

HB 1012
3-25-25



Engrossed HB1012 Overview – Children & Family Services

Senate Appropriations | Human Resources Division
Senator Dick Dever, Chairman

NORTH
Dakota | Health & Human Services
Be Legendary.

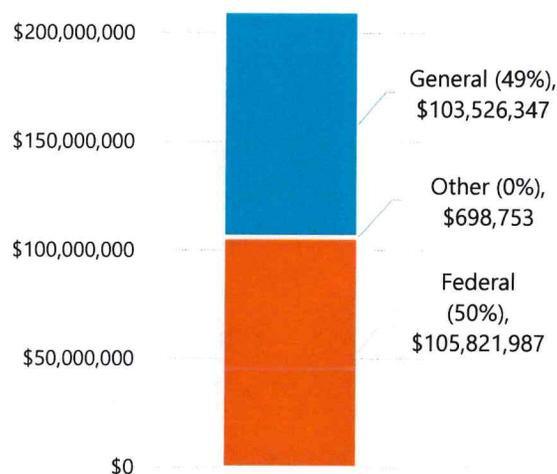
March 25, 2025 | Presented by: Kelsey Bless, Children & Family Services

Budget Overview

Children & Family Services: \$210 million total budget

- Primary funding sources are via federal grants by the Children's Bureau in the Administration of Children and Families in the Department of Health and Human Services
- Allowable expenses reimbursed at federal/state share equal to FMAP (50.97% federal as of FY2025)
- 88% of CFS budget is passed through to providers (foster care – state and tribal, QRTP, shelter care) or for other direct service

25-27 Executive Budget Req
Children & Family Services



3.3%
total HHS Budget

- **627** children receiving **prevention** service through FFPSA
- Serving over **950** approved **kinship caregivers** who are caring for **1,700** children
- **750** licensed **foster providers** caring for **1,150** children
- **36** licensed Qualified Residential Treatment Program (**QRTP**) **beds** available; 75% average utilization rate
- **0** children in **out of state** facility placements

Facilitate delivery of programs and services that support child safety, permanency and wellbeing, which together are designed to prevent and reduce incidence of child abuse and neglect and support family reunification and stability wherever possible.

Grants on a walk-through

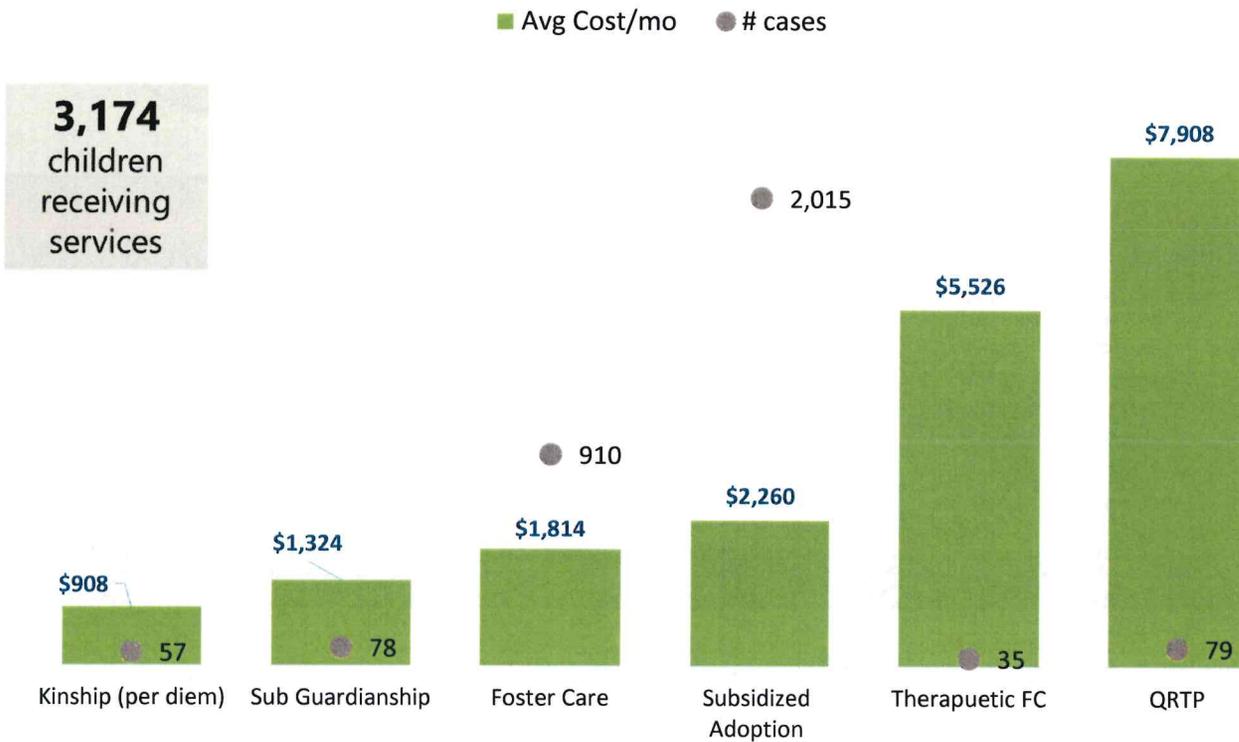
DESCRIPTION	2025-27 BASE	COST TO		SAVINGS		TOTAL	TO	1.5% / 1.5%	TOTAL		2% / 2%	TOTAL	
	BUDGET	CONTINUE	FMAP	PLAN / ADJ	CHANGES	GOVERNOR	INFLATION	INFLATION	CHANGES	TO HOUSE	INFLATION	CHANGES	TO SENATE
FOSTER CARE (IV-E)	\$ 30,124,809	\$ (559,788)	\$ -	\$ -	\$ (559,788)	\$ 29,565,021	\$ 673,667	\$ 673,667	\$ 30,238,688	\$ 226,575	\$ 226,575	\$ 30,465,263	
FOSTER CARE (REGULAR)	34,614,099	8,540,622	-	-	8,540,622	43,154,721	984,302	984,302	44,139,023	331,057	331,057	44,470,080	
FOSTER CARE SVC - QRTP	1,737,206	2,546,794	-	-	2,546,794	4,284,000	98,734	98,734	4,382,734	33,214	33,214	4,415,948	
FOSTER CARE - THERAPEUTIC	4,470,849	(1,578,981)	-	-	(1,578,981)	2,891,868	60,878	60,878	2,952,746	20,446	20,446	2,973,192	
SUBSIDIZED GUARDIANSHIP	1,466,490	159,204	-	-	159,204	1,625,694	27,200	27,200	1,652,894	9,151	9,151	1,662,045	
FOSTER CARE-SVC-OTHER	362,578	473,145	-	-	473,145	835,723	18,887	18,887	854,610	6,351	6,351	860,961	
SUBSIDIZED ADOPT (IV-E Elig)	47,503,645	8,183,614	-	-	8,183,614	55,687,259	1,264,528	1,264,528	56,951,787	425,275	425,275	57,377,062	
SUBSIDIZED ADOPT (Non-IV-E Elig)	6,527,435	427,583	-	-	427,583	6,955,018	158,576	158,576	7,113,594	53,335	53,335	7,166,929	
TOTAL FUNDS	\$ 126,807,111	\$ 18,192,193	\$ -	\$ -	\$ 18,192,193	\$ 144,999,304	\$ 3,286,772	\$ 3,286,772	\$ 148,286,076	\$ 1,105,403	\$ 1,105,403	\$ 149,391,479	
GENERAL FUND	\$ 58,898,531	\$ 9,842,355	\$ 209,736	\$(7,554,673)	\$ 2,497,418	\$ 61,395,949	\$ 1,417,116	\$ 1,417,116	\$ 62,813,065	\$ 524,675	\$ 524,675	\$ 63,337,740	
FEDERAL FUND	\$ 65,301,101	\$ 9,872,091	\$ 192,628	\$ 7,554,673	\$ 17,619,392	\$ 82,920,493	\$ 1,853,766	\$ 1,853,766	\$ 84,774,259	\$ 572,261	\$ 572,261	\$ 85,346,520	
OTHER FUND	\$ 2,607,479	\$ (1,522,253)	\$ (402,364)	\$ -	\$ (1,924,617)	\$ 682,862	\$ 15,890	\$ 15,890	\$ 698,752	\$ 8,467	\$ 8,467	\$ 707,219	



Eligibility is determined for each child upon entry, their eligibility is based on the income of the parents at time of removal. Three funding sources support the cost of care for children in ND foster care and adoption.

Child Welfare Service Continuum

Cost per month per person per type of service – SFY24



CFS Program Purpose and ND Century Code Reference(s)

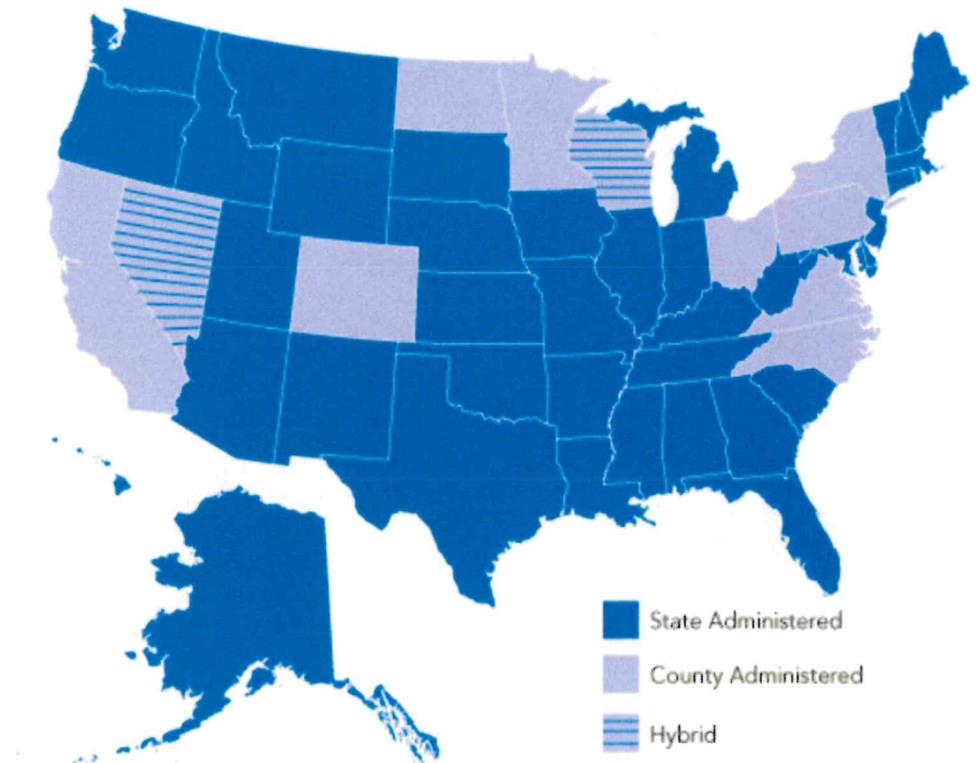
Facilitate delivery of services that support child safety, child permanency, and well-being, which together are designed to prevent and reduce the incidence of child abuse and neglect and support family reunification and stability whenever possible.

Chapter	Chapter Name
50-25.1	Child Abuse and Neglect
50-11	Foster Care
14-15	Adoption for Children
27-20.3	Children in Need of Services (CHINS)



Administrative Structure for Child Welfare

- All States are responsible for compliance with Federal and State requirements; however, they may differ in the way child welfare services are operated and delivered.
- Client serving child welfare functions in ND are delivered by Human Service Zones
 - Hotline to report suspected abuse or neglect
 - Screening and determining need for response
 - Conducting assessments
 - Safety/risk and family functioning assessments
 - Assigning cases to response track
 - Supporting Children in Need of Services (CHINS) referrals



Source: "State vs. County Administration of Child Welfare Services", Fact Sheet from Child Welfare Information Gateway, 2018.



ND Child Welfare System Mission: Safe Children and Strong Families

Safety

Protection

- Child protection services
 - Safe Planning with Families
 - Shelter Care
 - Foster Care
 - Child fatality review panel

Prevention

- Parent Resource Centers
- Home Visiting Services
- Behavioral Health & Substance Abuse Services
- In-home Service
- IV-E Prevention Services
- Kinship ND

Permanency

- Family Reunification
- Adoption
- Guardianships
- Interstate compacts for the placement of children
- Independent living services
- Licensing for Foster homes, QRTPs and LCPAs

Well-being

- Family preservation services
- In-home case management
- Children in Need of Services
- Respite care
- Nurturing Parent programs
- Parent aides
- ICWA Family Preservationist (IFP)
- Family centered engagement

The Child Welfare System in North Dakota includes both public and private sector partners



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North Dakota Child Welfare System

Dept of Health & Human Services

Human Service Centers

- Crisis teams
- Intensive In-home services (therapy & treatment, skills training, behavior mod)
- Targeted case management
- FFT/MSFT

Children & Family Services

- Training/coaching of field staff
- Oversee quality service and system delivery
- Administration of policy
- License foster homes
- IV-E and Adoption Eligibility

Division of Juvenile Services (DJS)

Private Providers

- Foster homes, including therapeutic foster care
- Safe shelter for crisis
- Human trafficking supports
- Targeted case management
- Adoption services for children in foster care and the families adopting them
- Title IV-E Prevention Services

Tribal Social Services

- FRAME entry and foster eligibility determinations
- Joint practice model and ICWA training
- Native American Training Institute supports (training, billing, IEP (ICWA Family Preservation))
- FMAP service contracting
- IV-E agreements boost access to funding

Human Service Zones

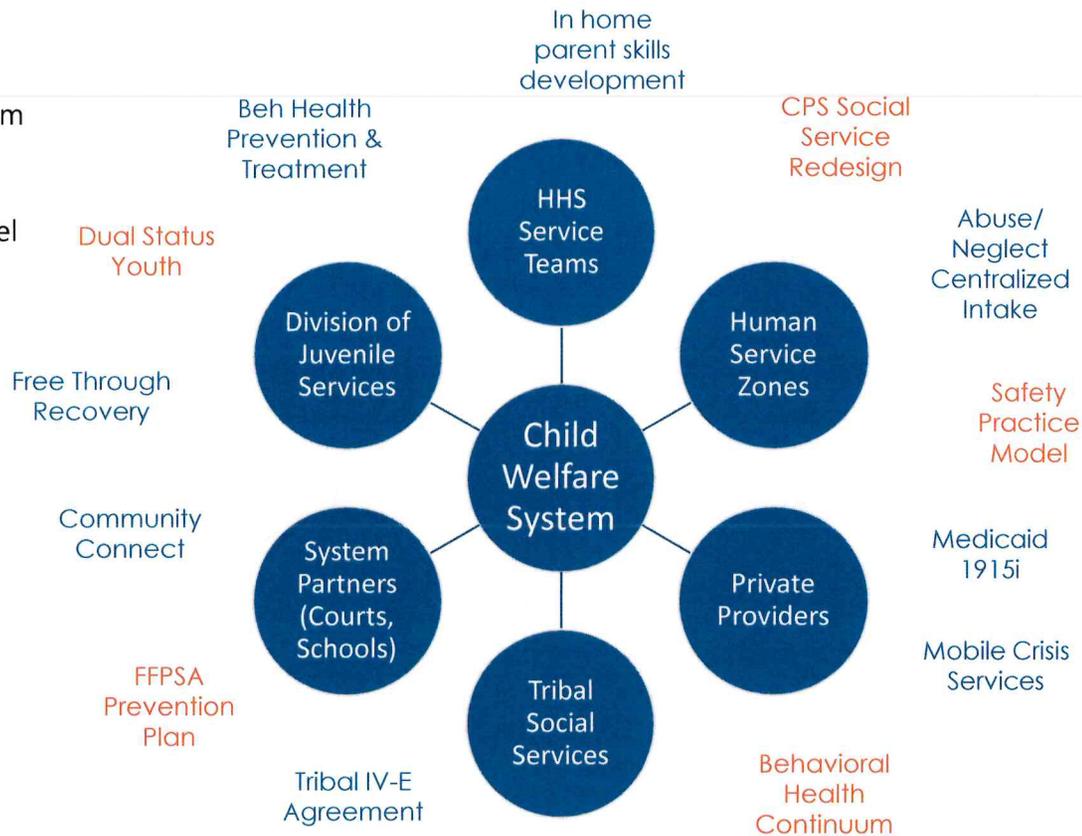
- Assess present and impending danger
- Safety planning
- Case management
- Assess and build parent capacities
- Provide safe supports for children and families
- In home supports
- Parent aides
- Recruitment and Retention
- Intake for child abuse and neglect reports
- CHINS (Children in Need of Services)

CFS works closely with DJS specific to children in need of out of home treatment, which results in a foster care placement.

Helping keep kids with their families is a massive undertaking that requires Multi-System Change over a period of years

Strategy

Dual Status Youth
 Behavioral Health Continuum
 FFPSA Prevention
 Social Svc Redesign
 Child Welfare Practice Model



Services

Medicaid 1915i
 Free Through Recovery
 Community Connect
 Mobile Crisis
 Abuse/Neglect Intake
 In-home parent skills dev
 Beh Health Prev/Tx
 Tribal IV-E Agreement

What's the BIG Idea?

- ✓ Keep families **together** whenever possible
- ✓ Prioritize safety and family **reunification** whenever possible
- ✓ **Prevent** kids from ever **entering** the child welfare system

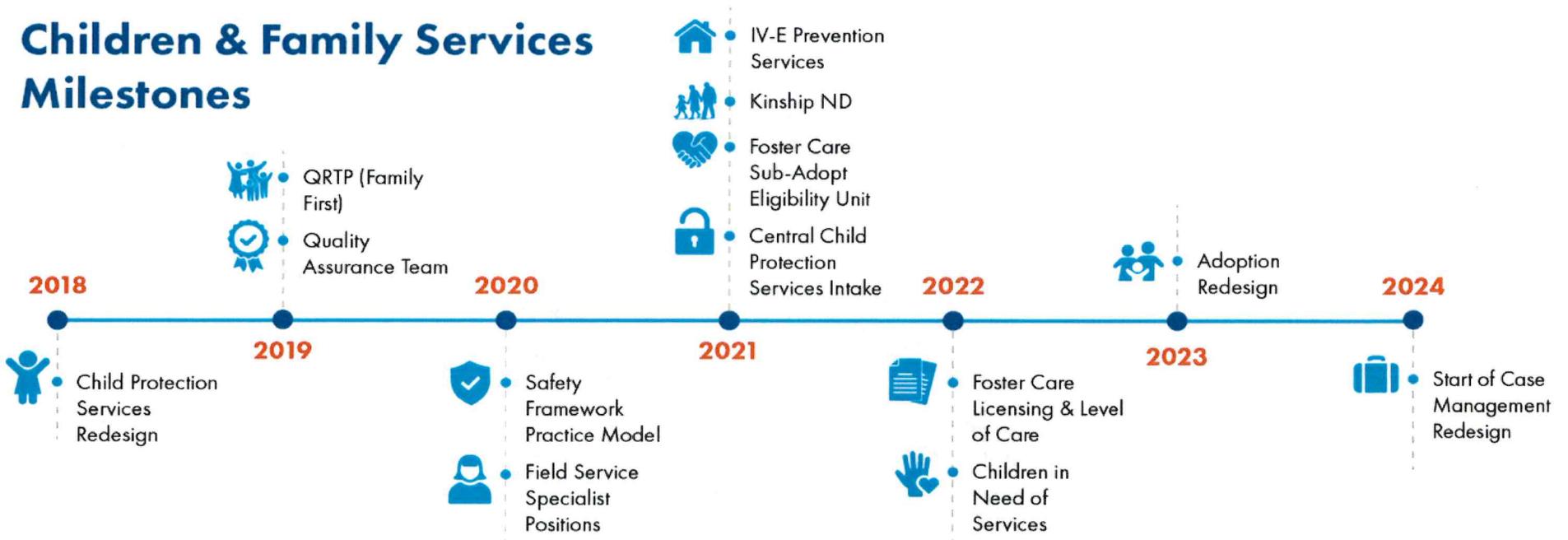


What does "progress" look like?

- ✓ **Reduce** Foster Care Safely
- ✓ **Reduce** Institutional Placements
- ✓ **Reduce** Out of State Placements
- ✓ **Reduce** Substance Abuse as Abuse/Neglect factor
- ✓ **Increase** children receiving evidence-based supports
- ✓ **Increase** Kinship services

North Dakota continues to make progress toward a more family-oriented system of care

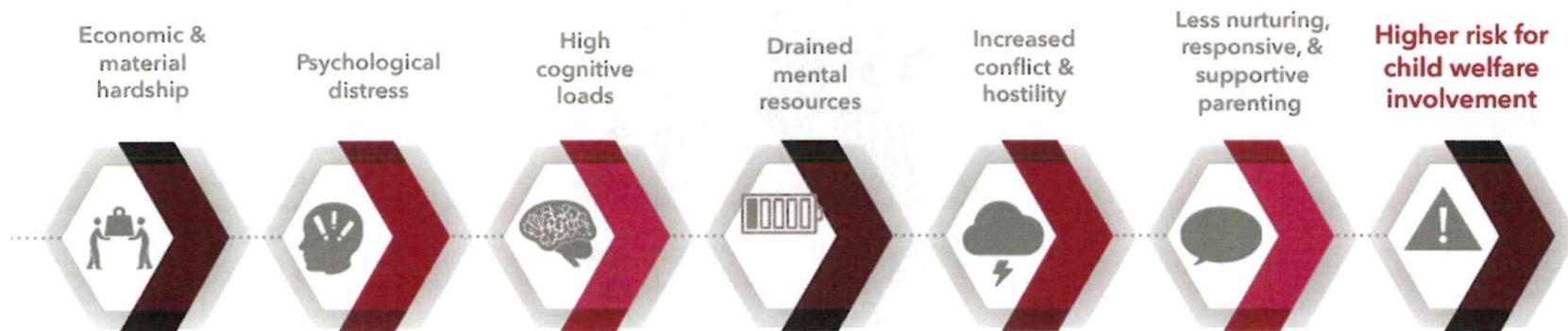
Children & Family Services Milestones



Another frontier to explore

How might economic and material hardship impact parenting and child wellbeing?

Family Stress Model



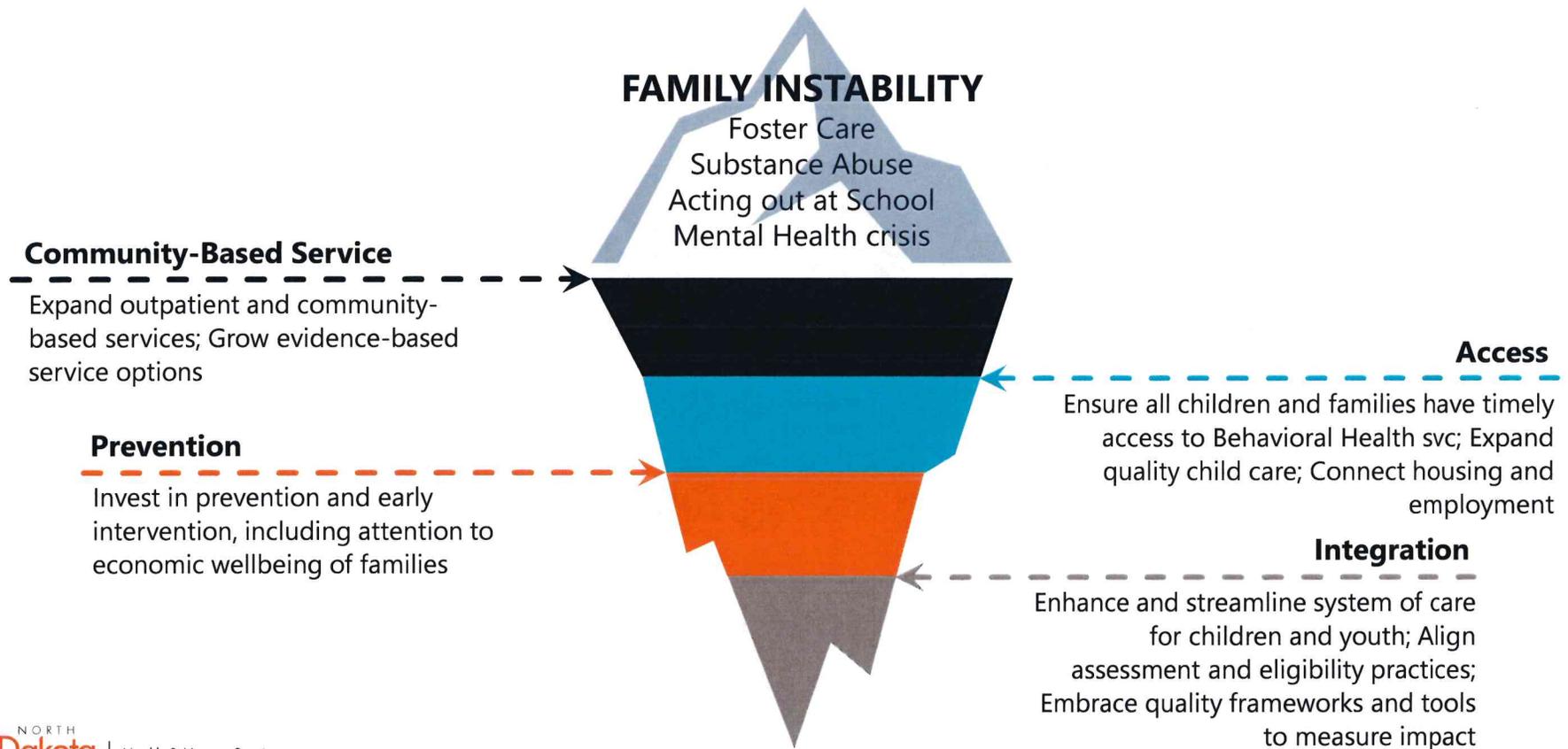
It's not that people who are struggling to make ends meet aren't well-qualified parents. It's that lack of financial resources creates stressors that make it more difficult to solve problems.



(Conger, 1994) (Neppl, 2016) (Duncan, 2014) (Mistry, 2002)

Data aggregated by: Anderson, C., Grewal-Kök, Y., Cusick, G., Weiner, D., & Thomas, K. (2023). Family and child well-being system: Economic and concrete supports as a core component. [Power Point slides]. Chapin Hall at the University of Chicago.

Connecting what we see and what we need to do



Meet Sarah & Leah



Sarah (19) and her daughter Leah (1) live in a small efficiency apartment in Grand Forks.

She works part-time as a front desk receptionist for a local hair salon.

She received a scholarship to take classes online at night to earn her associate degree in medical transcription.

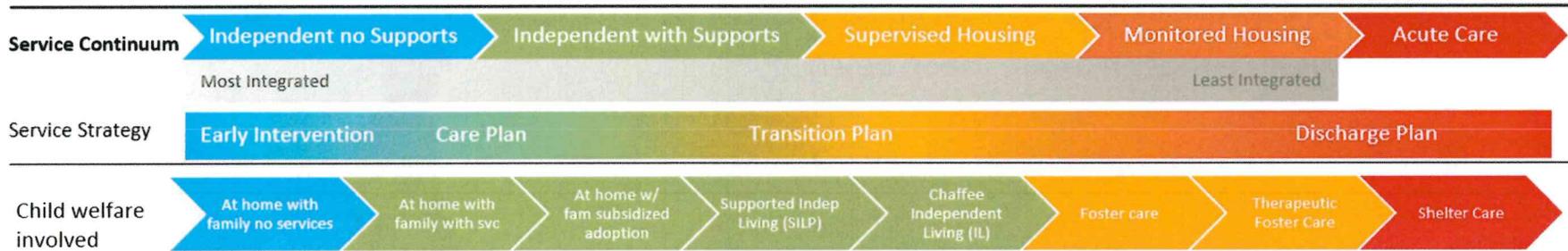
Sarah is almost always late with rent. Her hours at work went down. She hasn't been able to pay the last two months.

Sarah's neighbor watches Leah while she's at work.

Sarah doesn't have a car. She receives SNAP and Leah has health coverage through CHIP. Sarah has coverage through Medicaid Expansion.

How can we help stabilize a family?

Understanding how systems can help children and families avoid crisis-level disruptions



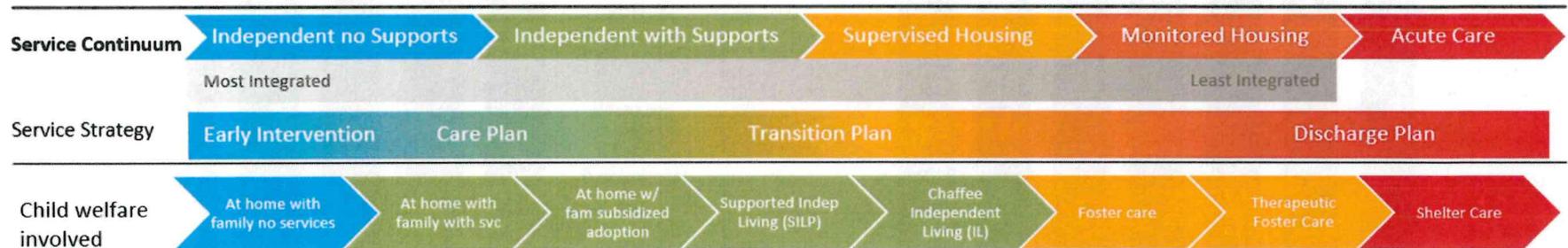
Crisis

BEFORE FFPSA

Sarah would be eligible to participate in a parent skill-building program if a privately funded slot is available in her community.

How can we help stabilize a family?

Understanding how systems can help children and families avoid crisis-level disruptions



Crisis



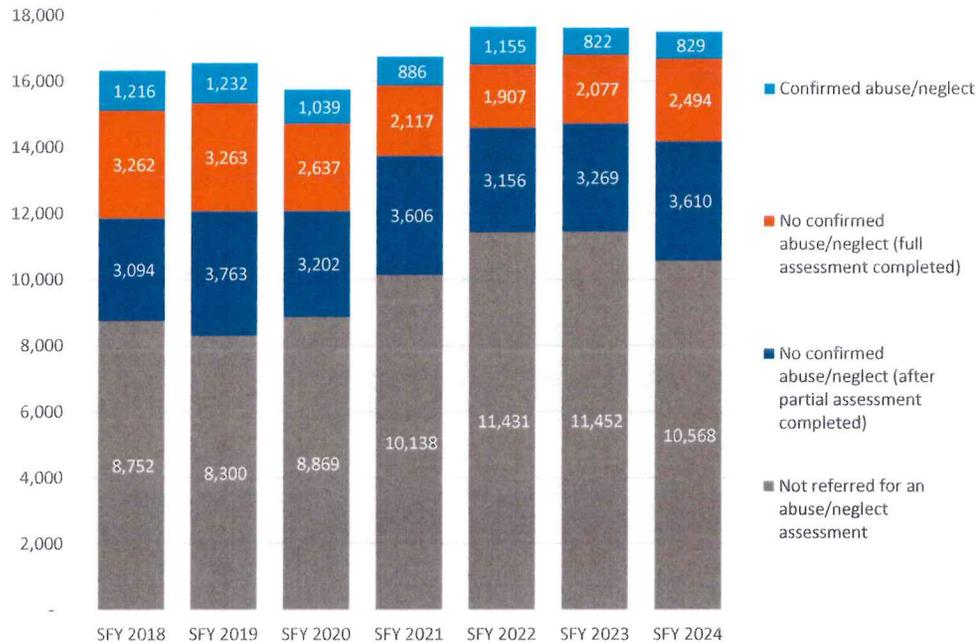
AFTER FFPSA

Because Sarah is at risk of losing her housing, she would be eligible to receive parent skill-building services from an IV-E funded provider.

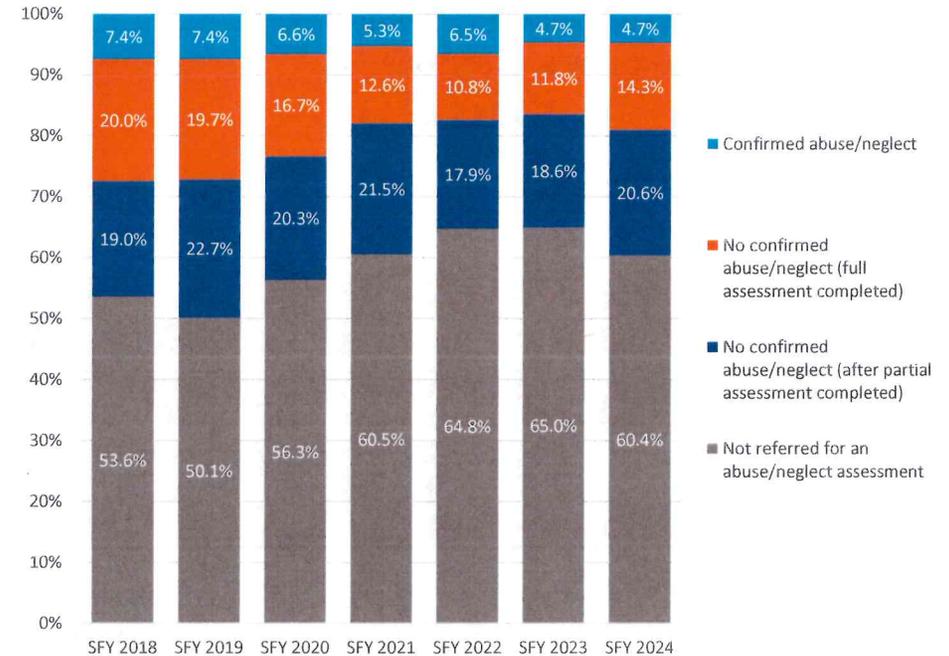
ND sees approximately 800-900 confirmed cases of child abuse or neglect each year

Confirmed cases represent an average of 5% of total reports received

Over the last two years, ND has seen approximately 825 confirmed cases of child abuse and/or neglect each year



Over the last two years, 4.7% of reports of suspected child abuse/neglect are ultimately confirmed



What is Safety?

When can a child remain safely at home and when is removal necessary

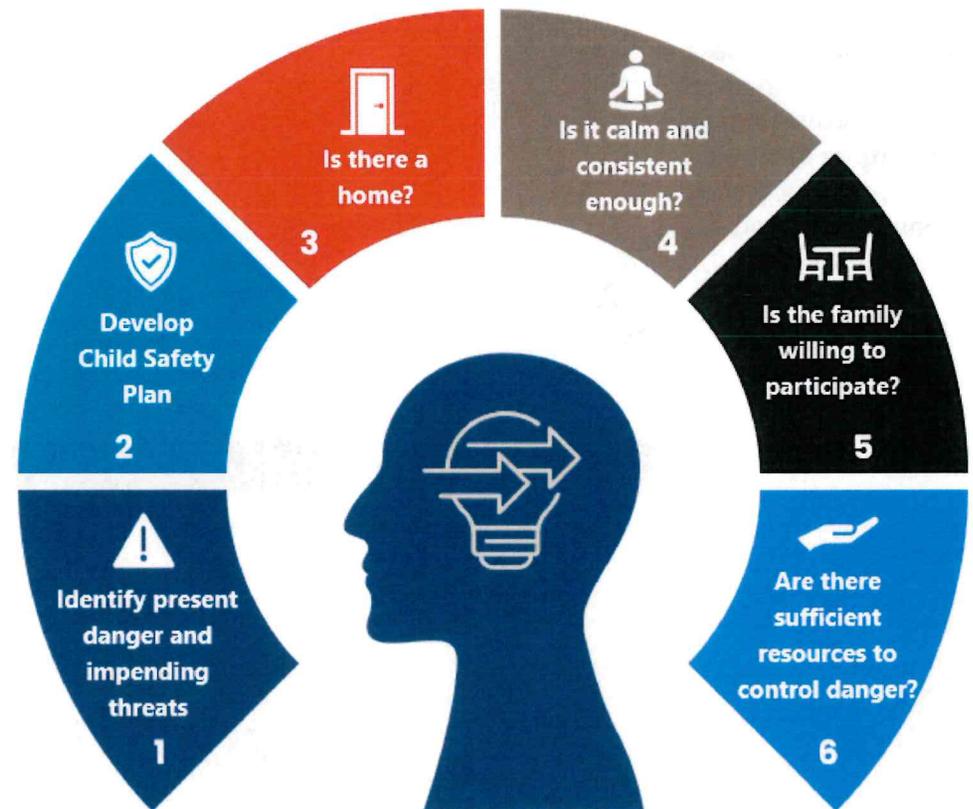
What does it look like when a child is:

SAFE

- ✓ No threats of danger exist within the family, **or**
- ✓ Parents/caregivers possess sufficient protective capacities to control any threat, **or**
- ✓ The child is not vulnerable to the existing danger.

UNSAFE

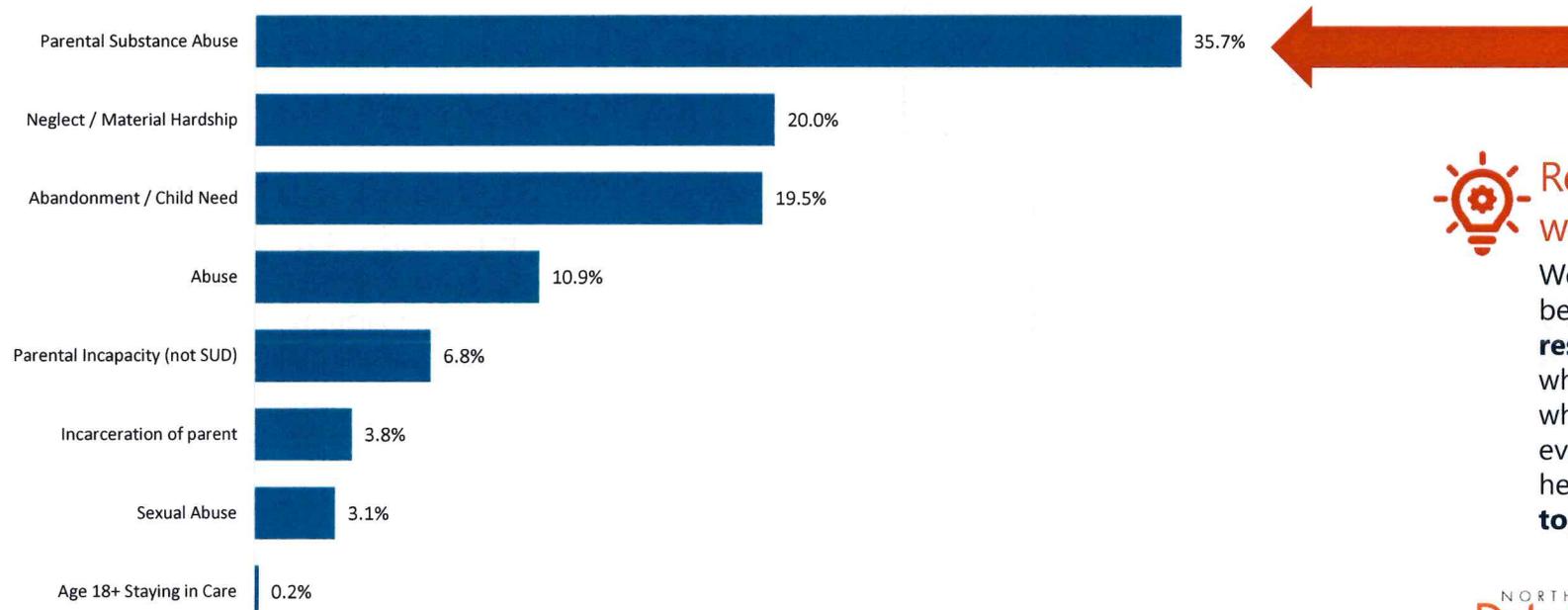
- ✓ Threats of danger exist within the family, **and**
- ✓ Children are vulnerable to such threats, **and**
- ✓ Parents/caregivers have insufficient protective capacities to manage or control the threats.



Substance abuse and unaddressed mental health needs are major de-stabilizing forces in families

Primary Removal Reasons

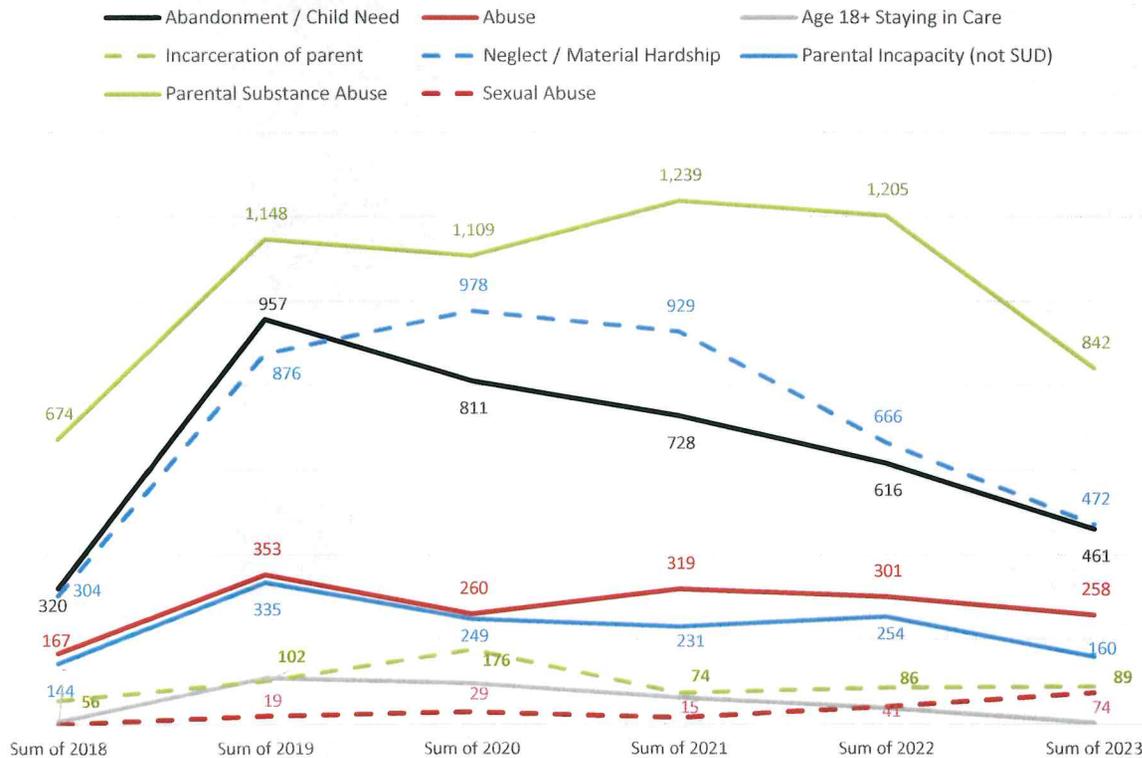
Percent of children entering care for each removal reason: SFY2023



Rethink child welfare

We need to **connect** behavioral health **resources to families** who are struggling while doing everything we can to help them **stay together safely.**

Primary reasons for removal to foster care represent both changes in practice and changes in family needs



Abandonment / Child Need

- Alcohol Abuse - Child
- Child Behavior Problem
- Child Disability/Handicap
- Drug Abuse - Child
- Failure to Return
- Parental Abandonment
- Parental Rights Relinquishment
- Runaway
- Safe Haven Infant
- Whereabouts Unknown

Abuse

- Physical Abuse
- Psychological or Emotional Abuse

Age 18+ Staying in Care

- 18+ Continued Care - Education
- 18+ Continued Care - Employment
- 18+ Continued Care - Empl Prep Program
- 18+ Continued Care - Medical Cond/Disab

Incarceration of parent

Neglect / Material Hardship

- Domestic Violence
- Homelessness
- Housing/Financial Hardship
- Medical Neglect
- Neglect
- Tribal Title IV-E Agreement

Parental Incapacity (not SUD)

- Caretaker's Significant Impairment - Cognitive
- Caretaker's Signif Impair - Physical/Emotional
- Child Requested Placement
- Death of Caretaker
- Inadequate Access to Mental Health Svc

Parental Substance Abuse

- Alcohol Abuse - Caretaker
- Drug Abuse - Caretaker
- Meth Impact (use, selling, manufacturing)
- Prenatal Drug Exposure

Sexual Abuse

Meet Jayce



Meet Jayce's family.



Age 9

Mom noticed Jayce wasn't himself. His teachers noticed too.

Acting out in school. Aggressive. Defiant. Sullen. Tipped over a desk in the classroom.

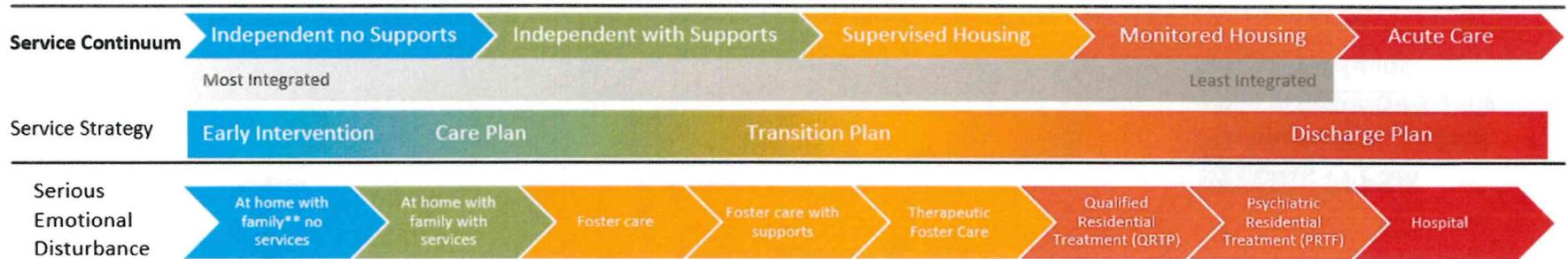
He lives at home with his mom, dad and little brother.

Jayce's school called in an abuse/neglect report.

- Mom, dad and brother (age 4)
- Both mom and dad work full time. Mom is a cashier. Dad works for a farmer.
- They don't qualify for Medicaid. They have a basic insurance package through the exchange.
- Tensions at home are escalating. Jayce's dad is becoming increasingly frustrated and has turned to alcohol in an unhealthy way to cope with Jayce's behavior.

What does it mean to serve a family together rather than apart?

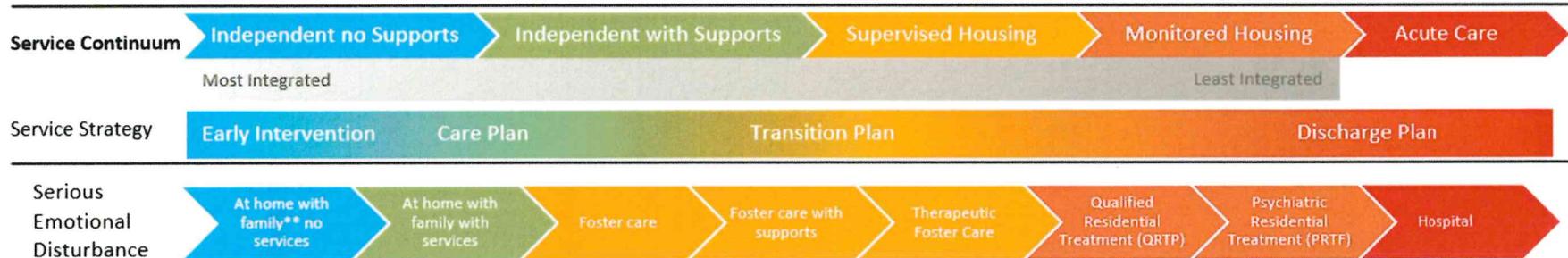
Understanding how systems can help children and families avoid crisis-level disruptions



Crisis

What does it mean to serve a family together rather than apart?

Understanding how systems can help children and families avoid crisis-level disruptions



Crisis

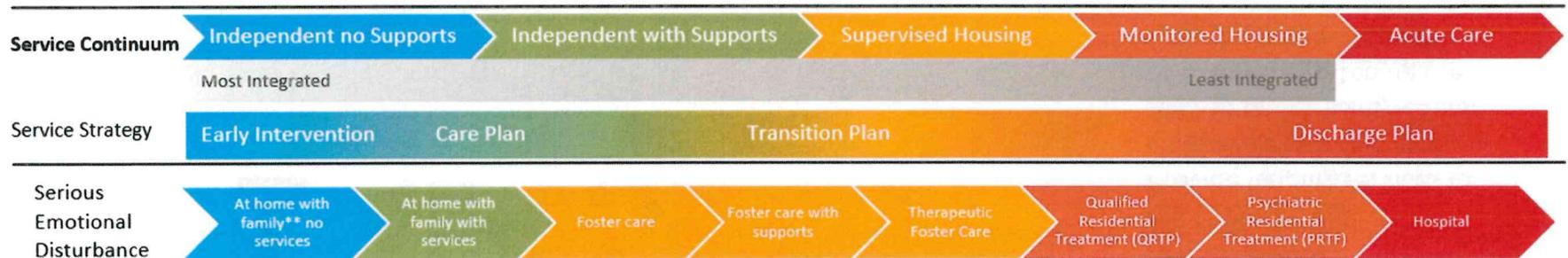


BEFORE FFPSA

Provide services to child while in foster care using federal IV-E funds

What does it mean to serve a family together rather than apart?

Understanding how systems can help children and families avoid crisis-level disruptions

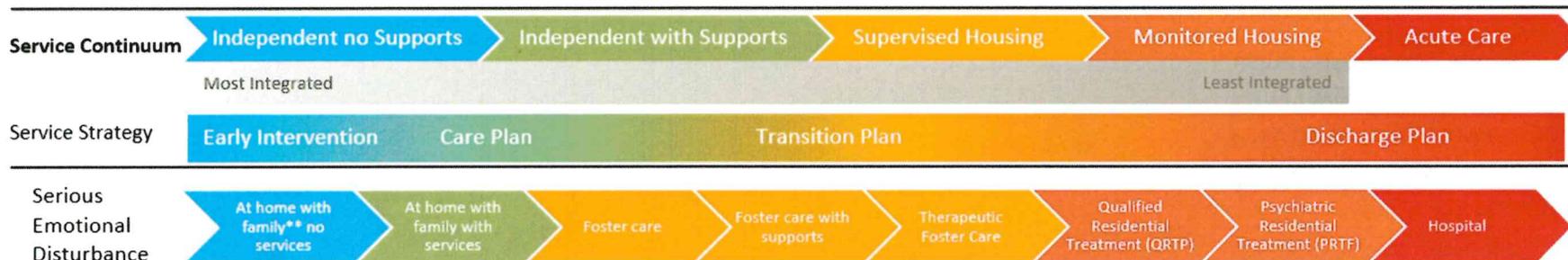


AFTER FFPSA

Provide helping services to family while they are together, using federal IV-E funds

What does it mean to serve a family together rather than apart?

Understanding how systems can help children and families avoid crisis-level disruptions



ALTERNATE - AFTER FFPSA

Provide helping services to child while in foster care AND to family using federal IV-E funds, shortening the time the family is apart

Family settings account for 95% of children affected by an out-of-home placement

North Dakota Child Welfare System Continuum of Care



**Relative
Kinship
Care**

15%



**Family
Foster
Home**

68%



**Treatment
Foster
Home**

10%



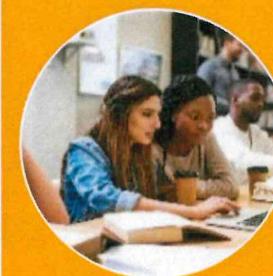
**Qualified
Residential
Treatment
(QRTP)**

2%



**Non-
Foster**
(PRTF, DD, Job
Corp, Detention,
Hospital)

3%



**18+
Continued
Foster
Care**

2%



Meet Taylor



Taylor is 15.
She lives with a foster family.
She has been in the custody of a Human Service Zone for 15 months.

Taylor's behavior has been erratic and risky. She is drinking, smoking marijuana, has run away from school and home, and has been cited by the police 3 times.

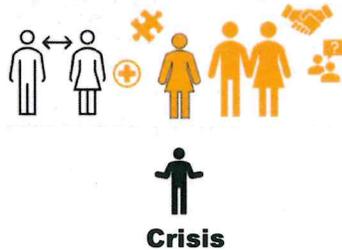
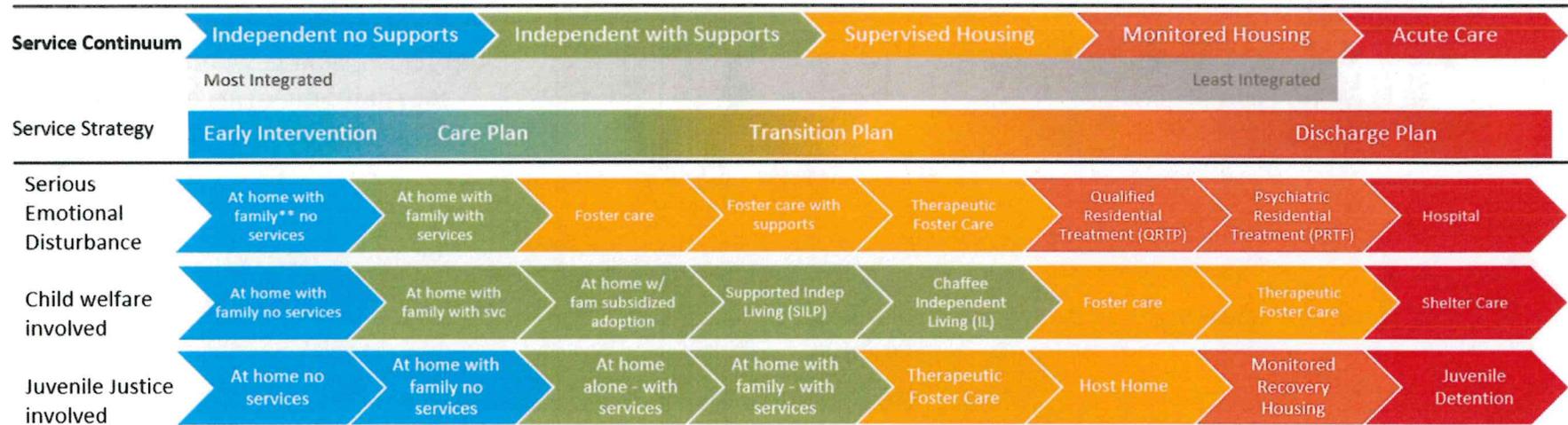
Taylor has been hospitalized twice in the last 3 months for suicidal ideation.

She's not doing well at school or at home.

Her guardian requested an emergency placement at a Qualified Residential Treatment Program (QRTP).

What does it mean to deliver services closer to home?

Understanding how systems can help children and families avoid crisis-level disruptions

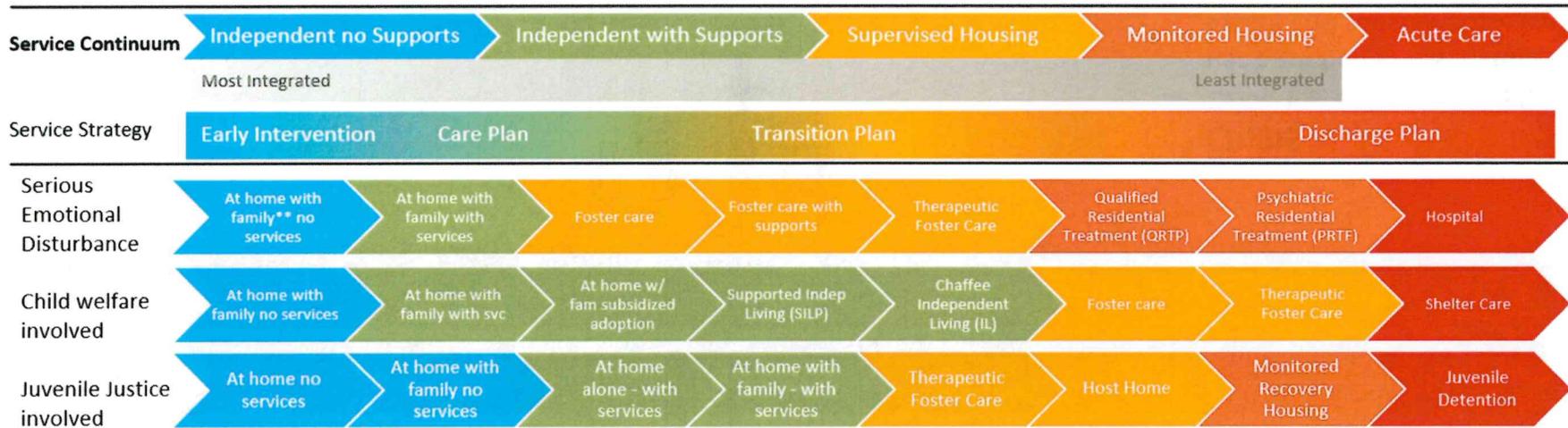


CRISIS

Taylor has been removed from her birth home, has mental health and substance use issues, and has been involved with law enforcement. She is in crisis.

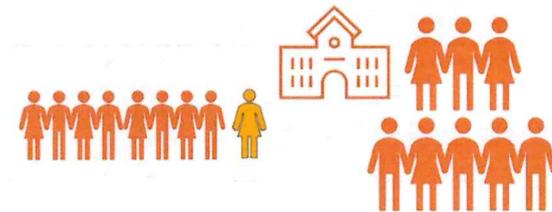
What does it mean to deliver services in most integrated setting?

Understanding how systems can help children and families avoid crisis-level disruptions



BEFORE FFPSA

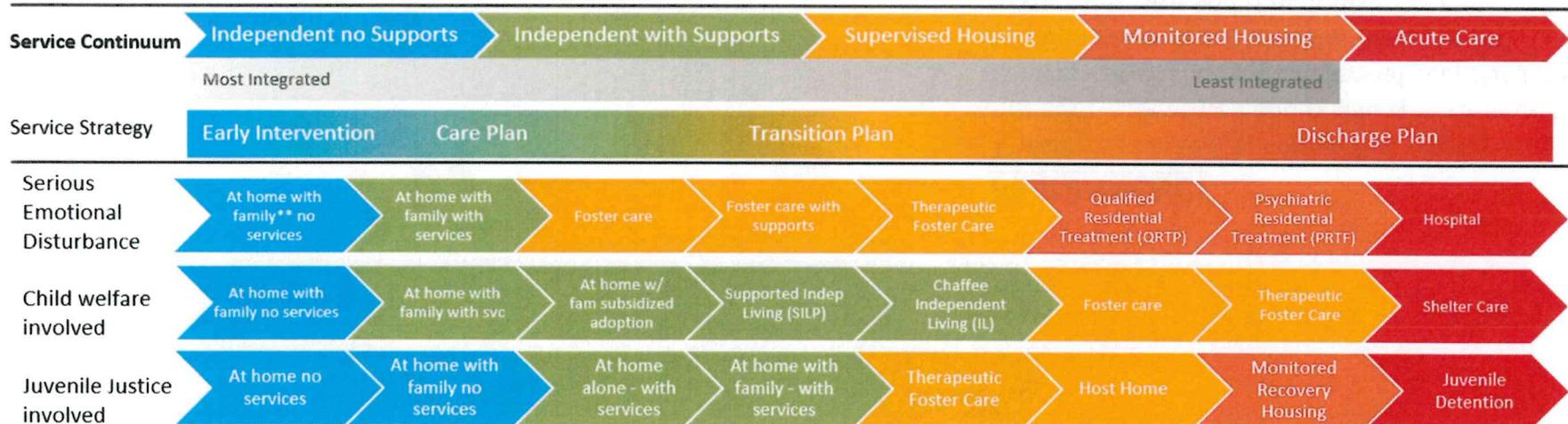
Taylor's emergency placement at the QRTP would end when the QRTP indicated that treatment was complete, at which point she would be discharged to a foster home. Length of stay was decided by the facility and many children would remain living in residential care for over a year.



8-18 mo

What does it mean to deliver services in most integrated setting?

Understanding how systems can help children and families avoid crisis-level disruptions



AFTER FFPSA

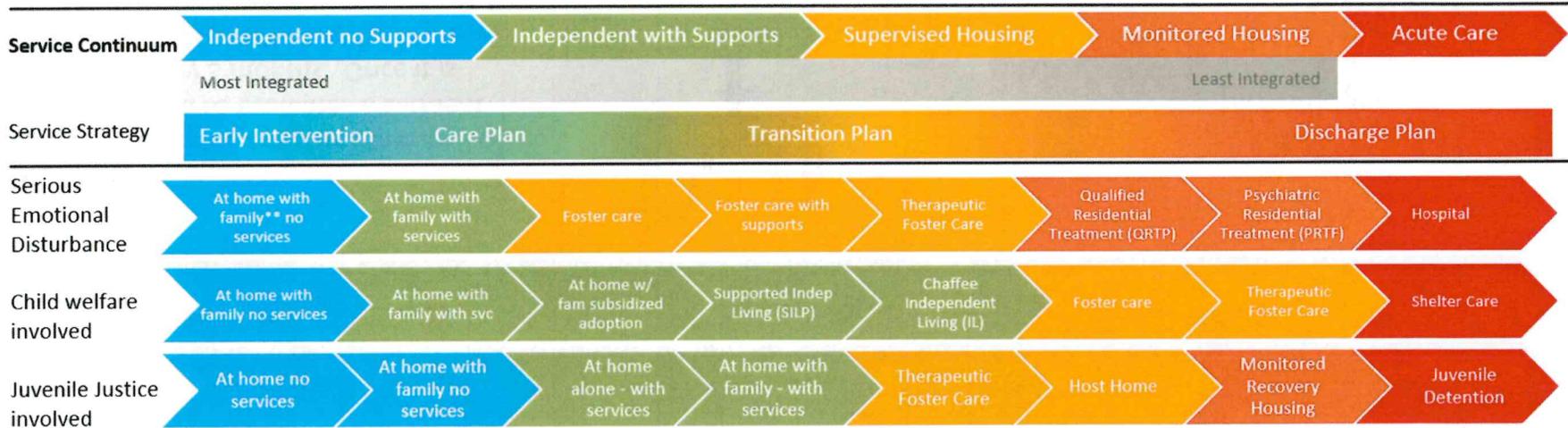
An independent assessor evaluates the level of care Taylor needs and re-evaluates treatment gains and needs every 3 months. Once it is determined that she doesn't need facility level of treatment any longer, she will discharge to her aunt (kin care) to complete treatment in the community and receive aftercare services for 6 months.



4.5 mo

What does it mean to deliver services in most integrated setting?

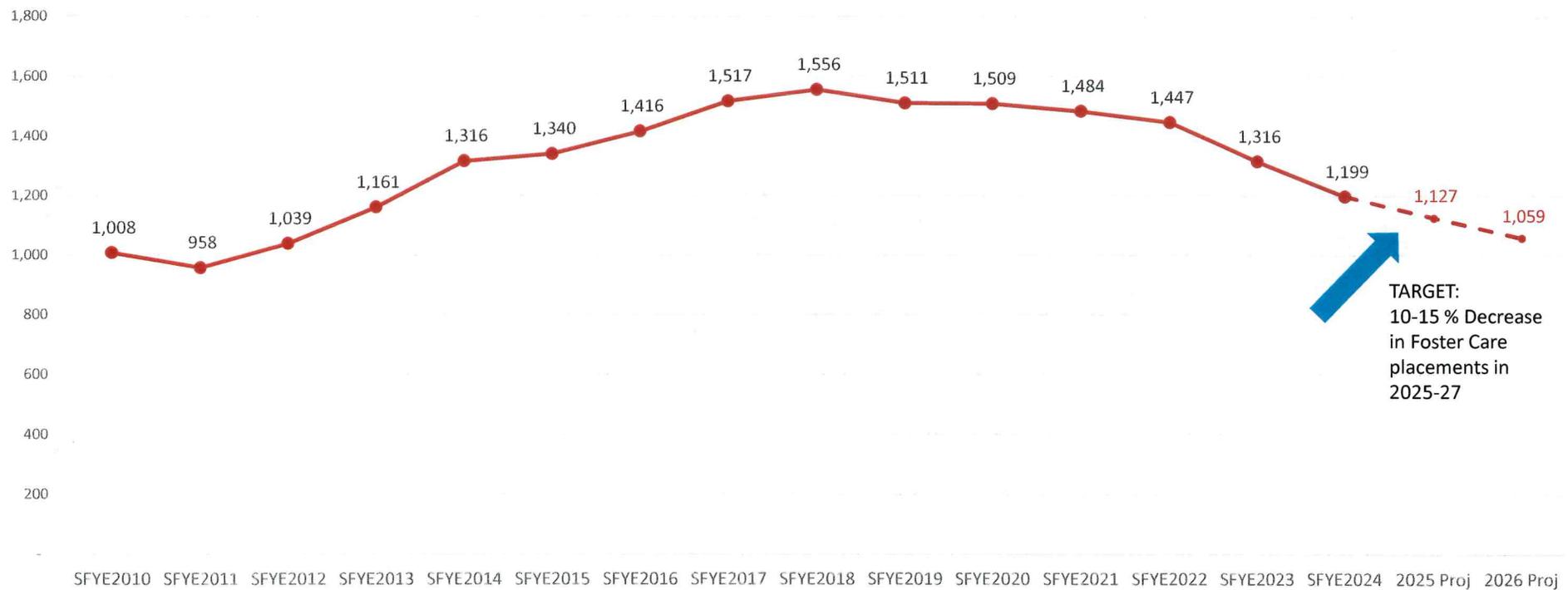
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PERMANENCY

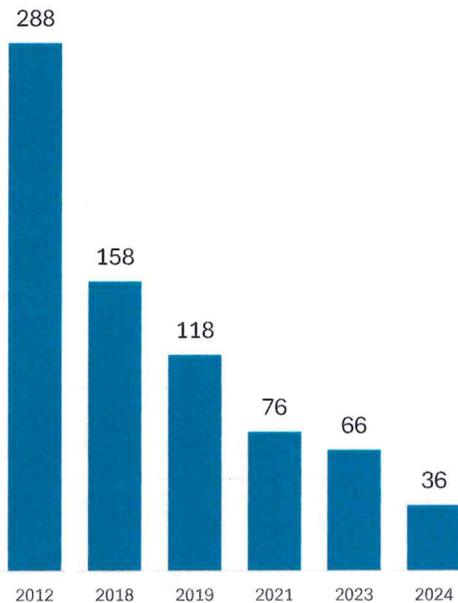
Taylor’s case manager completed a family search. Her aunt is identified and is willing to care for Taylor (kinship care). They pursue formal guardianship through the courts and Taylor is discharged from foster care and is no longer in need of “systems” involvement. If Taylor or her family need help to get through tough times, they will still be eligible under FFPSA prevention services.

The 25-27 budget anticipates a modest but steady reduction in foster care and residential placements

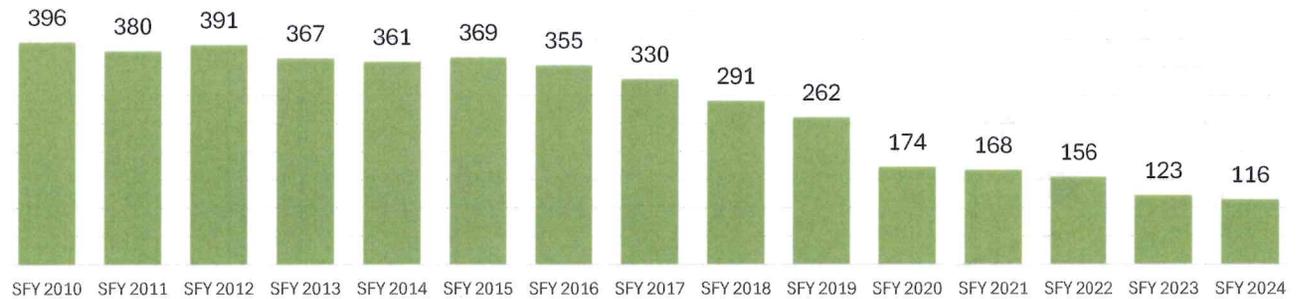


Implementation of Family First Prevention Act marked a shift in utilization of congregate care for children

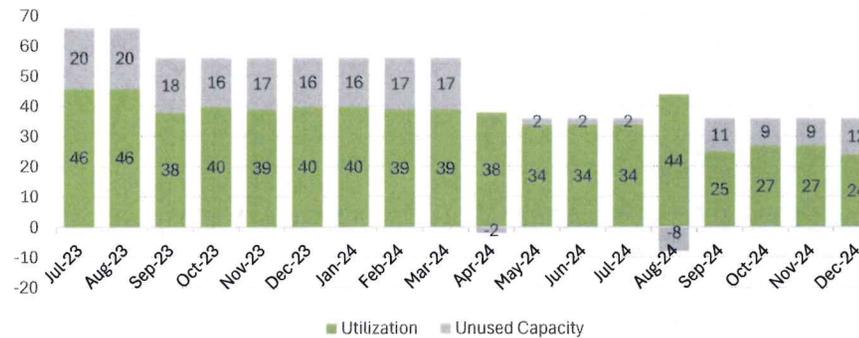
ND RCCF/QRTP Facility Beds
2012-2024



Total children receiving service in this setting at some point in the year
RCCF/QRTP Facility



QRTP Utilization July 2023 - Dec 2024

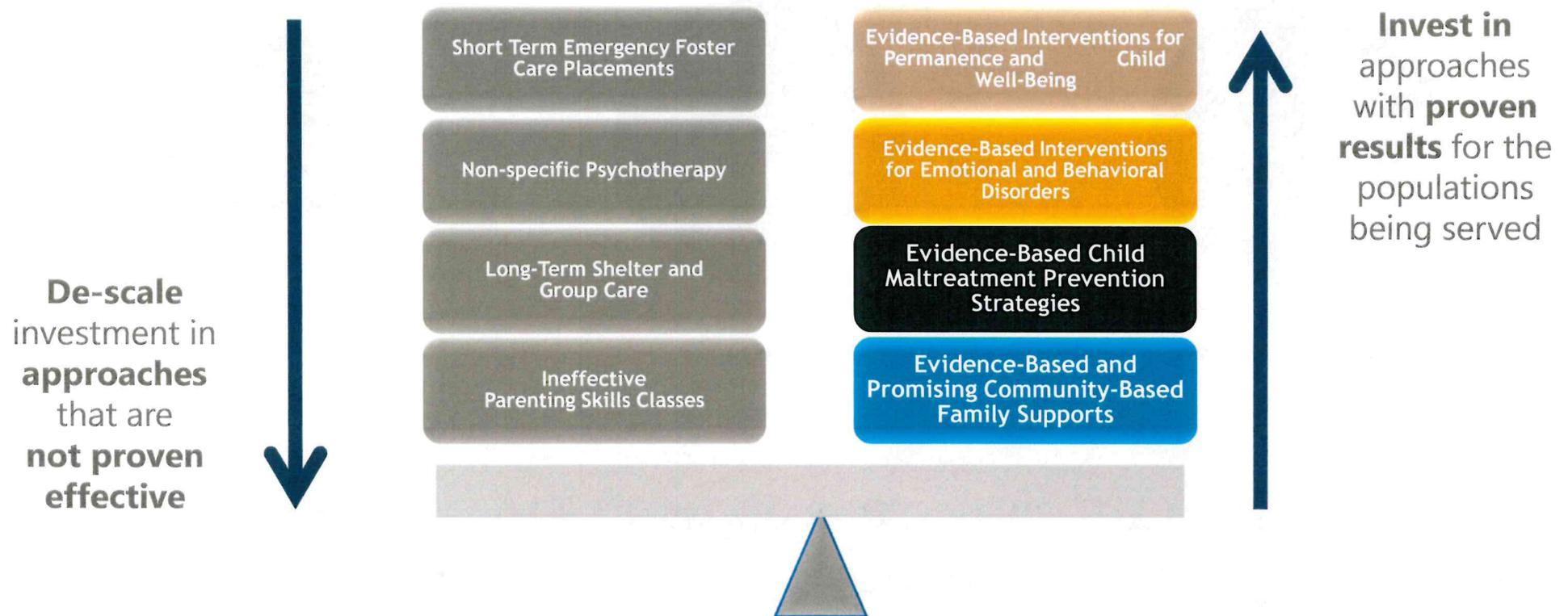


In 2024, 3% of children in child welfare utilized a QRTP setting

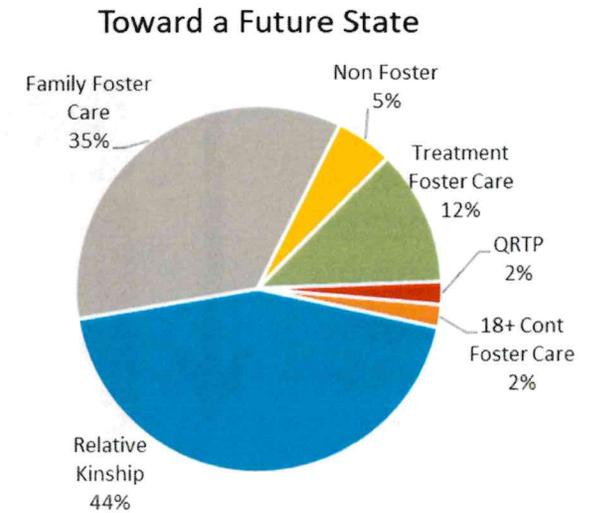
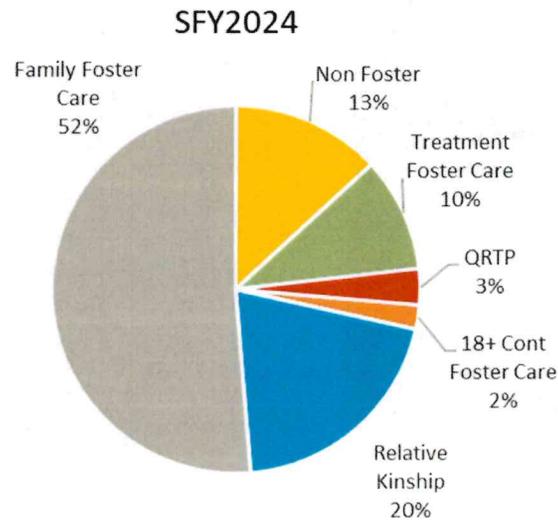
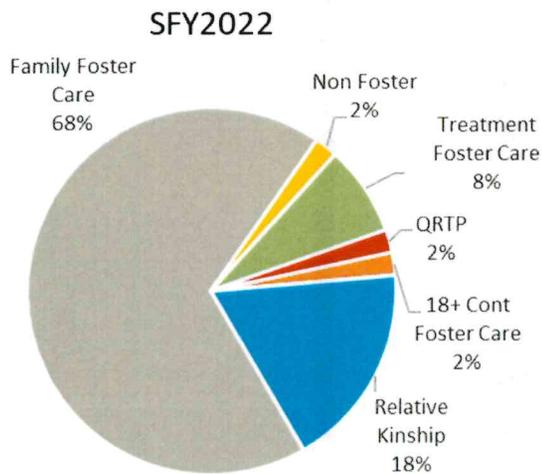
RCCF = Residential Child Care Facility | QRTP = Qualified Residential Treatment Program

Children and Family Services

Shifting Resources to Support What Research Indicates since 2018 has shown success for Children and Families



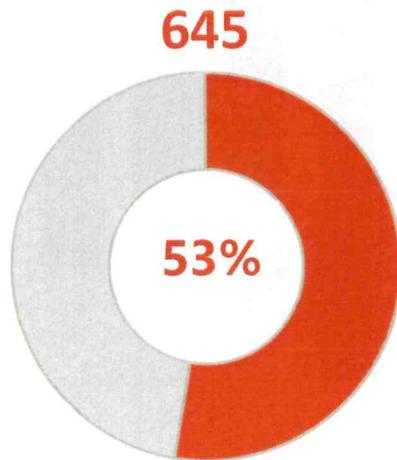
Increasing the prevalence of Relative / Kinship Care in ND should support more positive outcomes for kids



Rethink child welfare

Finding ways for kids to be cared for by relatives or other adults with whom they have existing, significant relationships creates better outcomes

Foster Care in North Dakota – 2024 Snapshot



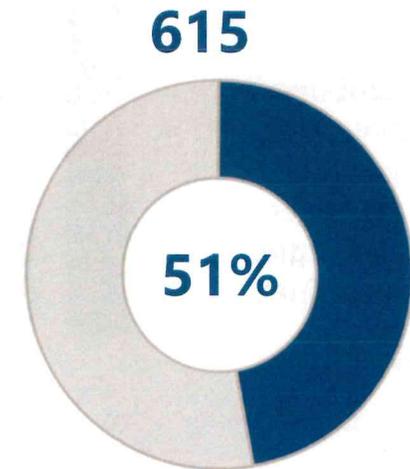
1 in 2 age 0-7

Half of the 1,199 children in foster care in North Dakota are age 7 or younger (53%).

44%

Intense level of care

Of the 169 kids receiving treatment foster care in SFY2024, 74 (44%) were age 7 or younger.



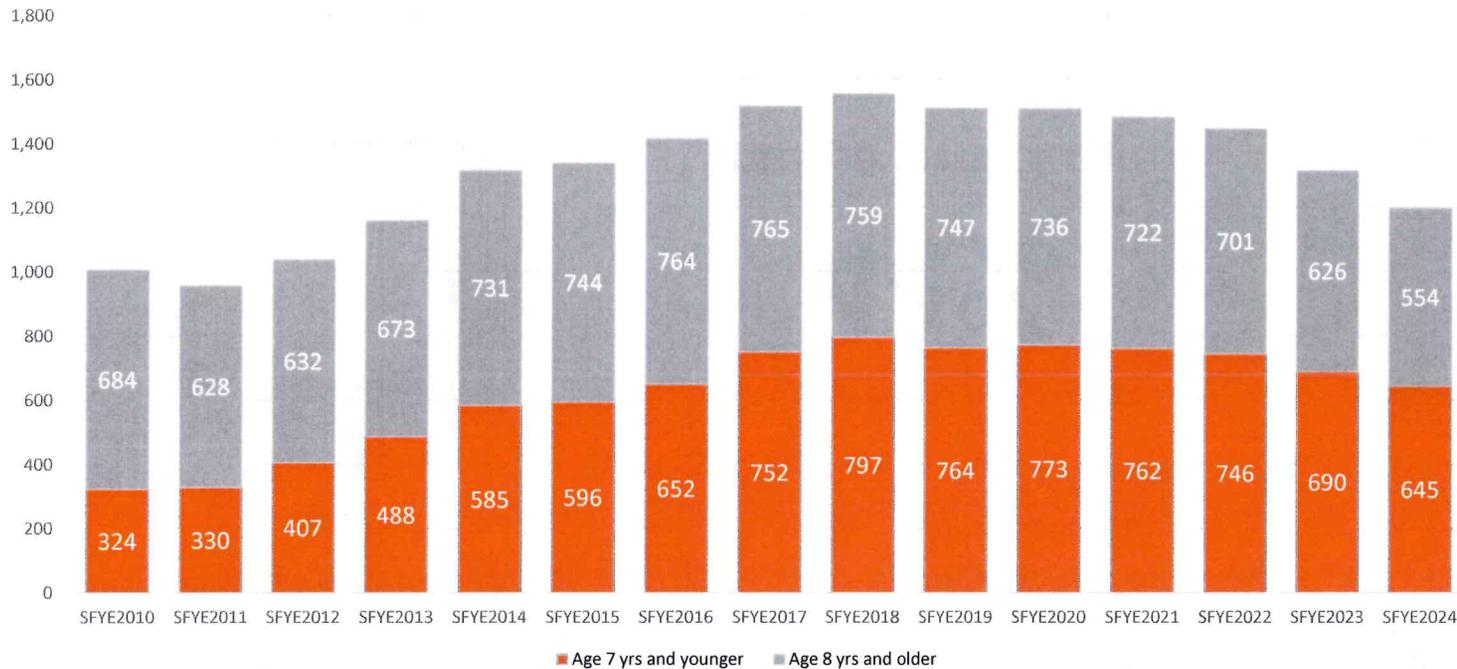
6x more likely

Native American children make up 51% of the total number of children in foster care in ND (615 of 1,199).

Native American children make up 8% of kids under age 18 in ND.

In FY24, 53% of the 1,199 children in foster care are younger than age 7

Point-in-Time ND foster care census by age, SFY 2010-2024



Rethink
child
welfare



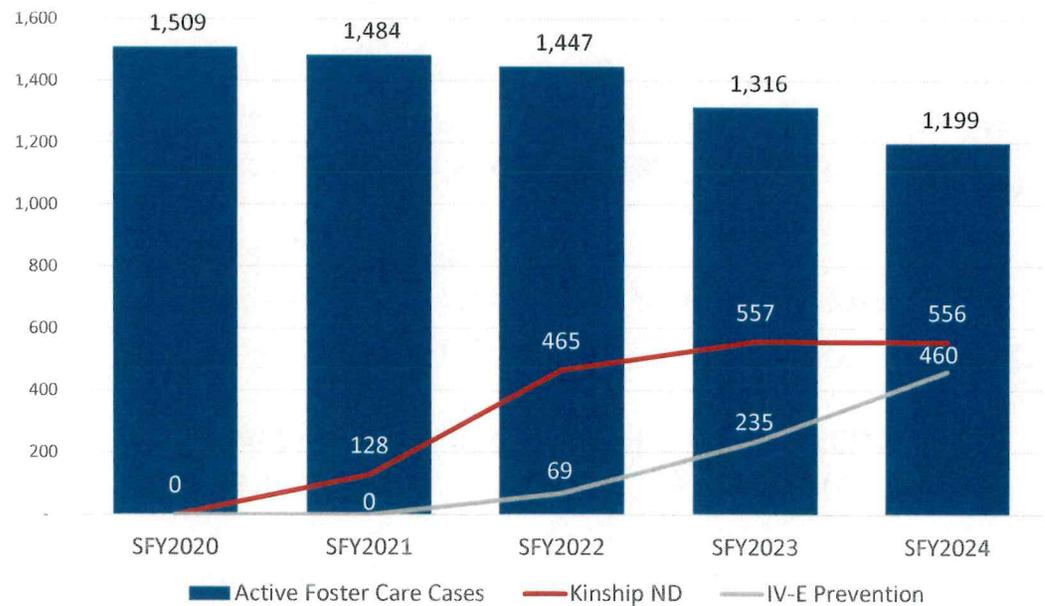
Early interventions with young families are key to reducing foster care placement for the youngest children.

Kin caregiving represents an increasing portion of services to children

Progress and Improvements for Children and Families



Youth in foster care, Kinship ND, and Title IV-E prevention services



Meet Kevin, Brenda & Brandon



Kevin (43) and Brenda (42) live in a small home in Rolla with their son Brandon (6)

Kevin works for a local builder full time. Brenda is a paraprofessional at the elementary school.

Kevin suffers from depression and has been drinking a lot. Brenda has been diagnosed with an anxiety disorder.

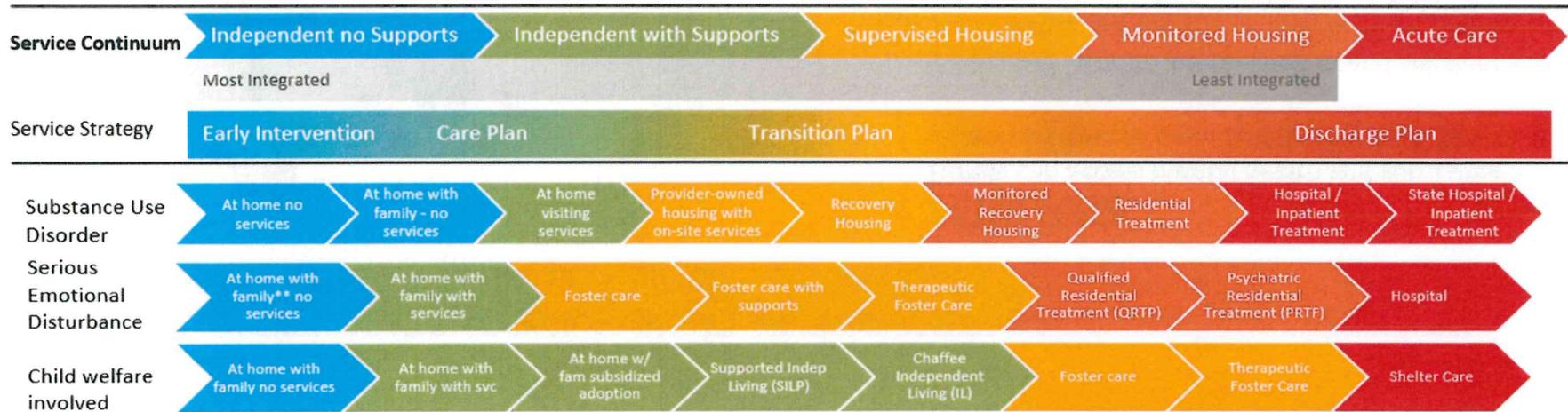
Brandon attends first grade. The year started off well but he's been more withdrawn in class as the year has gone on.

When they're getting hours at work, they can usually make ends meet. Money has been tight lately.

Tensions at home are rising.

What does it mean to serve a family together rather than apart?

Understanding how systems can help children and families avoid crisis-level disruptions

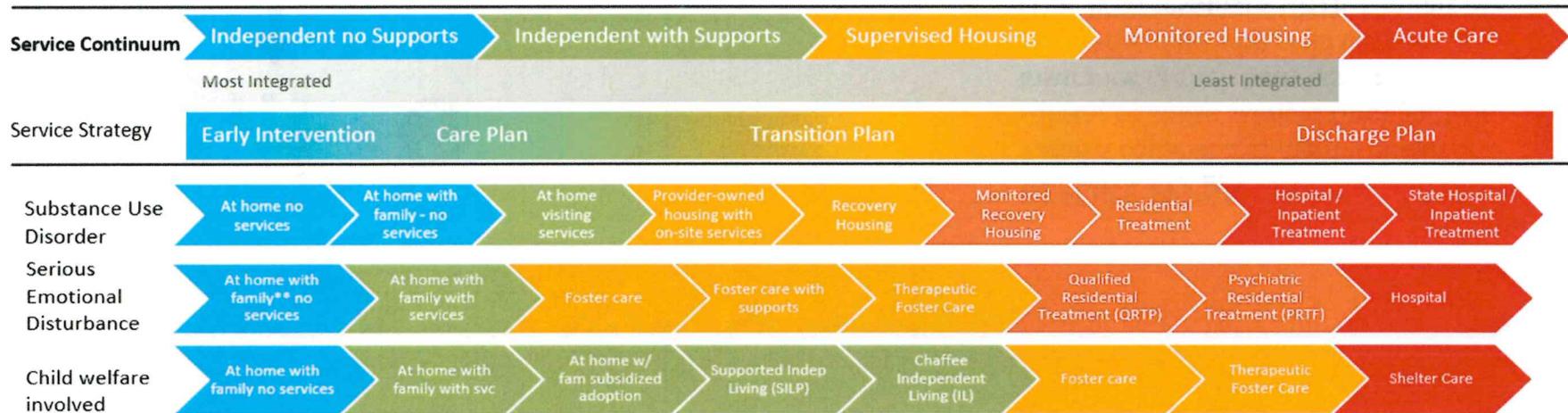


BEFORE FFPSA

Parents could access mental health or substance abuse services through their **insurance** or their **own resources**; **no** intervention with child welfare (Title IV-E) **resources UNTIL** a report of **abuse or neglect** is filed.

What does it mean to serve a family together rather than apart?

Understanding how systems can help children and families avoid crisis-level disruptions



AFTER FFPSA

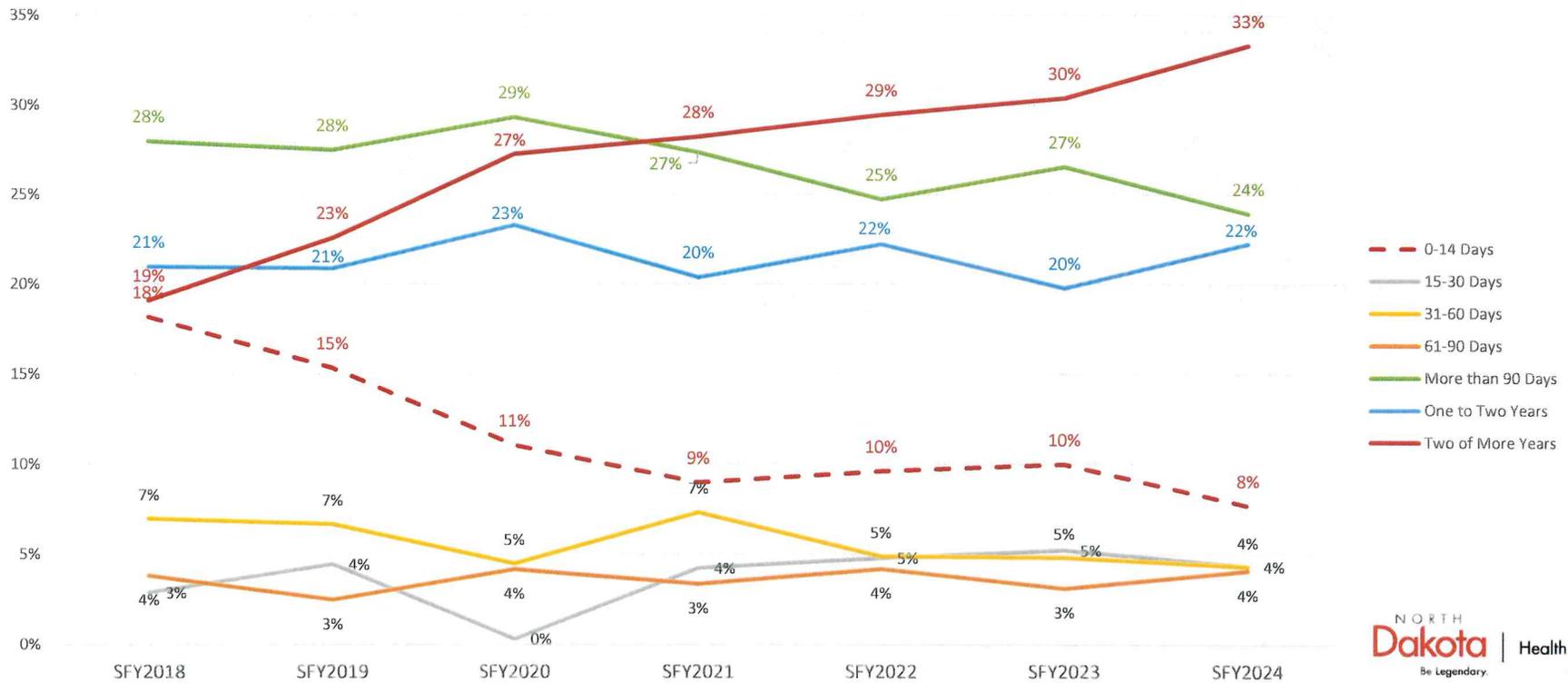
Family can access mental health and substance abuse services for mom and dad **through Title IV-E**

Why now? Parents' mental health and substance abuse issues are causing instability in the home, which means the child could be a candidate for foster care if things escalate further.

Let's get the family services and support ASAP!

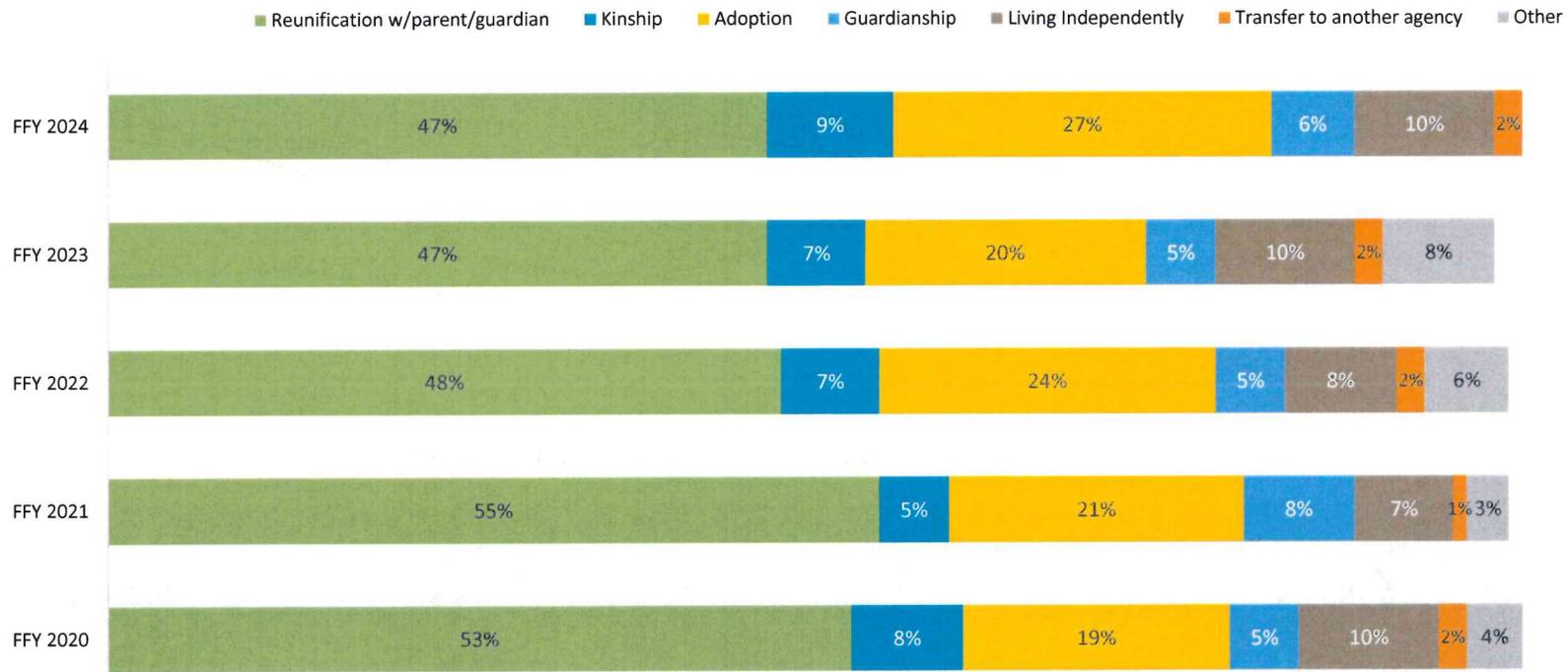
Changes in the child welfare practice model are resulting in fewer short-stay placements and more long-stay exits

% of children exiting foster care by length of stay in foster care (SFY2018-2024)



Almost half of children in foster care exit to reunify with family

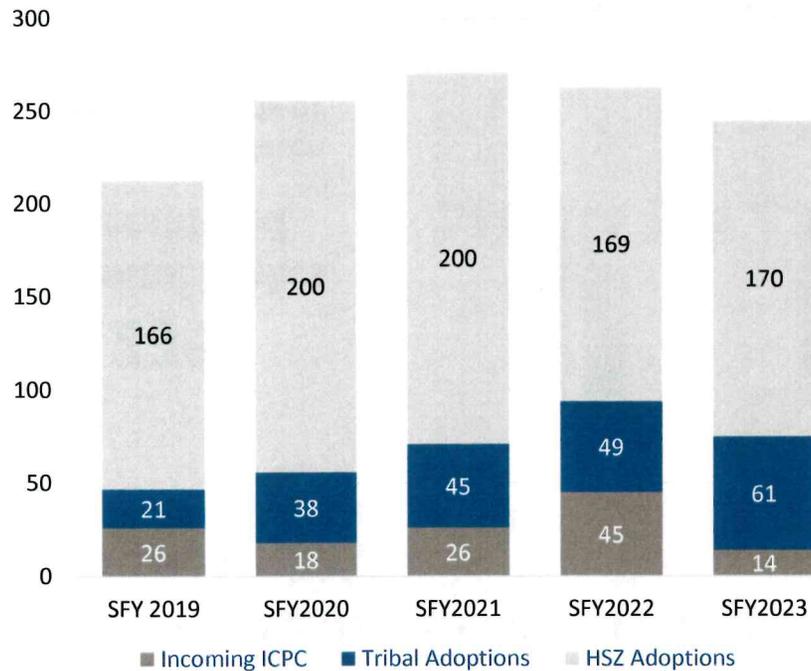
Reasons children exit foster care
SFY2020 - SFY2024



Source: HHS FRAME, Jan 2025

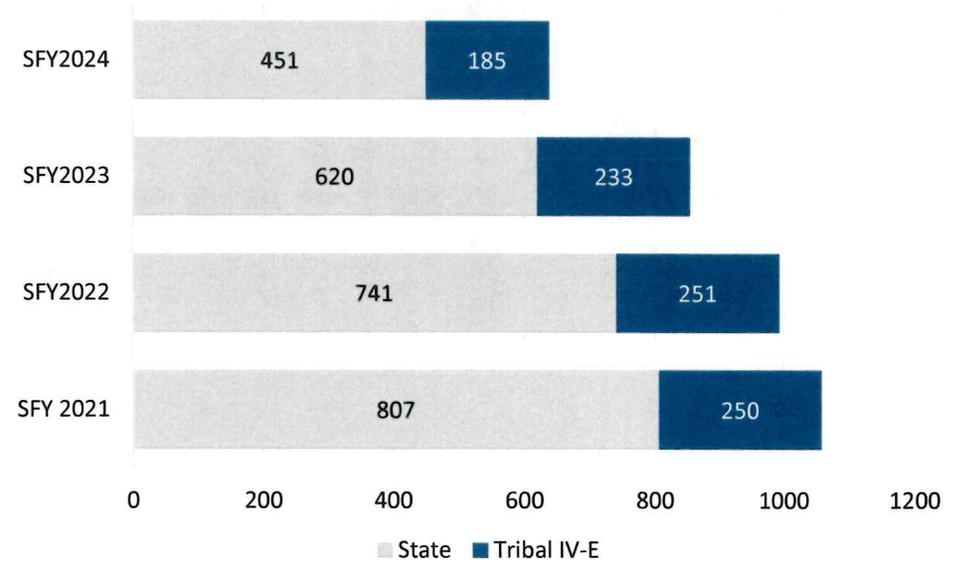
ND is seeing the impact of increased adoptions out of foster care and efforts to exit long-stayers

Finalizations of Public Agency Adoptions



Source: 2023 AASK Agency Report

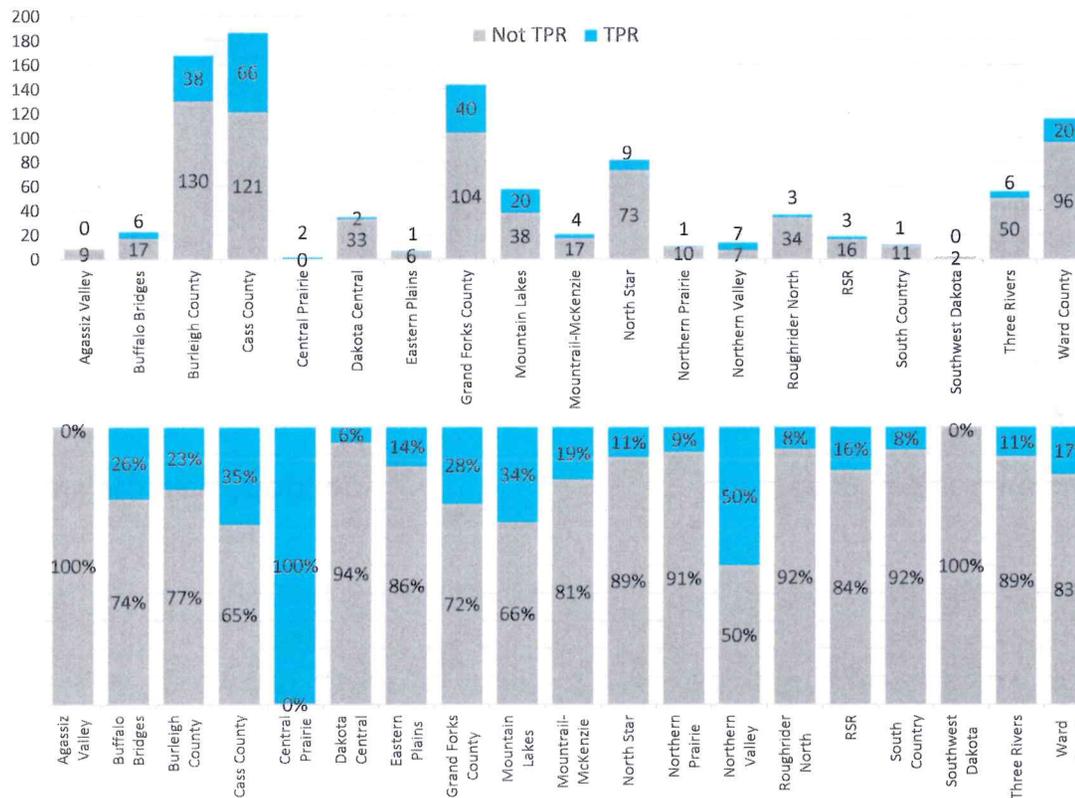
Children in Foster Care w/TPR & Goal of Adoption



Children who are orphaned as a result of TPR (termination of parental rights) comprise 23% of all children in ND's foster care system in FY24

23% Parental Rights Terminated

Of the **1,003** children under the custody of the HSZs at the end of SFY2024, 229 (23%) have no legal connection to their biological parents due to Termination of Parental Rights (TPR).



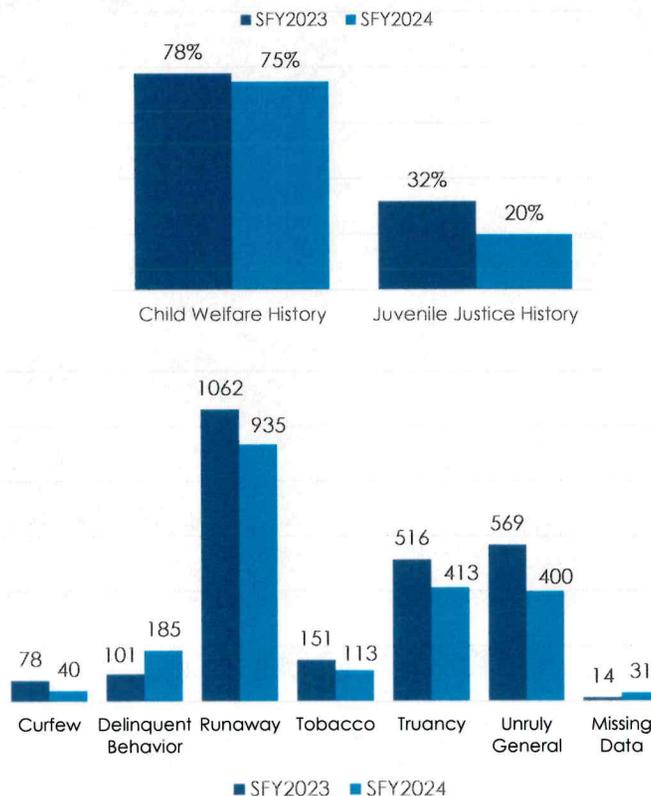
Rethink child welfare

There are both positive and negative consequences associated with terminating parental rights – the balance is different for every child

Diverting children from “system” involvement can have long-lasting positive impacts

CHINS

As part of *Juvenile Justice Reform* efforts in North Dakota, the 2021 Legislature approved changes to NDCC 27-20.3 for services to be provided by the child welfare system so that **children** in need of services **who have not committed crimes** can be **served** in the community and be maintained **outside of the Juvenile Court system**.



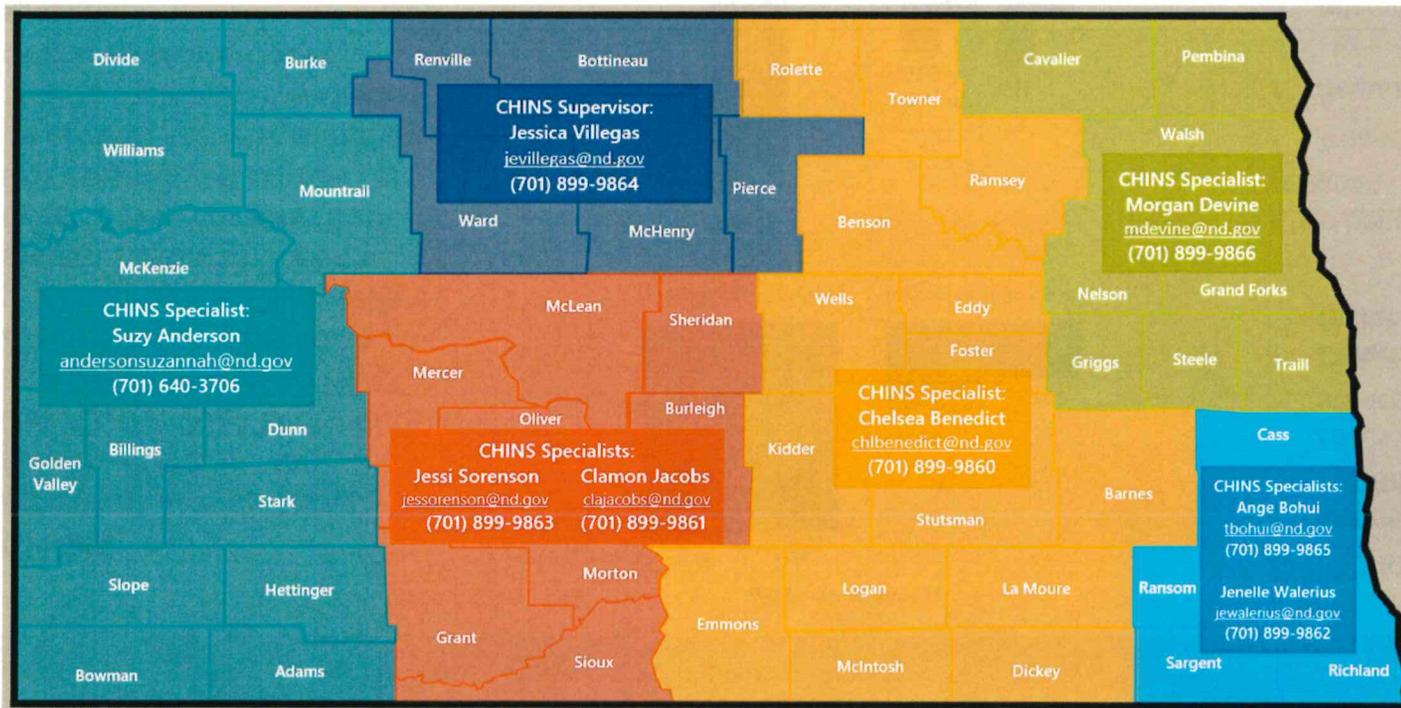
CHINS Program Goals

- **Connect** children and their families to **appropriate services** in the community;
- Focus on **prevention, treatment** services and **support**; and
- **Divert** individuals **from** entering the **foster care** and **juvenile justice** system.

Child behaviors appropriate for CHINS program

- Truancy from school
- Regularly disobeying their parents
- Using and possessing tobacco and related products under 14
- Running away/Curfew

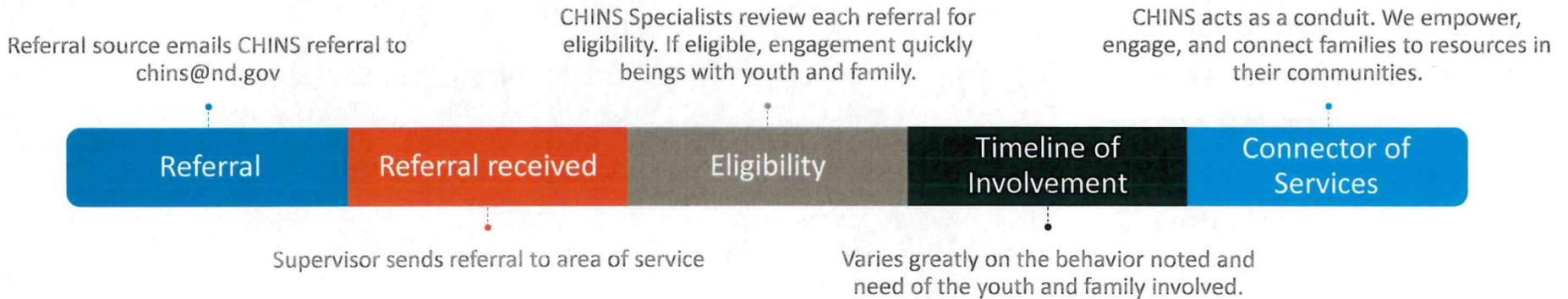
A statewide Human Service Zone team serve as referrals for CHINS-related issues statewide



- 116,600** # children enrolled in ND K-12
- 93%** Annual attendance rate (2022, 2023, and 2024)
Source: [Insights.nd.gov](https://insights.nd.gov)
- 750** Avg # of people reported to CPS for educational neglect annually (2022-24)
- 874** # of teens involved in a truancy referral to CHINS (2022-24)
77% one referral & 23% multiple referrals (avg 2.8/child)

- ✓ CHINS is a diversion program.
- ✓ CHINS is not a service. | CHINS is a navigator to service.
- ✓ CHINS is not just about truancy in schools.
- ✓ CHINS serves kids no matter where they are – home, community and school.

Referring to CHINS



Low Intensity Intervention

- Send letter to family with helpful information regarding services and resources in the family's areas.
- Call referral and parent to discuss options of services and options over the phone

84%

Moderate Intensity

- Refer child and family to resources based on needs, including a possible referral for a Family Centered Engagement meeting.
- Assist in identifying potential services and resources to best meet the needs of the youth and family
- Assist in developing the case plan with the family

14%

High Intensity Intervention

- Refer for a Family Centered Engagement meeting as an intervention and any appropriate service(s) based on needs of child and family
- To pull together the system partners and service providers that are engaged with the family to develop the case and service plan
- Review case with supervisors for potential CHIPS referral.

2%

Re-thinking Child Welfare

Why | Who | How



The Big Idea

- Why is this difficult?

Moving from Idea to Reality:

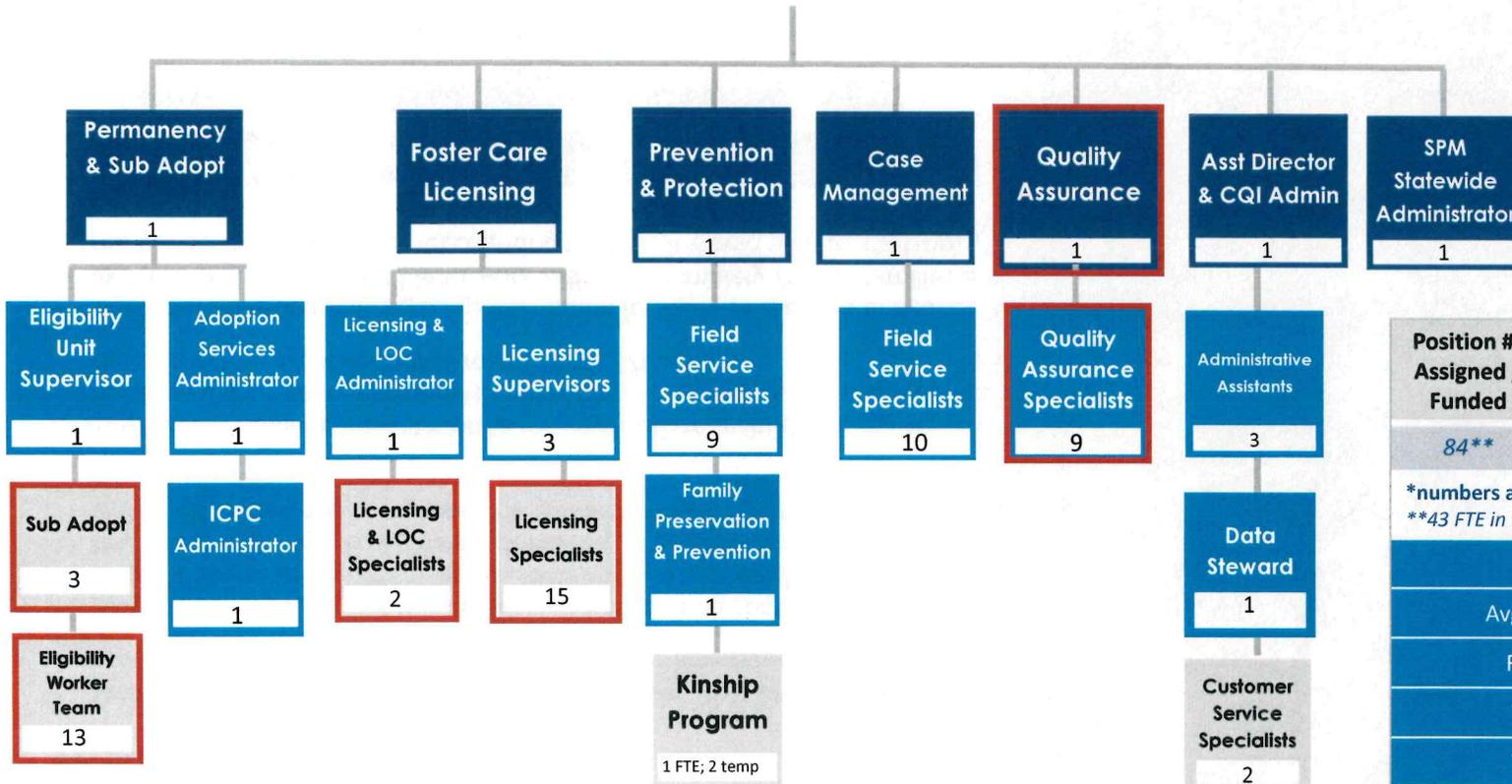
Do more of what works

- Family First IV-E Prevention Services
- Family Engagement
- Certified Shelter Care
- Kin Care
- Foster Care

On the Horizon

- Case Management Redesign
- Opportunities to improve quality of customer service
- Best of Field

Children & Family Services Director Cory Pedersen



= funding included in HSZ Ops budget

Position #s Assigned / Funded	Positions Filled	# of Vacancies	# of Temp Staff
84**	82	2*	2*
*numbers as of 12/1/2024			
**43 FTE in the HSZ Budget			
Average Age			46
Avg Years of Service			11.7
Retirement Risk			3.5%
Turnover 2021			6%
Turnover 2022			5%
Turnover 2023			1%
Turnover 2024			3.5%

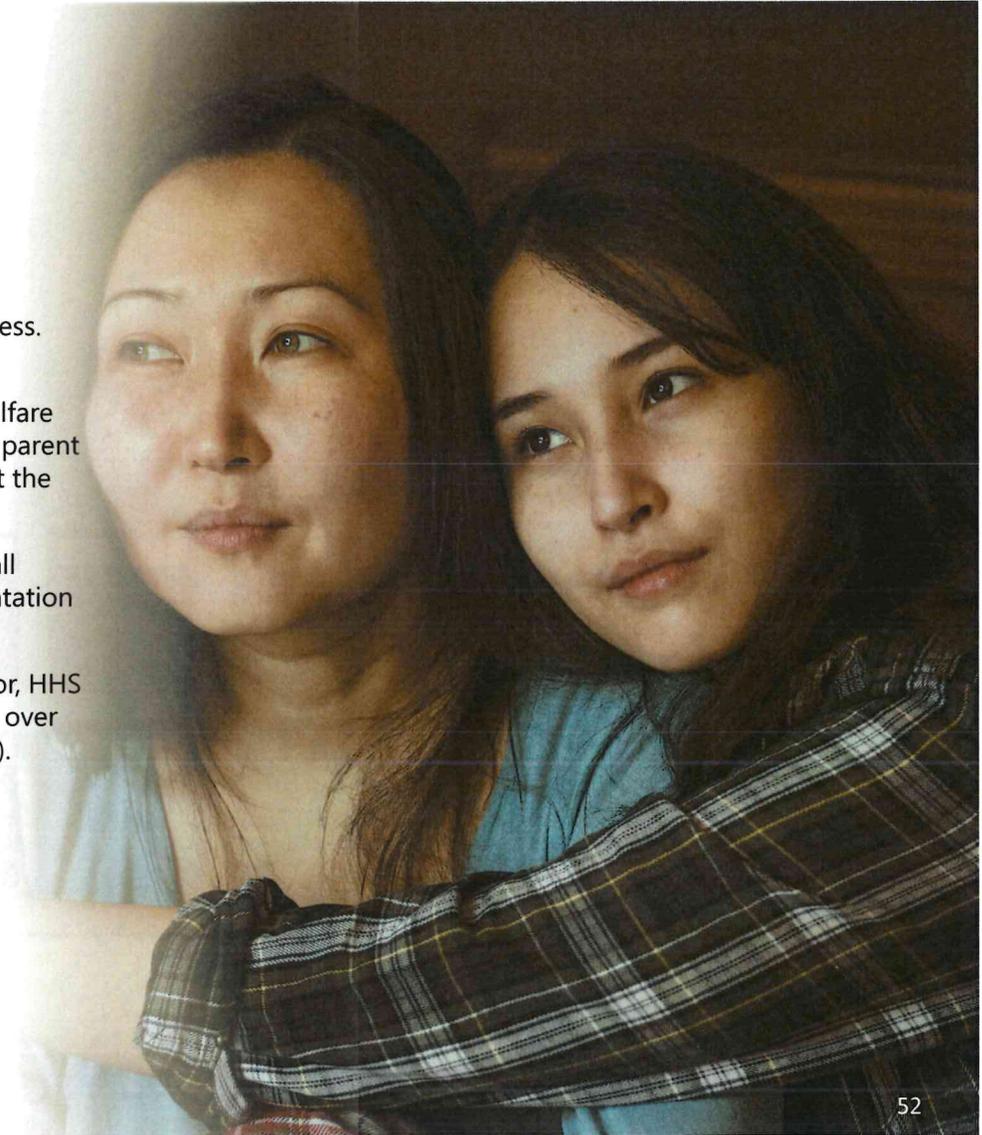
Re: Legendary

Included in Executive Budget Request **Quality Legal Representation team for Families**

- States can leverage federal IV-E funds to make sure that families are well represented through what can be a complex and life-changing legal process.
- This request would support 2 defense attorneys to be contracted by ND Indigent Defense; the attorneys would be trained to specialize in child welfare law. These attorneys would be supported by a licensed social worker and parent with lived experience, to support the connection with families throughout the life of the case.
- The Quality Legal Representation team would utilize federal IV-E match; all funds would be passed through to ND Indigent Defense as the implementation partner for the initiative (50/50 match; total \$700,000).
- While the investment in legal representation for families is a new endeavor, HHS expects this group to be able to work with approximately 75-100 families over the course of the biennium (accounting for time it would take to start-up).

Total	General	Federal	Other
\$700,000	\$350,000	\$350,000	\$0

This is an ongoing funding request.



Included in Executive Budget Request

Adoption savings re-investment (aka “de-linked” funding)

- This decision package reflects the reinvestment of savings from subsidized adoption, as determined by the federal funding calculation commonly known as “de-linked” funding.
- The amount of this decision package reflects required re-investment of de-linked adoption savings dollars for 2025-27.

(Note: Calculation is based on costs associated with maintaining subsidized adoption placement for 172 of the 633 children who were originally deemed as non-IV-E eligible when in foster care but are now eligible for IV-E reimbursement.)

Total	General	Federal	Other
\$4,883,205	\$4,883,205	\$0	\$0

This is an ongoing funding request.



What is “DeLinked Funding”?

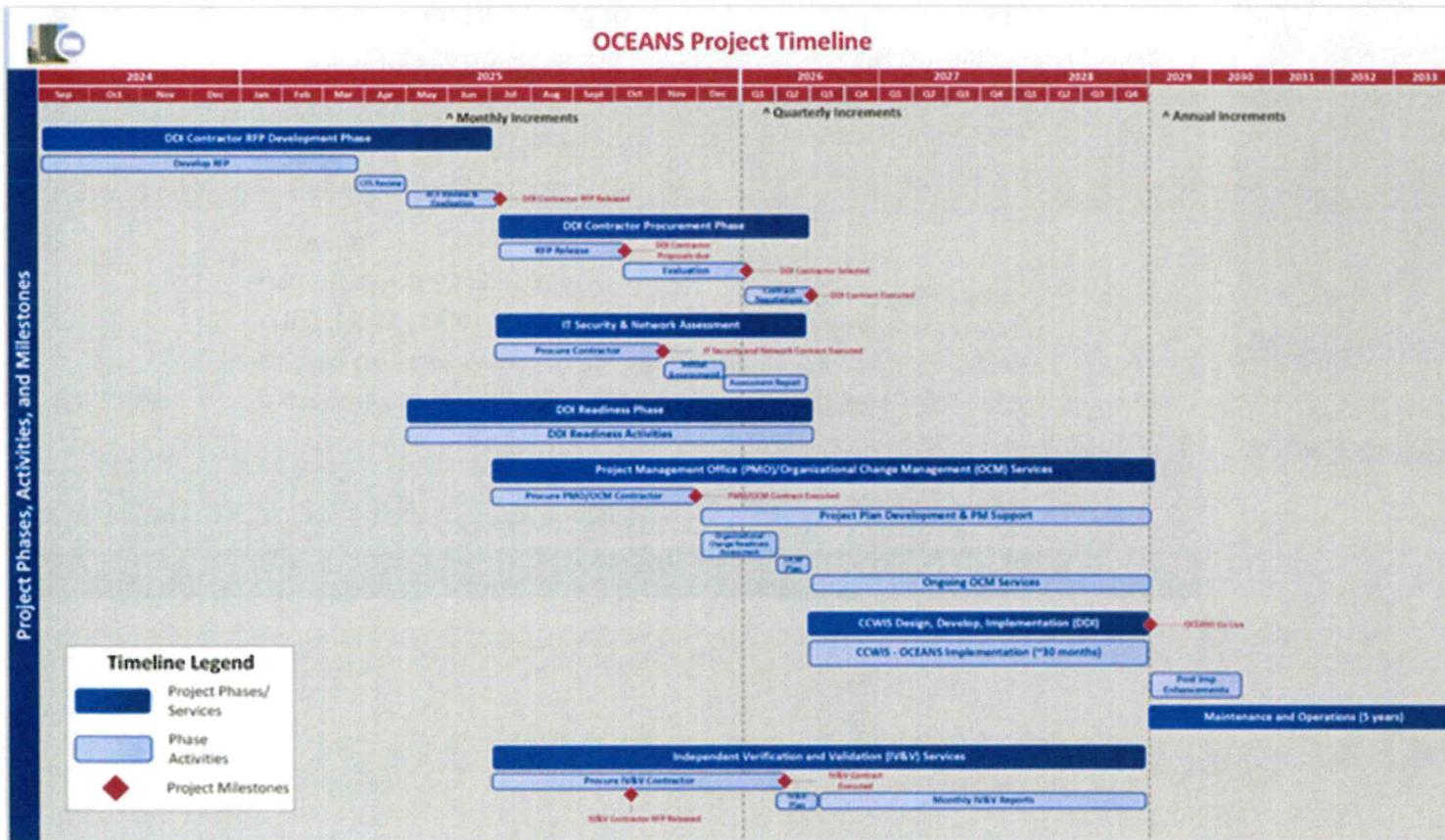
- Federal funding for foster care is only available if the child was removed from a home that would have been eligible for Aid to Families with Dependent Children (AFDC) as the program was defined in 1996.
 - Note: Approximately 47% of ND children in foster care are “IV-E eligible”
- Over the last 20 years Congress has taken steps to remove the “AFDC link” for children who move to permanency through adoption (aka “de-linked”).
- States are required to document how they are reinvesting the equivalent of federal funds being used to support children who were not originally “IV-E eligible” as a way to further progress toward positive outcomes for children and families. (Fostering Connections to Success and Increasing Adoptions Act of 2008)



On the Horizon

Replacing the Child Welfare Technology Platform

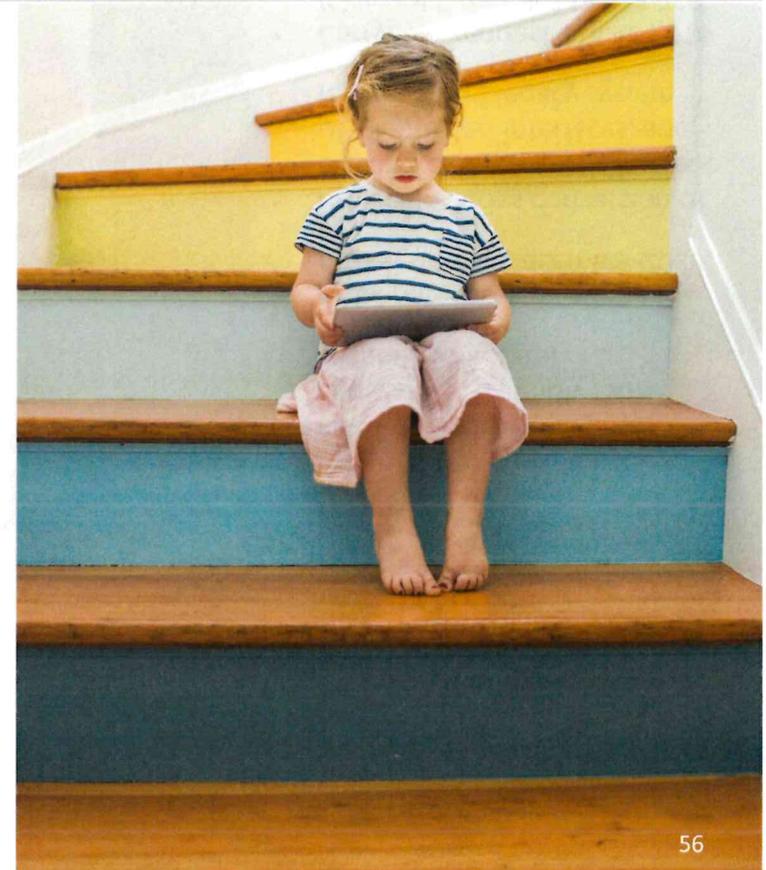
HB1012 | Section 25(2) - Carryover Request



- 5-year Child Welfare IT System replacement project
- Funding approved by 67th Legislative Assembly (50% federal, 50% state)
- Anticipated Certification of new system – December 2028
- Project includes conversion of existing data, re-establishment of all affected interfaces, and retirement of legacy system
- Carryover request \$14,411,218 (General Fund) & \$14,411,218 (Federal Funds)

CFS/HSZ-related Policy Bills with Budget Impact

		Other	General
HB 1205	Safety devices for Abandoned Infants		\$0 (funding removed)
HB 1268	Expanded drug testing of parents before unsupervised visits with children in foster care when drug use involved as reason for removal	\$95,000 (appropriation in bill) + \$15,800 (updated with fiscal note) <i>Source: 457/HSZ budget</i>	
HB 1328 (and 1129)	Expanding diversion services for CHINS and schools to address behaviors and student attendance concerns		\$750,000
SB 2036 and 2037	Juvenile competency add to CHIPS definition	\$0	\$0 (funding removed)



Comparison of budget expenditures and projections

By Program

PROGRAMS	2023-25 LEGISLATIVE BASE	ONE-TIME / CARRYOVER	2023-25 EXPENSES THROUGH DECEMBER	2023-25 PROJECTED EXPENDITURES	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012	GENERAL	FEDERAL	OTHER
CHILDREN & FAMILY SERVICES ADMINISTRATION	\$ 1,009,650	\$ -	\$ 1,042,950	\$ 1,408,222	\$ 1,387,905	\$ 926,205	\$ 2,314,110	\$ 1,888,709	\$ 425,402	\$ -
INFORMATION TECHNOLOGY	-	-	-	-	2,651,285	-	2,651,285	2,126,359	524,926	-
CHILD ABUSE & NEGLECT SVC	2,049,837	100,000	1,417,573	1,863,582	2,700,006	\$ (33,000)	2,667,006	842,038	1,824,968	-
CFS FIELD SERVICE SPECIALIST	3,587,605	-	2,800,418	3,788,590	4,822,130	\$ (389,000)	4,453,130	3,970,917	482,213	-
CHILDRENS ADVOCACY CENTERS	4,100,000	-	2,278,907	3,307,607	4,100,000	\$ -	4,100,000	4,100,000	-	-
INDEPENDENT LIVING SERVICES	1,173,224	-	773,392	1,158,768	1,393,224	\$ -	1,393,224	278,645	1,114,579	-
FOSTER CARE ADMINISTRATION	5,867,636	300,000	3,197,607	5,135,155	8,496,218	\$ (110,000)	8,386,218	3,482,695	4,903,523	-
FOSTER CARE	72,662,727	268,347	40,082,610	61,117,297	83,920,987	\$ 617,643	84,538,630	31,321,667	52,509,742	707,220
SHELTER CARE SERVICES	481,720	150,000	405,999	563,929	1,000,000	\$ -	1,000,000	1,000,000	-	-
SUBSIDIZED GUARDIANSHIP	1,466,490	-	819,631	1,154,725	1,652,894	\$ 9,151	1,662,045	831,023	831,023	-
FAMILY PRESERVATION & PREVENTION SVC (FFPS)	7,722,959	-	2,848,877	7,439,268	11,074,797	\$ (55,000)	11,019,797	6,026,454	4,993,342	-
JUVENILE JUSTICE (DJS) GRANTS	614,000	-	583,422	736,922	964,000	\$ -	964,000	-	964,000	-
INTENSIVE IN-HOME SVC	3,053,748	-	-	763,437	-	\$ -	-	-	-	-
KINSHIP SERVICES	2,063,382	200,000	932,880	1,531,308	2,642,326	\$ (27,000)	2,615,326	2,215,326	400,000	-
SUBSIDIZED ADOPTION ADMINISTRATION	1,154,173	-	683,054	998,010	1,131,233	\$ (57,000)	1,074,233	636,962	437,271	-
SUBSIDIZED ADOPTION DELINKED SVC	8,134,219	-	3,351,397	5,586,726	9,840,179	\$ (408,000)	9,432,179	9,082,179	350,000	-
SUBSIDIZED ADOPTION GRANTS	58,199,448	-	44,396,457	60,217,151	69,085,985	\$ 337,609	69,423,594	34,659,497	34,764,097	-
TRIBAL SOCIAL SERVICES	3,183,918	-	1,168,362	1,964,342	3,183,918	\$ -	3,183,918	1,245,980	1,937,938	-
TOTAL	\$ 176,524,737	\$ 1,018,347	\$ 106,783,535	\$ 158,735,038	\$ 210,047,087	\$ 831,608	\$ 210,878,695	\$ 103,708,451	\$ 106,463,024	\$ 707,220

23-25 ONE-TIME / CARRYOVER: \$1,018,347 Public Health Emergency Funds

Changes to Base Budget

By Ongoing, One-Time and Funding Source

BASE BUDGET CHANGES	DESCRIPTION	2025-27 EXECUTIVE BUDGET RECOMMENDATION		ENGGROSSED HB 1012	
		GENERAL	OTHER	GENERAL	OTHER
Service-Cost to Continue	Delinked Adoption Savings	\$4,883,205		\$4,883,205	
Service-Families	Quality Representation for Families	\$350,000	350,000-Federal	\$350,000	\$350,000 (Federal)
Salary Reduction	FTE Block Grant Reduction			(390,795)	
Operational Reduction	Operations adjustment			-\$633,000	
Juvenile Justice	Juvenile Justice Diversion			\$750,000	
Provider Inflation	Provider Inflation (1.5%/1.5% TO 2%/2%)	\$1,417,116	\$1,853,766 (Federal) \$15,890 (Child Support Collections)	\$455,899	\$641,037 (Federal) \$8,467 (Child Support Collections)

Delinked Funding

DESCRIPTION	2023-25 BIENNIIUM AMOUNT	INCREASE / (DECREASE)	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	TOTAL	ENGROSSED HB 1012			FUNDS ALLOCATED AS DELINKED
						GENERAL FUND	FEDERAL FUNDS	OTHER FUNDS	
DeLinked & Adoption Contract	\$ -	\$ 7,271,167	\$ 7,271,167	\$ -	\$ 7,271,167	\$ 7,271,167			\$ 3,593,308
Grants Expense*	8,134,219	(5,565,207)	2,569,012	-	2,569,012	2,569,012	350,000		1,289,897
GENERAL FUND	\$ 8,134,219	\$ 1,705,960	\$ 9,840,179	\$ -	\$ 9,840,179	\$ 9,840,179	\$ 350,000	\$ -	\$ 4,883,205
FEDERAL FUND	-	-	-	-	-	-	-	-	-
OTHER FUND	-	-	-	-	-	-	-	-	-
Total	\$ 8,134,219	\$ 1,705,960	\$ 9,840,179	\$ -	\$ 9,840,179	\$ 9,840,179	\$ 350,000	\$ -	\$ 4,883,205

* Portion of expenses previously categorized as grants moved from Grants To Operating 25-27

Services funded with general fund dollars that have been allocated as "de-linked"

- Post-Adoption services (Nexus PATH and Catholic Charities)
- Statewide ICWA family preservationist (Native American Training Institute)
- Pre-petition legal representation for families (Legal Services ND)
- Stipends for UND social work students who work in child welfare in ND (Both Tribal SS and HSZ)
- Legal representation to support kinship guardianship
- Chafee Independent Living services (Nexus PATH)

Comparison of budgets and funding

By Major Expense

DESCRIPTION	2023-25 LEGISLATIVE BASE	INCREASE / (DECREASE)	2025-27 EXECUTIVE BUDGET RECOMMENDATION	INCREASE / (DECREASE)	ENGROSSED HB 1012
Salaries & Benefits	\$ 7,880,690	\$ 1,854,478	\$ 9,735,168	\$ (390,795)	\$ 9,344,373
Operating	6,550,074	10,364,800	16,914,874	117,000	17,031,874
IT Services	-	2,651,285	2,651,285	-	2,651,285
Grants	162,093,973	18,651,787	180,745,760	1,105,403	181,851,163
Total	\$ 176,524,737	\$ 33,522,350	\$ 210,047,087	\$ 831,608	\$ 210,878,695
General Fund	\$ 90,947,415	\$ 12,578,932	\$ 103,526,347	\$ 182,104	\$ 103,708,451
Federal Funds	82,736,976	23,085,011	105,821,987	641,037	106,463,024
Other Funds	2,840,345	(2,141,592)	698,753	8,467	707,220
Total Funds	\$ 176,524,737	\$ 33,522,350	\$ 210,047,087	\$ 831,608	\$ 210,878,695

All CFS Budget as % of HHS Budget

- 3.3%

Budget by Funding Source

- 49.3% General
- 50.4% Federal
- 0.3% Other

Budget by Pass Through

- 83% Paid to Private Providers
- 5% Direct Service
- 11% Admin
- 1% Technology

Contact Info

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Director, Children and Family
Services Section
ctpedersen@nd.gov



Child Abuse & Neglect Line

833-958-3500

