,000 hits. As a result, more staff time is spent responding to information requests. Information on special needs adoptions is sent to anyone who calls the network regarding special needs adoptions. The increased volume of phone calls and website hits has increased the Network's printing and postage costs. The director of the Network indicates that the increased funding would be used to support costs directly associated with the special need adoption exchange services, including staff time, printing and postage.

5. The administration argues that, in recognition that this is a statutorily mandated program, the increased funding is needed because the Network has not received an increase in state GPR funding for adoption exchange services since 1992 to fund increased service costs. The Network has thus far been able to fund these higher costs with the Network's reserves and in-kind contributions.

6. The Network facilitates the adoption of children with special needs. In November, 1997, the federal Adoption and Safe Families Act (ASFA) was enacted. This federal law is designed to reduce the time children stay in foster care and thereby increase the number of adoptions completed for children in foster care. DHFS has anticipated that ASFA would effectively increase the number of special needs children eligible for adoption. ASFA was created to double public adoptions by 2002 and encourages states to achieve more timely adoption of children in foster care through a variety of mechanisms, including creating a five-year incentive funding program to award states for increasing the number of completed adoptions. In 1999-00, Wisconsin received \$640,000 FED in incentive funding.

7. As an alternative to the Governor's recommendation, the Committee could increase base funding for the Network by 5% in 2001-02 and an additional 5% in 2002-03. This alternative would increase base funding for the Network by \$11,500 (all funds) in 2001-02 and \$23,500 (all funds) in 2002-03, rather than \$18,200 (all funds) in 2001-02 and \$36,400 (all funds) in 2002-03, as recommended by the Governor. However, because funding for the program is funded on a 55% GPR/45% FED matching basis, under this alternative, saving \$10,800 GPR would reduce total funding available for the Network by \$19,600 in the biennium.

8. If the Committee chooses to provide additional GPR funding to the special needs adoption network, the statutory funding limit for grants to individuals and private agencies to provide adoption information exchange services and to operate the state adoption center needs to be adjusted accordingly.

ALTERNATIVES TO BILL

1. Approve the Governor's recommendation to provide \$18,200 (\$10,000 GPR and \$8,200 FED) in 2001-02 and \$36,400 (\$20,000 GPR and \$16,400 FED) in 2002-03 to increase support for the special needs adoption network. In addition, specify that DHFS may provide not more than \$135,000 GPR in 2001-02 and \$145,000 GPR in 2002-03 and each fiscal year thereafter as grants to individuals and private agencies to provide adoption information exchange services and to operate the state adoption center.

2. Reduce funding in the bill by \$6,700 (\$3,700 GPR and \$3,000 FED) in 2001-02 and by \$12,900 (\$7,100 GPR and \$5,800 FED) in 2002-03 to increase base funding for the special needs adoption network by 5% in 2001-02 and an additional 5% in 2002-03. In addition, specify that DHFS may provide not more than \$131,300 GPR in 2001-02 and \$137,900 GPR in 2002-03 and each fiscal year thereafter as grants to individuals and private agencies to provide adoption information exchange services and to operate the state adoption center.

Alternative 2	GPR	FED	TOTAL
2001-03 FUNDING (Change to Bill)	- \$10,800	- \$8,800	- \$19,600

3. Delete provision.

Alternative 3	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
2001-03 FUNDING (Change to Bill)	- \$30,000	- \$24,600	- \$54,600

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