



Legislative Fiscal Bureau

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Joint Committee on Finance

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Special Needs Adoption Program (DHFS -- Departmentwide)

[LFB 2003-05 Budget Summary: Page 187, #2 (part)]

CURRENT LAW

In Wisconsin, the child welfare system is county operated and state supervised. In counties other than Milwaukee County, county human services or social services departments provide services to children and families who are involved with child protective services. When a child is removed from his or her home and enters the child welfare system, the child is in the custody of the county. The county is responsible for achieving permanency for that child, usually through reunification with the child's family, legal guardianship, or adoption. The child enters the state's custody when the child's parents' rights are terminated by the court. Once this happens, the child is legally available for adoption and the state assumes custody of that child and provides adoption services. These adoption services are provided through the special needs adoption program.

The Department of Health and Family Services (DHFS) administers the special needs adoption program, which consists of state and contracted staff to provide case management and adoptive placement for children with special needs who are available for adoption. In 2002-03, \$4,498,700 (\$1,011,900 GPR and \$3,486,800 FED) is budgeted for the special needs adoption program. Of this funding, \$2,217,600 (all funds) is for contracted and quality assurance staff and \$2,281,100 (all funds) supports state staff positions. DHFS is authorized 30.5 positions at the eight regional offices. DHFS contracts with five private vendors for approximately 40 caseworkers. The special needs adoption program provides adoptive services for children with special needs from counties other than Milwaukee County. In Milwaukee County, the Bureau of Milwaukee Child Welfare Services in DHFS contracts with Children's Service Society of Wisconsin to provide similar services for children with special needs from Milwaukee County.

A child with special needs is defined in administrative rule as a child with at least one of the following characteristics: (a) the child is ten years of age or older; (b) the child is a member

of a sibling group of three or more children that must be placed together; (c) the child exhibits moderate or intensive physical, emotional, or behavioral needs; or (d) the child belongs to a minority race in which children of that race cannot be readily placed due to the lack of appropriate placements. Most children available for adoption through the state adoption system meet one or more of these criteria.

In 1999 Wisconsin Act 9 (the 1999-2001 biennial budget act), funding was provided for the special needs adoption program, with which DHFS could either hire additional state staff or contract with private agencies. In addition, 24 project positions were authorized. Beginning in 2000-01, DHFS used a portion of this funding to contract with five private agencies to provide caseworkers to supplement state staff. In addition, DHFS filled some of the positions to help with the adoption caseload until the contracted staff was established and operational. None of the 24 project positions remain.

In addition to the 30.5 caseworker and supervisor positions, there are 4.0 positions that conduct quality assurance activities, which include reviewing cases to determine that children and adoptive families are receiving appropriate services to help ensure permanent and solid adoptive homes, as well as ensuring conformity with the adoption standards and contract requirements.

GOVERNOR

Reduce funding for the special needs adoption program by \$32,100 (-\$28,800 GPR and -\$3,300 FED) in 2003-04 and by \$85,400 (-\$76,800 GPR and -\$8,600 FED) in 2004-05 and eliminate 14.5 positions (-9.5 GPR positions and -5.0 FED positions), beginning in 2003-04. The change in funding is comprised of a reduction in funding for salaries and fringe [-\$269,400 (-\$157,700 GPR and -\$111,700 FED) in 2003-04 and -\$718,400 (-\$420,600 GPR and -\$297,800 FED) in 2004-05] and an increase in funding for supplies and services [\$237,400 (\$128,900 GPR and \$108,500 FED) in 2003-04 and \$633,000 (\$343,800 GPR and \$289,200 FED) in 2004-05], to support costs related to the contracts.

DISCUSSION POINTS

1. Through the special needs adoption program, state staff and contracted staff provide case management services and services to the court, identify potential adoptive parents, and conduct home studies of these parents. In addition, state staff consult with counties to identify those children for whom adoption is an appropriate permanency option, to assist in the permanency planning for the child before the termination of parental rights (TPR), and to begin identifying an adoptive home for that child.

2. Federal and state law emphasize providing permanency for children under specified timelines. One of the ways this goal is supported is through concurrent planning. Concurrent planning allows case managers to plan and prepare for permanency through reunification with the birth parents and adoption simultaneously. The consultation responsibilities of the state adoption

workers include developing and maintaining supportive and informative working relationships with local child welfare agency staff, court representatives, services providers, and families. The goal of this work is early identification of children who may be in need of an adoptive placement and of potential resources to address this need. Overall, it is expected that the consultation activities will decrease the amount of time between the TPR and the finalized adoption. Currently, the average time between the TPR and the finalized adoption is 12 months. Federal law requires each state to demonstrate that 33% of children in out-of-home care are adopted within 24 months of removal from the home. States are evaluated on this and other measures during the federal children and family state review (CFSR). Wisconsin's CFSR is scheduled for August, 2003.

3. In 2002, the state finalized 549 adoptions in counties other than Milwaukee County. This was the most public adoptions finalized in the state in any year. Table 1 shows the number of adoptions finalized over the last five years in counties other than Milwaukee. The current special needs adoption program was instituted in 2000. Previously, only state staff provided adoptive services through the Bureau of Program and Policy in the Division of Children and Family Services in DHFS.

TABLE 1
Number of Finalized Adoptions
1998 – 2002

<u>Year</u>	<u>Number of Finalized Adoptions</u>
1998	415
1999	350
2000	421
2001	464
2002	549

4. The special needs adoption program is organized by regions throughout the state. Table 2 shows the region, the location of the regional and district offices, the number of state staff at each office, and the contracted agency assigned to each region. Each contracted agency may subcontract with other agencies and all of the lead agencies subcontract with at least one other vendor to handle some of the workload.

TABLE 2

Special Needs Adoption Program

<u>Region</u>	<u>Regional Office Location</u>	<u>District Office Location</u>	<u>Number of State Staff</u>	<u>Lead Contracted Agency</u>
North	Rhineland	Wisconsin Rapids	5.0	Catholic Charities
Northeast	Green Bay	Fond du Lac	6.5	Lutheran Social Services of Appleton
South	Madison		8.25	Children's Services Society of Wisconsin
Southeast	Waukesha		5.25	Children's Services Society of Wisconsin
West	Eau Claire	La Crosse	5.5	Lutheran Social Services of Eau Claire

5. After parental rights are terminated and children enter the state adoption system, these cases are assigned either to a state adoption worker or a contracted adoption worker. Assignments are made based on the complexity of the case. It was initially assumed that approximately 80% of the cases would be assigned to contracted staff and the remaining 20% of cases would be assigned to state staff. It was also initially assumed that as contracted staff improve their capacity and capabilities, and with the state staff working with the counties prior to the TPR, the complexity of the cases would fall and the 80/20 ratio would change such that, eventually, almost 100% of the cases would be assigned to contracted staff.

6. The distribution of cases across the five regions in January, 2003, is shown in Table 3. As the table shows, the number of cases varies greatly between regions. The primary reason for this variance is that regions were not consistently or correctly implementing the case assignment matrix, which determines the complexity of the case and thus whether a state or contracted worker manages the case. Staff at DHFS determined that the caseloads at all of the regions would be lower if the cases were properly assigned.

TABLE 3

**Adoption Caseloads, by Region and Number of Workers
January, 2003**

<u>Region/Office</u>	<u>Number of of Cases</u>	<u>Average Number of Cases per Worker</u>
Northeast		
Green Bay	29	12
Fond du Lac	14	5
North		
Rhineland	2	1
Wisconsin Rapids	6	2
Southeast -- Waukesha	37	7
South -- Madison	37	5
West		
Eau Claire	19	8
La Crosse	<u>16</u>	<u>8</u>
Statewide Total/Average	160	6.4

7. The caseload standards that were developed when the special needs adoption program was established in July, 2000, state that the maximum caseload per adoption worker, state or contracted, should be 15 cases. In July, 2000, before cases were assigned to contracted staff, the average caseload per state worker was 30 cases.

8. DHFS recently changed its administrative policy regarding case assignment, such that any case that a regional supervisor has declared to be complex, and thus would be managed by state staff, is reviewed by the state supervisor of adoption services in DHFS. DHFS believes that with this internal review, more cases will be correctly assigned to contracted staff, thus reducing the caseloads for state workers. Eventually, the state workers would have a minimal caseload and would instead be consulting with counties full time. DHFS staff indicated that eventually, because of the shift of casework to contracted staff, they would have reduced the number of state adoption staff. However, the current financial situation in the state prompted the administration to reduce the number of state adoption staff in the 2003-05 biennium. DHFS staff believes that the Department can effectively manage and administer the special needs adoption program under the changes included in the bill. The funding provided under the bill for contracts would support the projected increased caseload for the contracted staff from the correct use of the case assignment matrix.

9. Under the bill, state adoption workers will report to one of three offices: Madison, Eau Claire, or Green Bay. These three offices were chosen based on caseload and the relative location of other regional offices. However, this does not necessarily mean that the state adoption staff will only be located in these three areas – depending on which workers fill the remaining positions, adoption workers could be spread throughout the state and report to their central office through tele-commuting or some other method. The physical location of the remaining state adoption staff is not known at this time, but will be determined over the next several months.

10. The distribution of state staff and current caseload under the Governor's budget is shown in Table 3. The state staff figures include supervisors and some staff that will not carry a caseload and will only provide consulting services to counties. In addition, the average number of cases per case-carrying adoption worker is shown. Based on current state staff adoption caseload, DHFS determined that 16.0 state staff could manage these cases and still provide consultation services to counties. The cases that are currently being managed by state workers whose positions would be terminated under the bill will not transfer to contract staff. Instead, as can be seen in Table 4, these cases will be transferred to other state staff. However, the total caseload and average caseload per worker is based on the January, 2003, caseload and assumes that the eliminated positions would all vacate on one day. In practice, the elimination of positions will be phased in and DHFS expects that the total caseload that will be transferred to other state staff will be lower than shown in the table because some cases will be closed (adoptions finalized) before the state worker leaves.

TABLE 4

Proposed Distribution of State Special Needs Adoption Staff and Caseload Under SB 44

<u>Region/Office</u>	<u>Number of State Staff (SB 44)</u>	<u>Change to Current Staff</u>	<u>Total Caseload</u>	<u>Average Number of Cases per Worker</u>
Northeast				
Green Bay	4.0	0.5	43	14
Fond du Lac	0.0	-3.0	0	n/a
North				
Rhineland	0.0	-3.0	0	n/a
Wisconsin Rapids	0.0	-2.0	0	n/a
Southeast				
Waukesha	0.0	-5.3	0	n/a
South				
Madison	7.0	-1.3	74	15
West				
Eau Claire	5.0	1.5	43	14
La Crosse	<u>0.0</u>	<u>-2.0</u>	<u>0</u>	<u>n/a</u>
Statewide Total/Average	16.0	-14.5	160	14.3

11. The 14.5 FED positions that would be eliminated under the bill consist of 7.75 positions supported with funding available under Title IV-E of the federal Social Security Act and 6.75 positions that are funded with federal social services block grant (SSBG) funds. However, the actual savings under the bill would be \$32,100 (-\$28,800 GPR and -\$3,300 FED) in 2003-04 and \$85,400 (-\$76,800 GPR and -\$8,600 FED) in 2004-05, and -9.5 GPR positions and -5.0 FED positions, beginning in 2003-04. The reduced federal funds are Title IV-E funds. The GPR savings are possible because SSBG funds can be used for a variety of purposes related to human services. Therefore, DHFS would use the SSBG funding that currently supports the state adoption positions to instead replace GPR funding that currently supports administrative costs in the Division of Children and Family Services.

12. Title IV-E funds are matching funds that support a portion of the cost of services for children who are placed in out-of-home care, including maintaining certain children in foster care and the associated administrative, child placement, and training costs. The SSBG is distributed to states on the basis of population to provide services directed toward at least one of five goals: (a) to prevent, reduce, or eliminate economic dependency; (b) to achieve or maintain self-sufficiency; (c) to prevent neglect, abuse, or exploitation of children and adults; (d) to prevent or reduce inappropriate institutional care; and (e) to secure admission or referral for institutional care when other forms of care are not appropriate. States may transfer up to 10% of their allotment for any fiscal year to preventive health and health services, alcohol and drug abuse services, mental health services, maternal and child health services, and low-income home energy assistance block grants. States can also use funds for staff training, administration, planning, implementing, or administering the state's social service plan.

Social service block grant funds cannot, however, be used for: (a) medical care except family planning, rehabilitation, and certain detoxification services; (b) the purchase of land, construction, or major capital improvement; (c) most room and board expenses, except emergency short-term services; (d) educational services generally provided by public schools; (e) most social services provided in and by employees of hospitals, nursing homes, and prisons; (f) cash payments for subsistence; (g) child day care services that do not meet state and local standards; and (h) wages to individuals as a social service, except wages of welfare recipients employed in child day care.

13. As part of the Governor's proposal to reduce funding and positions for DHFS operations, DHFS is planning to close the three district offices located in Fond du Lac, Wisconsin Rapids, and La Crosse. However, this decision is not related to the elimination of state special needs adoption staff.

ALTERNATIVES

1. Approve the Governor's recommendation.

2. Maintain current law.

<u>Alternative 3</u>	<u>GPR</u>	<u>FED</u>	<u>TOTAL</u>
2003-05 FUNDING (Change to Bill)	\$105,600	\$11,900	\$117,500
2004-05 POSITIONS (Change to Bill)	9.50	5.00	14.50

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