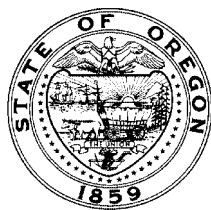


**Study of the
Adoption Process of the
State Office for Services to
Children and Families**



Joint Legislative Audit Committee

Report No. 98-2
September 1998

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The Honorable Brady Adams
President of the Senate
S-203 State Capitol
Salem, Oregon 97310

The Honorable Lynn Lundquist
Speaker of the House
269 State Capitol
Salem, Oregon 97310

Dear President Adams and Speaker Lundquist:

We enclose our Report No. 98-2, *Study of the Adoption Process of the State Office for Services to Children and Families*. The report describes the adoption responsibilities and activities of the state's child protective services agency and how they differ from private adoption agencies. The State Office for Services to Children and Families (SCF) begins planning for permanent placement when a child is removed from the home and, as a result, incurs costs of adoption-related activities that are in addition to adoption costs identified in its budget. We estimated the cost of these additional activities at \$9.8 million for 1997-99. The report discusses options for increasing the involvement of private agencies, including adopting another state's model, improving the adoptions process, or changing the payment structure. Proposals to expand the role of private agencies should be reviewed for their potential to save tax dollars or increase placements.

SCF's response supports our findings and recommendations and includes a discussion of two areas for additional roles for private adoption agencies – recruitment and parent training. The SCF response also discusses potential involvement of private agencies in termination of parental rights activities and adoption mediation services. SCF points out the difficulty of separating child protective service activities and costs from permanency planning and adoption activities. The federal Adoption and Safe Families Act and Senate Bill 689 (1997) will shorten the time frame for parents to resolve issues and will increase the number of children who will need permanent placements, such as adoptive homes, next biennium.

We appreciate the cooperation and assistance provided by SCF and member agencies of the Special Needs Adoption Coalition during the course of this study. We would also like to acknowledge the staff of the Legislative Fiscal Office whose efforts made this report possible: team leader Ann Glaze, Georgene Bailey, Bill Coulombe, and Patrick McIntire.

Respectfully submitted:

for Senator Timms
Senator Gene Timms
Co-Chair

Representative Jim Welsh
Co-Chair

Enclosures

Study of the Adoption Process of the State Office for Services to Children and Families

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Executive Summary

Legislative concern with adoption costs

During the 1997 session, legislative members asked whether there were lower-cost alternatives available within the private or non-profit sectors and considered, but did not pass, legislation to privatize the adoptions process. The Joint Legislative Audit Committee, in September 1997, approved an evaluation of the relationships between the State Office for Services to Children and Families (SCF) and various private-sector adoption agencies involved in the state's adoption process. The committee then initiated this study which included a time/activity sample and on-site interviews to determine components, costs, and roles within the SCF adoption process.

SCF adoptions

SCF is a child protective services agency responsible for children who have been abused or neglected. Only after work with birth families to correct problems has failed does SCF proceed with a permanent placement. Adoption is one of several permanent options available. Children placed through SCF typically have special needs that make adoption more difficult. If relatives or caregivers cannot adopt the child, SCF seeks to find an adoptive home by notifying all caseworkers and private adoption agencies about the availability of the child for adoption.

Not all costs are identified in SCF's budget

The SCF budget identifies 120.6 full time equivalent (FTE) positions that work only on adoptions. Our survey revealed that other SCF field staff perform activities necessary for adoptions that are part of their normal work activities. Using survey data, we calculated the cost of this additional adoption effort to be about \$9.8 million this biennium.

The total estimated biennial cost of SCF adoption and adoption-related activities is \$28,928,000. But one must proceed cautiously when discussing the costs of contracting for additional services and define specific costs for specific activities. The work activities supported by the \$9.8 million would remain as SCF's responsibility even if private agencies place more children for adoption.

SCF efforts cannot be easily compared to private adoption agencies

Comparisons between SCF and private adoption agencies should be made very carefully; one must recognize the inherent differences in scope, mission, and operating environment that lead to different activities and, therefore, different costs.

SCF bears the ultimate societal and legal responsibility for all children placed in its care. The responsibility for a child's well being is not shared among SCF and private adoption agencies. Private adoption agencies participate at will without the significant public obligation that is borne by SCF. Proposals to alter the role of private adoption agencies must address the issue of responsibility as well as costs.

Conclusions and Recommendations

Various options exist for the revision of the current process. These range from increasing the level of private agency input into the overall process to the use of another state's adoption model. We have no indication, however, that any of these options would increase productivity. We don't know if there would be more placements than what would have occurred under current practice.

We believe that more discussion should occur within SCF regarding the use of private agency expertise in the adoption process. Private agencies, for example, could be assigned an expanded role in adoption committees.

SCF should continue efforts to improve its internal processes as well as working relationships with private agencies to garner their assistance in placing SCF children.

Because of the lack of valid time and cost data, claims by private adoption agencies that SCF payments do not cover their cost of services could not be substantiated. The current payment structure funds broad service categories without regard for workload or quality requirements. Linking payment rates with the time required to complete the activities should improve accountability. To do so, however, will require additional study of the time and costs to complete specific adoption tasks.

Proposals to expand significantly the role of private agencies should be reviewed for their potential to save state tax dollars or significantly increase placement rates.

Introduction

Background

The adoption process for children in custody of the State Office for Services to Children and Families (SCF) has been a significant issue in Oregon. During the 1997 legislative session, the backlog of waiting children coupled with a request by SCF for additional adoptions staff stimulated discussion of the adoption process. Legislators asked whether there were lower-cost alternatives available within the private or non-profit sectors and considered, but did not pass, legislation to substantially restructure the process. Instead, the legislature adopted HB 3728, creating a Task Force on Adoption Services that was charged with reviewing adoption procedures and making budget recommendations to an interim legislative committee.

In addition, HB 5049, an appropriations bill for the Department of Human Resources, included a \$200,000 appropriation to the Emergency Board for innovative approaches for adoptions, including, if appropriate, financial incentives for privately arranged adoptions work. The budget note that accompanied the measure required that proposals for using the \$200,000 must include performance measures as well as information regarding the expected increases in the number of children placed, disruption rates, and cost components.

Legislators previously considered major changes in the role of private adoption agencies during the 1985 session. The legislature provided greater opportunity for contracted adoption services by private providers rather than increasing staff in SCF. The expansion of contracted services was for: (1) adoptive home recruitment, and (2) payments to providers for home studies, placements, and finalizations. Placement productivity by private agencies did not increase as expected, however. The start-up period for private agencies was longer than anticipated, training of staff took longer than expected, and home studies took up to twice as long as expected. State staff averaged 14 adoptive placements per worker in 1986 compared to 1.9 placements for each private agency. The contracts were terminated and additional staff was added in the 1987 session.

Given the history of legislative concern and the issues raised in the 1997 legislative session, the Joint Legislative Audit Committee initiated a study of the adoption process of SCF.

Objectives of the study

The objectives of the study originally were to identify and evaluate:

- The specific components of the adoption process of SCF;
- The level of effort necessary to complete each component;
- The costs and funding sources for each component; and
- The component costs of private adoption agencies that provide adoption services for SCF.

As the methodology for the study was developed, we added an additional objective:

- Determine and explain the role of private adoption agencies in the adoption process of SCF.

Methodology

We designed a survey to sample staff time per process component. We asked state and private agency staff to record all adoptions-related activities in 15-minute increments throughout each workday for 15 days. SCF field and central office staff, and of private agencies, helped define these activities. We also conducted a five-day pilot study to improve our initial survey design. SCF staff recorded a unique case number for each interval when working on specific adoption cases. We obtained salary data per employee from the SCF central office and requested salary data for private agency employees.

All staff in five SCF branch offices (Midtown, St. John's, and the Centralized Unit in Portland, Marion in Salem, and Lane in Eugene) participated in the survey from February 17 through March 9, 1998. These staff comprised approximately 32% of the statewide, branch office workforce. Staff in the SCF central office adoptions unit also participated in the study.

We also asked that staff working for private adoption agencies that place special needs children of SCF complete survey forms during the same interval. We interviewed staff in seven of these private adoption agencies.

The Adoption Process and Costs

Overview

The State Office for Services to Children and Families is a child protective services agency within the Department of Human Resources. As such, it is responsible for the welfare of children within its custody. It provides a variety of services to children from the age of birth to age 18. These services include case management, family preservation, foster home certification and training, residential treatment and foster care support, planning for a permanent living situation (permanency planning), and adoptive home recruitment and support.

Overall, SCF's responsibility to protect the welfare of children results in a complex and expensive system. SCF maintains rigorous oversight of the adoption process for children in its custody. The great majority of these children have been abused, neglected, or otherwise endangered. They are considered "special needs" children because of factors or conditions that make adoptive placement difficult.

SCF's mission differs from that of private adoption agencies

The environment in which SCF works is considerably different from the environment in which private adoption agencies operate. SCF uses adoption as one of several permanent placement options for abused or neglected children who have been placed in its custody by court order and who cannot return to their homes. Only after the birth families fail to correct the problems that caused the children to be removed from the home can SCF proceed with other permanent placement options.

Private adoption agencies' main focus is to find a suitable child for families that want to adopt a child, usually a baby. Private agencies, generally, provide only adoption services or adoption and birth mother counseling services. Most of the children private agencies place in adoptive homes are under one year old, and whose parents have voluntarily relinquished their parental rights. Often the birth mother participates in the selection of the adoptive parents by reviewing pictures and information about the family's history, life style, and values.

Both SCF and private agencies perform the same basic adoption-related activities of family recruitment, home study, placement and post-placement supervision. SCF also petitions the court for termination of parental rights, work that private agencies generally do not do. In addition, SCF provides services for private agencies such as licensing, criminal records checks of

prospective adoptive families, Citizen Review Board reviews, and finalization of court proceedings.

Only 9 of Oregon's 29 licensed private adoption agencies have contracted with SCF to place children in its custody. These agencies are members of the SNAC. Proponents of private-sector involvement in the state-controlled process champion greater access and flexibility regarding the opportunity for placing SCF children with permanent families.

A number of differing perceptions and questions about the adoption process became apparent during the course of our study. Those questions and responses are summarized in Appendix 1.

The SCF adoption process

Before beginning the adoption process, SCF makes several determinations: (1) that the child(ren) cannot be returned to the birth parent(s); (2) that adoption is the appropriate long-term permanent plan; (3) that adoption resources are available or likely to be found; and (4) that there are sufficient legal grounds for pursuing termination of parental rights. Once it makes these determinations, SCF initiates termination of parental rights proceedings, refers the birth parents to mediation, or pursues voluntary relinquishment of parental rights.

SCF determines whether relatives or current foster home providers are interested in and able to adopt the child. SCF assesses the ability of the identified family to meet the child's needs for safety, permanency, and well-being. If so, SCF proceeds with the home study, criminal record check, and other requirements to finalize adoption of the child(ren).

If relatives or current care givers are not viable options, the child's profile is published in SCF's "Waiting Child" bulletin along with information on whether the child is fully free for adoption (that is, all parental rights have been legally terminated) or not fully free. The "Waiting Child" bulletin is sent simultaneously to all SCF branch offices and licensed private Oregon adoption agencies that are members of the Special Needs Adoption Coalition (SNAC). The pictures of some children awaiting adoption are published in newspapers and on television. Families call the hotline, SNAC agencies, or the child's case worker expressing interest in adopting the children featured. If, after a brief period, an Oregon adoption resource is not found, the child's information is forwarded to and published in the Northwest Adoption Exchange, which provides the potential for finding an appropriate adoptive placement in another state.

Social workers at SCF and private adoption agencies review their files on existing families and recruit new families to try to find the best suitable adoptive home. Information on one to three suitable families is presented at an adoption committee where the committee members decide which family can best meet all of the child's needs, including medical and/or psychological needs stemming from the abuse or neglect.

Once a family is selected, the child is transitioned into the adoptive home and supervised generally for one year by a social worker from the agency that presented the family (either SCF or the private adoption agency). At the end of the supervised placement, the court issues the final adoption decree and a new birth certificate is issued. Generally, no additional social work services are provided after the adoption is final, but the family may continue to receive medical benefits and adoption assistance (cash) for the child. The adoptive family may return to SCF for limited additional services to maintain the adoptive placement.

Figure 1 is a simplified flowchart of the process that shows the areas where private adoption agencies currently provide services.

Figure 1. Overview of the adoption process

Cost comparison with private agencies should recognize differences

Because of the numerous legal and court proceedings required of SCF, it is difficult to compare SCF costs with private adoption agency costs. The primary unique influences that affect SCF's costs are the following:

- caring for children while trying to get the family reunited;
- planning concurrently for permanent placement of children while working with families and their problems;
- deciding whether parental rights should be terminated, when to proceed, and completing the legal process to terminate rights; and
- determining if adoption is appropriate for a child.

Comparisons between SCF and private adoption agencies should be made very carefully, recognizing the inherent basic differences of mission and operating environment. Private agencies will not have the above kinds of activities and, therefore, will not have costs that are associated with them. Moreover, many of the costs associated with these activities would continue even if private agencies became more involved in adoptive placements. In summarizing the environment of SCF and private adoption agencies, the following important factors are notable:

- Private agencies, in the normal course of business, are seeking healthy babies for families who want to adopt.
- Private agencies are seeking adoptable children for their clients because fewer unwed mothers are relinquishing their babies for adoption.
- SCF is seeking families in the best interest of older children who may be slightly to severely damaged by abuse and/or neglect suffered in younger years.
- Private agencies are a valuable resource that recruits families who could provide good homes for SCF children.
- Both SCF and private agencies are interested in decreasing the length of time SCF's children remain in foster care before they are placed in permanent, loving homes.

SCF adoption costs

The agency develops its budget using the number of casework positions required, as determined by forecasting formulae. In its budget, the total amount identified separately as adoption and adoption-related costs is \$19.1 million. Of that total, \$10.6 million is for 98.1 FTE adoption field staff, \$2.4 million is for the 22.5 FTE in the central office, and \$6.1 is for adoption and

other contracted services, such as legal assistance in termination actions.

We found that other field staff who are not tasked solely with adoption activities also spend time on adoption work. Some of this work occurs well before a child is ready for adoption. Identified activities include ongoing casework services, such as preparing materials for the “Waiting Child” bulletin or monitoring children while they are awaiting an adoptive home. We refer to this work as “additional” adoption work to distinguish it from adoption work identified in the SCF budget. “Additional” adoption work includes *all* work related to adoptions.

Based on the results of our survey of time SCF staff spend on various work activities, we estimate that the cost of this “additional” work is approximately \$9.8 million for the biennium. This amount is included in SCF’s budget for field services, it just is not labeled as adoption services. We must emphasize, however, that this is an estimate based on a time sample. Additional study to determine accurate costs per activity must be completed before fiscal discussions can proceed. Also, this “additional” workload and associated funding will continue in SCF even if private adoption agencies substantially increase the number of SCF adoptions they do. Table 1 shows the additional adoption workload costs separated into three classifications of staff:

Table 1. Additional adoption workload costs

| Position | Estimated Adoption FTE, Statewide | Estimated Cost |
|-----------------|--|-----------------------|
| Caseworkers | 72.39 | \$7,992,000 |
| Support staff | 4.50 | \$349,000 |
| Managers/admin. | 10.22 | \$1,469,000 |
| Total | 87.11 | \$9,810,000 |

Table 2 presents the budgeted adoption costs and the time study estimate. A detailed explanation of the results of the time study and a detail of time study activities are included in Appendix 2 and Appendix 3, respectively.

Table 2. SCF adoption staff costs and time study estimate

| SCF ADOPTION-RELATED COSTS | FTE | Total Costs |
|--|---------------|----------------------|
| <i>Budgeted field staff adoption costs:</i> | | |
| Budgeted branch office staff | 93.11 | \$ 9,909,000 |
| Adoption recruiters | <u>5.00</u> | <u>687,000</u> |
| <i>Total budgeted field staff</i> | <u>98.11</u> | <u>10,596,000</u> |
| <i>Budgeted Central Office staff adoption costs:</i> | | |
| Central Adoption/Permanent Planning staff | <u>22.50</u> | <u>2,421,000</u> |
| <i>Total budgeted SCF adoption staff</i> | 120.61 | 13,017,000 |
| <i>Additional costs related to adoptions:</i> | | |
| Purchased adoption costs | | 701,000 |
| Attorney General (costs for terminations/adoptions) | | 3,120,000 |
| Mediation | | 793,000 |
| Contracted services/other | | 1,036,000 |
| Permanent planning evaluations (termination) | | 235,000 |
| Independent adoption home studies | | 163,000 |
| Adoption assisted search program | | <u>53,000</u> |
| <i>Total other costs</i> | | <u>6,101,000</u> |
| Total Budgeted Costs | | \$19,118,000 |
| Additional estimated adoption staff not included above | <u>87.11</u> | <u>9,810,000</u> |
| TOTAL SCF ADOPTION-RELATED COSTS | <u>207.72</u> | <u>\$ 28,928,000</u> |

Increasing the Involvement of Private Agencies

Current involvement

Legislators and representatives of private agencies have expressed a desire for more participation by private adoption agencies in arranging placements for SCF children. The level of private adoption agencies' placement of SCF children has held fairly constant as a percent of total SCF children placed with adoptive parents. Table 3 presents the past four years of placements.

Table 3 shows that Oregon private adoption agencies historically place less than 10 percent of all the SCF children that are adopted. A number of reasons could account for this statistic. They could include:

- Difficulties (real or perceived) dealing with SCF; and
- Lack of sufficient financial incentives to place children.

Table 3. SCF children placed 1994-1997

| Children Placed | 1997 | 1996 | 1995 | 1994 |
|-----------------------------------|-------------|-------------|-------------|-------------|
| Total placed | 702 | 558 | 523 | 470 |
| Placed by SCF or out-of-state | 645 | 511 | 474 | 436 |
| Placed by SNAC agencies | 57 | 47 | 49 | 34 |
| SNAC agencies share of placements | 8% | 8% | 9% | 7% |

Children have also been placed with adoptive parents though the use of out-of-state agencies—both public and private. Table 4 presents the breakdown of placement of SCF children for 1997.

Table 4. SCF children placed in 1997

| | Number | Percent |
|---|---------------|----------------|
| SCF—placed with relatives or caretakers | 449 | 64% |
| SCF—placed in new adoptive homes | 105 | 15% |
| Out-of-state placements | 91 | 13% |
| Oregon private adoption agencies (SNAC) | 57 | 8% |
| Total children placed in 1997 | 702 | 100% |

Services currently provided by private adoption agencies

Private agencies currently provide three types of services in placing special needs children with adoptive parents. They: (1) conduct home studies to ensure that the home environment is suitable for adopted children; (2) provide initial placement supervision; and (3) provide supervision until finalization of the adoption. SCF also contracts with the Boys and Girls Aid Society to help recruit and train families.

SCF pays private agencies \$782 for a home study when a child is placed in that home. The payment upon an initial placement is \$1,089, and the payment upon finalization of the adoption is \$1,089. Thus, total payments to an adoption agency typically would be \$2,960 per finalized adoption. Also, SCF pays an additional \$1,089 for ongoing supervision when a placement exceeds one year without finalization, and only \$545 if the placement disrupts after six months but before finalization.

Every private agency that we interviewed stated that SCF’s payment level for home studies and placements does not meet their costs for these activities. Private agencies stated that they must subsidize every completed SCF adoption that they do. Families adopting SCF children do not pay the \$5,000 to \$20,000+ placement fees that other families pay to the private agencies.

Table 5 lists the historical SCF payment levels to private agencies. As the table shows, the payment rate has increased every biennium since 1989-91, although the extent of the increase has varied significantly.

Table 5. Oregon Private Adoption Agency Payment Schedule

| Years | Home Study | Initial Placement | Adoption Finalization | Total | Percent Change |
|----------------|------------|-------------------|-----------------------|------------|----------------|
| 1989-91 | \$637.50 | \$882.50 | \$882.50 | \$2,402.50 | |
| 1991-93 | 689.50 | 954.50 | 954.50 | 2,598.50 | +8.2% |
| 1993-95 | 740.00 | 1,023.50 | 1,023.50 | 2,787.00 | +7.3% |
| 1995-97 | 748.00 | 1,042.00 | 1,042.00 | 2,832.00 | +1.6% |
| 1997-99 | 782.50 | 1,089.00 | 1,089.00 | 2,960.50 | +4.5% |

Payment structure for adoption services

To determine what the current payment level could “buy,” we developed an estimate of the maximum number of private agency hours of work the SCF payment would cover. Using data provided by the reporting agencies, we calculated that the average staff cost, including benefits and services/supplies, is

\$17.25 per hour.¹ The range of salaries reported was \$7 to \$26 per hour. Using the average cost, the SCF payment supports the following hours of work:

Home study ($\$782/\17.25 per hr) = 45 hours

Initial placement supervision ($\$1,089/\17.25 per hr) = 63 hours

Finalization ($\$1,089/\17.25 per hr) = 63 hours

The total number of available “funded” hours, therefore, is estimated to be 171. This includes all related work done by professional and support staff, from direct contact with the family and child to completing and typing case file records.

Private agencies reported to the Task Force on Adoption Services that they typically require a total of 149.5 hours (as compared to the above estimate of 171 hours) to complete all work components in a SCF adoption from initial contact to finalization.

Home study payments seem to be consistent with reported information. Information provided by private agencies for this study shows that they typically charge a family \$600 to \$800 for a home study, and presumably those rates reflect agency cost experience. Information provided to SCF by the private agencies indicates that they typically spend 30 hours interviewing, contacting references, writing, dictating, and transcribing reports for the home study.

One significant difference is that when a private agency does a home study for a private placement (non-SCF), the agency is assured that it will receive compensation. For SCF children, the private agency receives compensation for the home study only when a child is placed in the studied family. Not all families studied eventually adopt an SCF child, in which case private agencies receive no payment from SCF for the invested time. In addition, private agencies may experience a considerable delay receiving payment for a home study due to delays in placing an appropriate child with the family.

Changes to payment structure should be implemented

The lack of time and cost data hinders further analysis of comparable costs and efforts. Claims that payments do not cover the cost of services provided could not be substantiated by our study. The current arrangement is for SCF to pay a “fee-for-service” and not contractual reimbursement for actual costs. The

¹ Five of the six participating agencies provided salary data. One of the five failed to provide administrative costs, which for this purpose, were calculated by using an average of the administrative costs reported by the other agencies. The sixth agency did not wish to provide fiscal data due to wide fluctuations in recent earnings.

distinction is important. Under this first arrangement, SCF simply pays the agencies for a particular, vaguely-defined service, e.g., “initial placement supervision” without regard for work time and quality requirements. Under the second approach, SCF could contract for specific services at either specific hourly rates or average service-component payments.

SCF payment rates should be tied to workload requirements

In the absence of a competitive marketplace, the SCF payment rates should be linked more closely with actual workload requirements and SFC costs. Linking the payment rates with the actual average time required to complete the activities would result in a fair and reasonable reimbursement. An appropriate cost basis could be either a negotiated rate or the corresponding SCF cost for caseworkers and clerical staff, including position and office expenses. If payment rates are too high for the services needed, an argument could be made that the state is indirectly subsidizing other efforts and activities the private agencies may be involved with.

The lack of distinct payment or reimbursement parameters precludes accountability by SCF or the private agencies to each other as well as to legislators and the public.

Private agencies and SCF should do additional research on time requirements of adoption activities to determine whether the payment rates are realistic relative to workload. SCF should request additional funding next session for any increase in total costs that is justified by the analysis of workload requirements.

Payments should relate to outcomes

SCF should continue to base payment on outcomes while assuring that private agency home studies are given equal preference in placement decisions. Also, the private agency is eligible for payment for the home study upon initial placement of the child. SCF should assure that those payments occur as promptly as possible.

Additional involvement of private agencies is an alternative

An alternative approach to a time-based payment system is to transfer responsibility for part or all of adoption placement work from SCF to private adoption agencies. Payment rates would be based on either a competitive bid process or a standard rate linked to SCF cost avoidance. Proposals to expand significantly the role of private agencies should be reviewed for their potential to save state tax dollars or significantly increase placement rates. In addition, there are a variety of policy and financial issues that should be addressed.

Additional involvement must be done carefully

The primary policy requirement is the establishment of a relationship between contracted dollars and responsibility. SCF now has sole responsibility for children in its care that, in the situation of an adoption, continues until finalization, regardless of the involvement of a private agency in arranging the adoption. Because of the variety of services provided children in its care, the steps that lead to an adoption are intertwined in SCF with all other case services. Recent changes in federal law add more requirements for early permanency planning.

Despite the intertwined nature of case services and permanency planning, there are specific work components that can be isolated and done under contract by private agencies. In addition to the current home study and placement supervision roles, private agencies also could have sole or expanded roles in other areas including recruitment and parent training. Non-traditional tasks, such as placement decisions, termination preparation and mediation, also could be explored.

The potential for cost savings from contracting will not be known until additional study is completed to clearly identify the costs of the various components. Once those costs are known, private agencies would have cost “targets,” and they could determine whether they could deliver the same quality of service for the same types of cases at an equal to or lower cost. If private adoption agencies choose to take only some of the cases, an additional cost study should be done that would differentiate costs between harder-to-place and easier-to-place children.

Private agency capacity is an issue

A related issue is the capacity of private adoption agencies to handle the workload at the statewide scope that currently is SCF’s responsibility. Present staffing levels in private agencies may not be adequate to handle a significant increase in SCF work. Private agencies would need to expand their staffing, which entails start-up, training, and ongoing expenditures. Additional staff would be needed for direct services and for paperwork. If new work tasks are undertaken (those not currently done by the private agencies), the private agencies would need to develop effective information sharing strategies with SCF to ensure federal and state reporting and timeline requirements are met.

If privatizing particular aspects of adoption is the legislative goal, then the next legislature should develop a method to build the capacity of private agencies until a privatized approach is implemented. Interim capacity building will be more expensive in the short term but is a necessary step to ensure that the

contractors have the capability to provide adoption-related services at the same extent and quality as is currently done by SCF.

Other process issues

The study does not identify any significant barriers that limit placements of SCF children by private agencies. These agencies receive the same information about waiting SCF children at the same time as SCF caseworkers. However, there are difficulties within the adoption process that may limit private agencies' interest in pursuing SCF adoptions. While this study did not evaluate the process itself, we observed several issues:

The use of an adoption committee to select an adoptive family, intended to ensure that children are placed in homes with the best match of parental skills, may deter interested families who do not receive the child they had hoped for at a committee meeting. (A description of the adoptions committee is included in Appendix 1.) To address this issue, SCF recently increased the number of central office committee meetings and expects to increase placements by 16 per month as a result.

Private agency staff reported that there is the perception that SCF staff, particularly at the branch level, devalue the work done by private agencies for SCF children. On the other hand, private agencies do not always understand the constraints under which SCF operates, including state and federal laws and governmental operating requirements. SCF can help the situation by establishing clear expectations of work quality, ensuring that home studies do not receive differing treatment, and providing training to private agency staff.

Information on the status of available families is not kept centrally and information on waiting children is not always updated. SCF should place a priority on automating its adoption information; using short-term data base solutions until the adoption component of the agency's automated information system is developed. An automated system could help locate other process problems that lead to delays for families, make management information readily available for process oversight, and allow information sharing with private agencies.

Other states' adoption processes

We conducted telephone interviews with staff in California, Idaho, Kansas, Michigan, and Washington. While all the states use private agencies in varying degrees, none has a system paralleling Oregon's specific payments for home study and placement services for child placement.

Washington, Idaho, and California

Washington and Idaho either continue foster care payments or pay a set contractual amount per month for supervision services to private agencies, pending finalization of the adoption. Adoptions work in California is more decentralized, with counties or local governments staffing their own adoption offices. Any contractual agreements made by the local offices with private adoption agencies are handled on a one-to-one basis. The staff persons interviewed stated they would likely seek statutory changes because their system provided a financial incentive to delaying finalizations.

Kansas

Kansas captured national attention with privatization of adoption related services in 1996. The Social and Rehabilitation Services Commission on Children and Family Services is responsible for the delivery of child welfare services. These responsibilities are coordinated through four service areas.

- Family Preservation Services, an intensive in-home service to help families identify and understand problems, was privatized in July 1996.
- Adoption Services benefits children whose parental rights have been terminated. This service was privatized to a single statewide agency in October 1996. The agency receives a set payment to cover all services the child requires as well as recruitment and training of prospective families and preparation and placement of children into these homes, from date of referral to eighteen months after finalization. The contracted agency receives 50% of the total payment at the time of referral, 25% upon adoptive placement, and the remaining 25% upon finalization. On a case-by-case basis, the agency receives more than the set amount for a small number of especially hard to place children.
- Foster Care was privatized to three licensed and accredited child welfare agencies beginning in February 1997. While the state retains custody and ultimate responsibility to the court, the private agency has responsibility for the direct foster care services. These agencies receive a single contracted payment to provide an array of services to achieve permanent placement.
- Grants are the final service distribution made through a variety of community activities. These grants include state and federal funds that are targeted to specific populations. Programs funded by these grants include prevention of child

abuse and neglect, programs for juvenile offenders, enhancing independent living skills of adolescents and alternatives to out-of-home care.

Michigan

Michigan started a unique process in 1992. All foster care agencies licensed with the state's Family Independence Agency to provide adoption services and all non-profit licensed adoption agencies are offered adoption contracts. When a child is legally free, the custodial agent (state or private agency) is given six months to make the placement. If the child is not placed within six months, the child is registered on the Michigan Adoption Resource Exchange, allowing any licensed adoption agency to propose the placement. Enhanced and standard financial incentives are structured for the six-month and post six-month placement deadlines. Additionally, a state appointed superintendent reviews every proposed placement and makes the final decision. Unlike Oregon's committee process, no comparisons are done among families.

Because statistical records regarding adoptions are not compiled uniformly, a meaningful comparison of outcomes regarding adoption activities in these other states cannot be made.

Conclusions and Recommendations

Conclusions

Comparisons between SCF and private adoption agencies should be made very carefully; one must recognize the inherent differences in scope, mission, and operating environment that lead to different activities and, therefore, different costs. The unique influences that affect SCF's costs are:

- caring for children while trying to reunite the family;
- concurrent planning for permanent placement while working with families;
- deciding whether parental rights should be terminated, when to proceed, and completing the legal process to terminate rights; and
- determining if a child is appropriate for adoption.

Private agencies will not have these activities and costs. Many of the costs of these activities would continue even if private agencies became more involved in SCF adoption placements.

The responsibility for a child's well being is not shared among SCF and private adoption agencies. SCF bears the ultimate societal and legal responsibility for all children in its care. Private adoption agencies participate in the adoption process at will, without the significant public obligation that is borne by SCF. Proposals to alter the role of private adoption agencies must address the issue of responsibility as well as costs.

SCF *spends* an estimated \$9.8 million more on adoption-related activities than is categorized in its budget. These additional costs are included in the SCF budget as general field staff. The total estimated cost of all SCF adoption-related activities is \$28.9 million for 1997-99. However, one must proceed cautiously when discussing the costs of contracting for additional services and define specific costs for specific activities. Much of the additional \$9.8 million would remain as SCF's responsibility even if private agencies place more children for adoption.

Various options exist for the revision of the current process and they should be reviewed with an eye towards improving the Oregon adoptions process and optimizing use of taxpayers' dollars. These options range from increasing the level of private agency input into the overall process to the use of another state's adoption model. We have no indication, however, that any of

these options would increase productivity. We don't know if there would be more placements than what would have occurred under current practice. Further, additional study is needed to determine more precise costs for the work components in the adoption process.

Recommendations

We believe that more discussion should occur within SCF regarding the use of private agency expertise in the adoption process. Private agencies, for example, could be assigned an expanded role in adoption committees.

SCF should continue efforts to improve its internal processes as well as working relationships with private agencies to garner their assistance in placing SCF children.

SCF should link payment rates to private adoption agencies with actual time and workload requirements. Private agencies and SCF should do additional research on time requirements for adoption activities to determine a reasonable payment rate. SCF should request additional funding next session for any increase in total costs that is justified by the analysis of workload requirements.

Proposals to expand significantly the role of private agencies should be reviewed for their potential to save state tax dollars or significantly increase placement rates.

Appendix 1: Frequently Asked Questions

How are adoptive families recruited?

Both SCF and private adoption agencies use similar processes to recruit adoptive families. Recently, SCF collaborated with a television station and a restaurant chain to develop the “Kids Can’t Wait” brochure, with television ads, about adopting SCF children.² SCF also publishes the pictures of some of their children in newspapers and features others on “Wednesday’s Child,” a television spot. SCF also uses billboard advertising to reach families interested in adopting SCF children. SCF’s central unit in Portland recruits foster care parents and adoptive parents and provides extensive orientation and training. Each SCF branch, either directly or in combination with neighboring SCF branch offices, provides similar services for prospective adoptive families in its locale.

Private agencies find adoptive families in much the same way; they publish brochures and place advertisements that explain their services in the Yellow Pages of telephone books. Individuals interested in children who are featured in “Waiting Child” ads can contact either a private adoption agency, the SNAC, or SCF. SNAC maintains an adoptions hotline. Most SNAC agencies provide orientation and training, just as SCF does; however, if a private agency receives an inquiry about a specific SCF child, the agency usually refers the family to either the SNAC coordinator or SCF for orientation and training. The family can continue working with the private agency or it can proceed directly through SCF.

Prospective families are asked some questions to determine if they meet basic adoption requirements; if so, they are invited to an orientation meeting where they are informed about SCF children and the process that will be followed. Subsequently, prospective families must attend eight weeks of pre-adoption training. Those families who want to continue and who appear able to offer a home for the type of children available through SCF must complete an application, agree to a finger-print based criminal records check, and undergo a home study. Anyone in the household who is 18 years or older must consent to be fingerprinted including any employee, volunteer, or other adult having regular contact with children.

² Dave Thomas, the founder of the national food chain “Wendy’s” was adopted as a child, and has underwritten much of the cost of this advertising effort.

How does the family get selected?

Children who are placed with relatives or foster care providers are not listed in the "Waiting Child" bulletins. For all other children, SCF prepares the "Waiting Child" bulletin, which describes age, sex, and ethnicity of the child (or sibling group), its needs, and other pertinent information. SCF distributes the bulletin simultaneously to all SCF branch offices, SNAC agencies, and the SNAC coordinator.

As SCF home studies are completed, they are sent to the Adoption Services Office in Salem so the family can be considered for placement of children featured in "Waiting Child" bulletins. Home studies that indicate the family could successfully provide a home for SCF children are then distributed to children's caseworkers to match families with children who are free for adoption.

Concurrently, private agencies review the "Waiting Child" bulletins to determine if any families they have recruited meet the needs of any child in the bulletin. When they find a match, the private agency sends the family's home study to the child's caseworker.

Generally, the child's caseworker identifies from the home studies, families the worker feels best meet the child's needs. The worker, in consultation with his/her supervisor, reduces the number of families to be considered to two or three families. At that point, the child's worker schedules an adoption committee meeting to present the selected families. SCF encourages, but does not require, workers to find three suitable families before scheduling adoption committee meetings. The families selected to be presented at the adoption committee can be families that SCF recruited or families that private adoption agencies recruited.

At the committee, SCF or private agency social workers present their families' interests, abilities, and strengths. The committee, based on what is in the best interests of the child, selects the family with whom the child will be placed.

The majority of SCF children available for adoption, however, are adopted by relatives or families who currently are providing foster care to the child. For the fiscal year ending June 1997, 64 percent of all SCF placements were with relatives or foster care providers.

What happens after a family is selected?

After the family is selected, the family works with the child's case worker and the adoption case worker to meet the child, arrange visits, including overnight and weekend visits, and decide the right time for the child to move in to the adoptive family's home.

After the child moves to the adoptive family home, whichever entity -- either SCF or the private adoption agency -- that presented the family at the adoption committee provides supportive services and placement supervision for six months to a year to ensure the placement is working well. SCF, however, retains legal custody of the child during supervision and prepares the needed reports for appearances before the Citizen Review Board or court, which continue every six months until the final adoption decree is entered.

When supervision is completed, the adoptive family's attorney completes the adoption petition and requests that the court hearing be scheduled to finalize the adoption. SCF sends the required documents to agency personnel and the family's attorney at appropriate intervals, assures that the child's file is in statutory compliance, and maintains the child's permanent and sealed adoption record and adoption registry information.

What is the adoptions committee process?

SCF uses formal adoption placement committees to allow for a broad review of the capacity for a family to meet a child's needs. The agency believes that because adoption has a lifelong impact on both the child and the adopting family, the placement decision should not be made by one person. This committee makes the final decision about where a child or sibling group will be placed.

The adoption committees are comprised of a number of people who do not have day-to-day social work responsibilities for either the child or the family. Committee members may include supervising social workers, individuals from the citizen review boards, or social workers from private agencies. SCF uses branch office and central office committees, including a sensitive issues committee. Committees at branch offices make decisions in which a foster parent or relative plans to adopt or where the child is under age 6 and has minimal special needs. Central office committees make all other placement decisions, and the sensitive issues committee at the central office considers situations where competing families (such as a maternal aunt and a paternal grandmother, or a relative and a foster care provider), are seeking to adopt the same child or sibling group.

In 1996, 70% of SCF adoption decisions were made by branch adoption committees and 30% were made by central office committees.

How does the committee process work?

Generally, SCF encourages, but does not require, caseworkers to bring three adoptive families to consider for placement of a child. This gives the committee the opportunity to select the family it believes will be “in the best interest of the child” given the child’s background of neglect or abuse and the families’ strengths and weaknesses. It is SCF’s philosophy that the committee produces a better decision and eliminates or reduces any bias that may exist by caseworkers who work closely with either the child(ren) or the family(ies).

How many families are considered at adoption committee meetings?

For the fiscal year ending June 1997, SCF reported the following results of adoption committee meetings:

| | |
|-----------------------|----------------------|
| 66 committee meetings | 1 family presented |
| 43 committee meetings | 2 families presented |
| 28 committee meetings | 3 families presented |
| 1 committee meeting | 4 families presented |

As shown above, one or two families were presented at 109 (79%) out of 138 committee meetings, while at 29 (21%) meetings, three or more families were presented. As mentioned before, when the foster care provider or a relative is adopting the child, only one family is presented to the committee.

What do private agencies think about the committee process?

The majority of private agencies dislike the committee process. Some agency staff told us they believe the committee process is a waste of time; if SCF and private agency families are presented at committee for the same child, the SCF family will always be chosen. Representatives of two SNAC agencies and the SNAC coordinating agency, however, told us that the committee process is effective for the children.

A private agency that places children in two states believes Oregon’s process works better than the other state’s for ensuring a lasting placement. The other state in which this agency operates experiences a higher disruption rate than Oregon. This agency also testified before the Task Force on Adoption Services that private agencies use an informal process similar to a committee in that workers consult with a number of knowledgeable individuals before making a final decision.

In another interview, agency staff told us that they identified a family for two children but placement was delayed for nearly one year while three families were identified for the committee's consideration. The two children were eventually placed with the family identified by the private agency.

In several situations, we were told that a significant weakness of the committee process is that families who are presented as an adoption placement two, three, or more times and are not selected become very discouraged, and as a result, SCF may be losing valuable placement resources for other children.

Why doesn't SCF select only one family, and if the committee agrees the family is appropriate, make the placement?

The adoptive parents of a 4 ½ year old boy wrote to the Task Force on Adoption Services that they tried over a two-year period to adopt a second child through SCF. After being considered by the adoption committee on three separate occasions and not being successful, this couple finally gave up due to the continued disappointment.

SCF cites federal law (P.L. 96-272) and a 1992 federal interpretation that requires an agency to "look at a number of families to locate the most suitable adoptive home for a child." Failure to ensure an appropriate recruitment process for a child will jeopardize the adoptive family's eligibility to receive adoption assistance after finalization. Moreover, failure to ensure an open recruitment process for an adoptive home for a child could cause the state to lose all of its Title IV-E funding, which totaled \$82 million for the 1997-99 biennium.

Nevertheless, SCF could explore process changes to consider more informally two or three families to arrive at a preliminary "best" family. The committee could then make its final determination in a formal setting in which any significant remaining issues are resolved; if the family meets the needs of the child, the placement is made. If significant issues cannot be resolved, SCF could then consider another family. According to SCF, this could cause further delays. Because one family cannot likely meet all of a child's needs, presenting families "side-by-side" allows expedient selection of the most appropriate family.

Many SCF adoptions are with the current care provider. Isn't this a matter of finalizing the adoption once the child is in the home?

No. Placement of children with relatives or foster care providers follows the same process as placement of children in homes of independently recruited adoptive homes. In order to ensure the home is appropriate for the child as a permanent placement, the prospective adoptive parents must complete the application and consent to a fingerprint-based criminal record check (including all adults in the household). SCF completes the same type of home study to assess, among other things, the ability of the relative to respond to the child's specific needs, presents the family at a branch adoption committee, and provides post placement supervision up to one year. SCF also must prepare the same reports and appear every six months before the Citizen Review Boards and/or the court until the final adoption decree is entered.

Does SCF receive more money by keeping children in foster care?

No. Foster care funds are paid to providers for food, shelter, and necessities for children in care. These funds are provided for the number of children in care and for the length of time they are in care. Therefore, as more children need care, more funds are needed for their care. SCF does not receive additional administrative funds for children to stay longer in foster care. The Legislature, the Emergency Board, and the Department of Human Resources review foster care usage. SCF is strongly encouraged to take management actions, such as reducing time children spend in foster care, to contain foster care growth.

Generally, SCF must spend more if a child is in foster care than if that child were in an adoptive placement. The average cost to the state's General Fund for adoption assistance is less than the state's cost for foster care. Finally, Oregon has received a waiver from the federal government allowing it to use foster care funds to provide services to children and their families in their homes. Prior to the waiver, in order to receive federal foster care funds, SCF had to remove children from their homes. This waiver, therefore, is an incentive to keep children out of foster care and allows SCF to make better use of its foster care funds.

What is the difference between voluntary relinquishment and termination of parental rights?

Parents can voluntarily relinquish all of their parental rights to children by signing a petition of relinquishment. In the past, many unwed mothers "gave up their children for adoption" or relinquished their parental rights. It was through this process that private adoption agencies had babies available for adoption. While this still happens today, fewer and fewer women are relinquishing their parental rights; therefore, there are fewer

local babies available for the many families who still want to adopt a child.

When SCF works with parents of abused and neglected children and parents fail to correct adverse situations, SCF petitions the court to terminate the parental rights. While the outcome of voluntary relinquishment and termination of parental rights is the same, the termination is a more adversarial, because the state is petitioning the court to terminate rights of a parent who does not want to relinquish those rights. In both instances, the court must order the final relinquishment or termination.

According to SCF, for the fiscal year ending June 1996, the rights of parents of 384 children (67%) were involuntarily terminated through the legal court proceeding. Parents of the remaining 187 children (33%) voluntarily relinquished parental rights, thereby freeing their children for adoption.

What is adoption assistance?

Adoption assistance is a range of benefits that are available to help an adoptive family meet the needs of a special needs child until age 18. Typically, adoption assistance includes medical coverage through federal Medicaid and a monthly cash payment that cannot be more than the amount paid if the child had remained in foster care. Families receive the benefits if the child meets eligibility requirements, whether the placement was by SCF or through a private adoption agency. Families can also choose to sign an agreement only, with no immediate medical or financial assistance. This agreement, however, allows them to request assistance in the future, if the child's needs change. Adoption Assistance also includes reimbursement to the adoptive family for expenses related to the adoption placement and finalization.

How much is the adoption assistance budget?

The average adoption assistance payment is \$336 per month. About one-third of the children are not eligible for federal support; these families are, therefore, paid through the state's General Fund. For 1997-1999, \$31.9 million was available for adoption assistance; \$16.9 million (53 percent) came from the state General Fund and \$15.0 million (47 percent) was provided by federal funds.

How does the new federal legislation affect Oregon?

Federal legislation (P.L. 105-89) enacted in 1997 is designed to help states balance family preservation and reunification with the health and safety of children. This new law, however, contains significant mandates and fiscal incentives. The major

provisions clarify reasonable efforts to reunify a family including provisions when reunification efforts are not required if a court finds aggravated circumstances present. The legislation also includes mandates concerning termination of parental rights, criminal records checks for prospective foster and adoptive parents, and incentive payments to states that increase over an average of the adoption finalizations during federal fiscal years 1995, 1996, and 1997. New federal legislation requires states to conduct criminal background checks of adoptive families, which Oregon already does. Federal mandates in termination of parental rights and incentive payments, however, will result in changes in Oregon.

Parental Rights. Federal legislation, effective November 19, 1997, requires states to initiate action to terminate parental rights for any child who, as of the effective date, had been in foster care for 15 of the prior 22 months unless the child was being cared for by a relative. SCF recorded 3,507 children in foster care who meet this criterion.

Oregon laws must be modified in order to comply with this new federal law; therefore, 1/3 of children in care on the effective date must have petitions filed within six months after the end of the first legislative session following the effective date of the federal legislation. In other words, SCF would have to file petitions for at least 1/3 of its 3,507 children who were in foster care on 11/19/97 and had been in foster care for 15 of the previous 22 months by approximately December 1999, six months after the end of the 70th (1999-2001) Legislative Assembly. Petitions for another 1/3 would need to be filed by June 2000 and the remaining 1/3 by December 2000.

For children who came into foster care after November 19, 1997, the federal law requires termination petitions to be filed when they have been in care for 15 months. However, SCF has until three months after the end of the 1999-2001 legislative session because state law must be changed. Children coming into foster care in December 1997 and remaining in care, for example, would have been in care for 15 months in February 1999. Termination petitions for any of these children would need to be filed by approximately September 1999.

Incentive Payments. The federal legislation will make incentive payments in (federal) FY 1998 to states that increase its adoptions of children in foster care over the average number of adoptions it made in fiscal years 1995 through 1997. In FYs 1999-2002, the incentive payment will be based on the number of adoptions in excess of the greatest number of adoptions in any year between 1997 and the year of the incentive.

Some people think these federal incentive payments are “new” money that can be used by states for any purpose, including to pay higher payments to private adoption agencies. This is not possible; however, because the federal legislation requires states to “... reinvest incentive bonuses back into IV-B (child welfare services) and IV-E (foster care) programs.”

Why doesn't SCF provide adoptive support for families after finalization?

There is no statewide adoptive support organization for families after they adopt SCF children. There are, however, individual support groups in locations around the state.

Although SCF certainly agrees with the wisdom of post-adoption support for families, especially those who adopt special needs children, SCF does not have unlimited resources. Post-adoption support groups is a service that SCF feels is a lower priority than other services, such as recruiting, training, and retaining good adoptive homes, providing service for families to improve, and accessing services for children who suffer from emotional or behavioral problems resulting from the abuse or neglect they have experienced.

Why doesn't Oregon separate foster care from adoptions?

Foster care and adoptions are two of several components of a continuum of care that SCF provides for children who have been neglected or abused. The state provides neither foster care nor adoption service as a stand-alone program, but it uses foster care as a safe placement for abused, neglected children while parents are making changes in life style or behavior so the children can be reunited with the parents. Adoption is one of several options that SCF uses as a permanent placement when children cannot be reunited with their parents.

To separate these functions would likely fragment service to children and their families as well as possibly limit the effectiveness of SCF's ability to move children from their home to foster care and back home or to the most appropriate permanent placement.

How can we increase private agency participation?

To determine how to increase private agency participation, we must first determine why so few private adoptions currently occur. This study did not identify any obvious barriers in statutes, SCF administrative rules, or the adoption process that specifically limit the number of placements of SCF children that could be made by private agencies. These agencies receive *exactly the same information* about waiting SCF children, *and at the same time*, as SCF caseworkers.

However, we found potential disincentives, within the overall adoption process as well as SCF's payment structure, that may limit the motivation of private agencies for assuming a greater portion of the overall adoptions workload.

Appendix 2: Budget, Results of the Time Study, and Costs

SCF's Total Budget

The 1997-99 SCF legislatively-adopted budget, as adjusted by the Emergency Board, totals \$474.2 million. Of the total, \$195.8 million (41%) is state General Fund, \$244.4 million (52%) is Federal Funds, and \$34 million (7%) is Other Funds from several sources for the maintenance cost of children. About 51% of the total budget purchases treatment and residential services through contracts with private providers, such as adoption agencies and foster parents. The other 49% pays for field staff and administrative expenses, such as accounting, personnel, computer systems, etc. The agency has 1,580 FTE employees.

During the past decade, the state has developed an ever-increasing reliance on federal funds to support SCF. These funds mostly come with prescriptive accountability requirements that are more focused on the accuracy of reporting than on outcomes from the expenditures.

As part of its total budget, SCF includes an amount for adoptions, \$19.1 million. This adoption budget isolates the staff cost and benefits for those who devoted 100% of their time to adoption activities. This budget covers 98.1 full time equivalent (FTE) staff in branch offices and 22.5 FTE in the central office in Salem.

Other staff in the branch offices who are part of SCF's budget for branch office costs perform case work tasks, such as monitoring children, termination activities, and permanency planning efforts, that lead to adoption. These costs, however, are not isolated. Therefore, we undertook the survey to estimate the cost of the additional adoption-related effort because the SCF does not isolate the field office costs associated with this work and because the SCF does not track the staff time spent on adoption-related activities. The following sections describe our survey results and information that further explains adoption and adoption-related costs.

Results of the Time Study

A total of 274 SCF and 24 private agency staff participated in the survey. We received cost information for employees of five of the six participating SNAC agencies. Cost data from one agency arrived after our initial analysis, and was incomplete. The sixth agency did not report actual expenses or averages due to wide fluctuations reported in costs and workload in recent months. Further, most time sheets from private agencies lacked

specific case identifiers so that we could not calculate and compare cost-per-case figures in a meaningful way. Table 1 gives the acronyms and definitions of the adoption activities used by the participants. (see also appendix 3 for complete lists.)

| Appendix Table 1. Adoption activities, definitions, and acronyms. | |
|---|--|
| Acronym | Definition |
| Branch Office and Private Agency: | |
| IDCA ICWA SPD | Identify Child for Adoption Activities: Identify Child for the Adoption Track - Adoptability determination, sibling planning, prepare documents Indian Child Welfare Act - Inquire of child's Indian heritage, determine tribal membership, working with sovereign nations for potential placement Discuss Service Plan with Parents- Review current service plan, permanency options, relinquishments, mediations, court review hearings |
| TP TPR | Termination Activities: Move to Termination Planning - Attend legal assistance staffing, prepare referrals, discuss plan with parents and attorneys, inform child, sign petition Termination of Parental Rights Process - Work with trial attorneys, attend pretrial conference, show cause hearing, testify at trial |
| ARA HS INQ LCF PST PWCB RSI | Link Child with Family Activities: Additional Recruitment Activities - Exchange information with adoption workers, register child on the Northwest Adoption Exchange (NWAE), media contacts (Wednesday's Child, newspaper columns) Home Study - Interviews, contacts, materials, references, etc. Inquiries -Field calls, provide information, send written information Link Child to Adoptive Family - Review and update bulletins, send home studies, present child/family at committee, update history, committee responsibilities, adoption councils Pre Service Training - Prepare classes, develop curriculum Prepare Waiting Child Bulletin - Gather information from relevant sources, arrange for photos, write narratives Responding to Specific Inquiries - Adoption requests, send material on specific children, read home studies on potential families |
| SPW | Paperwork Activities: Supporting Paper Work - Prepare forms for Citizens Review Board, write letters to family, attorneys, relatives, obtain releases and other medical records, write referrals and record log of activities |
| APF D/PFS MC TA | Adoption Decision and follow-up Activities: After Placement Follow Up - Prepare 147 Report, attend CRB, arrange assistance agreements, prepare disposition reports Disruptions/Post Finalization Services - Collaborate efforts of workers, families, consult on disruptions or dissolutions Monitor Child's Progress in Out-of-Home Care - Visit child, discuss child's needs with foster family, maintain communication with school, doctors, etc. Transition Activities - Meet with family, facilitate and supervise visits, professional referrals, prepare child and foster family for move |
| OTH | Other Activities: Other - adoption related activities not listed (e.g. meetings, training) |
| SCF Central Office | |
| AA PCON ACON LAR IAP ARAS HS CHS CHP | Adoption Assistance Permanency Consulting Adoption Consulting Legal Assistance Referral Independent Adoption Program Voluntary Adoption Registry/Assisted Search Program Adoption Home Study Criminal History Checks (SCF) Criminal History Checks (PAA) |

The total SCF database consisted of 10,024 hours of adoption activities: Central Office accounted for 1,681 of these hours, and 8,343 were from the field staff. Staff recorded valid case numbers for 7,215 hours. The database for private agencies totaled 329 hours of adoption-related efforts; 95 hours had corresponding case identifiers. Table 2 lists the total time, equivalent biennial FTE, and the relative percentage of total time for each activity over all records.

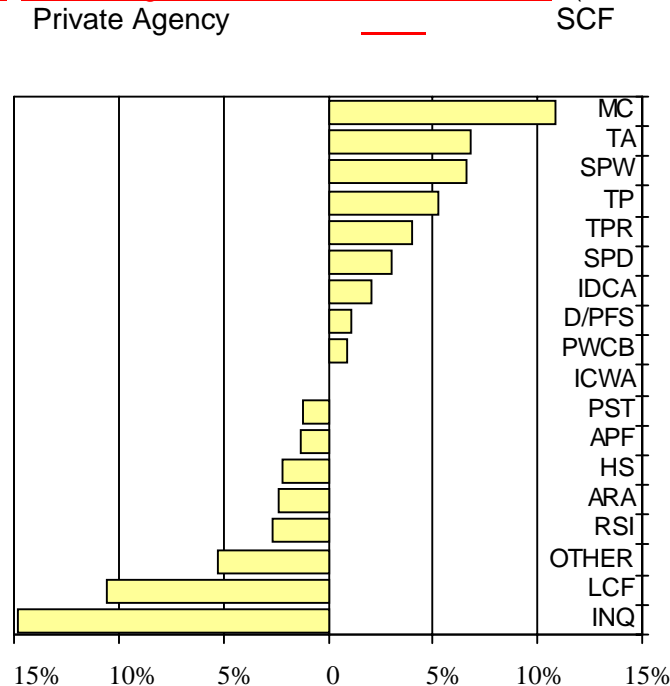
| Appendix Table 2. Total time and relative percent per activity (excluding SCF Central Office) | | | | | | |
|--|------------------|--------------|----------------|------------------|--------------|----------------|
| Activity | SCF | | | Private Agencies | | |
| | Total Time (Hrs) | Biennial FTE | % | Total Time (Hrs) | Biennial FTE | % |
| Identify Child for Adoption Activities- | | | | | | |
| IDCA | 172.25 | 1.44 | 2.06% | --- | --- | --- |
| ICWA | 1.25 | 0.01 | 0.01% | --- | --- | --- |
| SPD | 326.25 | 2.72 | 3.91% | 3.00 | 0.03 | 0.91% |
| Termination Activities- | | | | | | |
| TP | 441.00 | 3.68 | 5.29% | NA | NA | NA |
| TPR | 330.25 | 2.75 | 3.96% | NA | NA | NA |
| Link Child with Family Activities- | | | | | | |
| ARA | 123.25 | 1.03 | 1.48% | 12.75 | 0.11 | 3.87% |
| HS | 834.25 | 6.95 | 10.00% | 40.25 | 0.34 | 12.22% |
| INQ | 212.75 | 1.77 | 2.55% | 57.25 | 0.48 | 17.37% |
| LCF | 885.25 | 7.38 | 10.61% | 70.00 | 0.58 | 21.24% |
| PST | 137.25 | 1.14 | 1.64% | 9.50 | 0.08 | 2.88% |
| PWCB | 74.50 | 0.62 | 0.89% | --- | --- | --- |
| RSI | 177.25 | 1.48 | 2.12% | 16.00 | 0.13 | 4.86% |
| Paperwork Activities- | | | | | | |
| SPW | 1,445.75 | 12.05 | 17.33% | 35.25 | 0.29 | 10.70% |
| Adoption Decision and Follow-up Activities- | | | | | | |
| APF | 359.00 | 2.99 | 4.30% | 18.50 | 0.15 | 5.61% |
| D/PFS | 118.75 | 0.99 | 1.42% | 1.00 | 0.01 | 0.30% |
| MC | 1,051.00 | 8.76 | 12.60% | 5.75 | 0.05 | 1.75% |
| TA | 626.00 | 5.22 | 7.50% | 2.25 | 0.02 | 0.68% |
| Other Activities- | | | | | | |
| OTHER | 1,027.50 | 8.56 | 12.31% | 58.00 | 0.48 | 17.60% |
| TOTALS | 8,343.50 | 69.53 | 100.00% | 329.50 | 2.75 | 100.00% |

We estimated that adoptions work during the three-week period equaled 69.5 biennial full time equivalent positions (FTE) within the sampled SCF branches. This figure included all branch staff who did any adoption-related work, including caseworkers, support staff and administrative staff. For private agencies, adoptions work equaled 2.75 biennial FTE for all staff who did any work related to the adoptions of a special needs child from Oregon.

Figure 1 compares the differences in relative percentage of total activity between SCF and private agency staff. For example, SCF spent 11% more time in monitoring children than did private agencies; private agencies, however, invested 15% more time in inquiries.

In both SCF and private agencies, home studies (HS), linking the child to a family (LCF), and supportive paperwork (SPW) required greater portions of time. Private agencies exhibited greater efforts in linking the child to a family (LCF) and responding to inquiries from potential adoptive families (INQ). Among the activities reported by both entities, the private agencies spent notably more time responding to inquiries (INQ) than SCF, whereas SCF spent more time monitoring the children (MC) than private agencies reported. Overall, SCF staff recorded a greater diversity of activities.

Appendix [Figure 1. Percentage Difference in Recorded Activities](#) (SCF % - PA %).



Known Adoption Costs

Adoption Costs. For caseworkers and other direct-service staff, SCF does not track the quantity of staff time spent on various service activities, such as intake, family reunification and adoptions. Rather, the agency develops its budget using the number of casework positions required, as determined by forecasting formulae. The total amount identified separately as adoptions is \$ 19.1 million. Of that total \$10.6 million is for 98.1 adoption field staff FTE, \$2.4 million is for the 22.5 central office FTE, \$.7 million is for purchased adoptions and \$5.4 is for other contracted services and legal assistance in termination actions.

Other field staff also spend time on adoptions work, such as monitoring a child and termination planning, before a child on their caseload is placed in an adoptive home. We shall refer to this workload as the “additional” cost of adoption to distinguish it from that directly identified in the SCF budget.

Time Study Cost Estimate

Additional Adoption Costs. The time study data indicated that SCF adoptions work during the three-week period equaled 69.53 FTE. For purposes of calculating costs, this figure was adjusted to 85.32 to reflect the concentration of adoption workers in the Multnomah County area. Total FTE was estimated to be 185.22, when projected for all branch staff statewide. After the budgeted adoptions field staff of 98.11 FTE is subtracted, there remains 87.11 FTE which is the estimated additional staff time not specifically designated in SCF’s budget.

Table 3 shows the additional adoption workload costs separated into three classifications of staff:

| Position | Estimated Adoption FTE, Statewide | Estimated Cost |
|-----------------|-----------------------------------|----------------|
| Caseworkers | 72.39 | \$ 7,992,000 |
| Support staff | 4.50 | \$ 349,000 |
| Managers/admin. | 10.22 | \$ 1,469,000 |
| Total | 87.11 | \$ 9,810,000 |

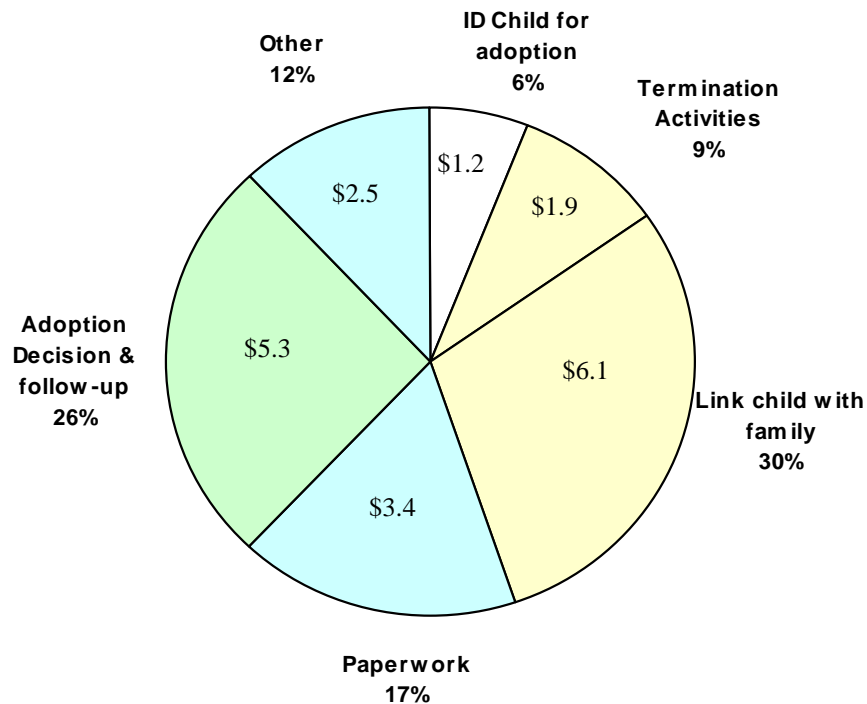
The estimated value of additional adoption work is \$9,810,000 for the biennium. We must emphasize, however, that this is an estimate based on a time sample. Additional study to determine accurate costs per activity must be completed before fiscal discussions can proceed.

These additional costs include *all* work related to adoptions. Some of this work occurs well before the child is ready for adoption.

To obtain a general understanding of this adoptions-related work, we grouped the process components (Table 1) into six general categories: identify child for adoption, termination activities, link child with family, paperwork, adoption decision and follow-up, and other.³

Figure 2 illustrates components and relative costs for each type of adoption categories. The estimated cost includes both budgeted field staff and the “additional” SCF staff time; they exclude Central Office staff.

Appendix Figure 2. Estimated, total SCF costs of adoptions work excluding Central Office staff. The total cost is \$20.4 million.



The first two categories, which are identifying the child for

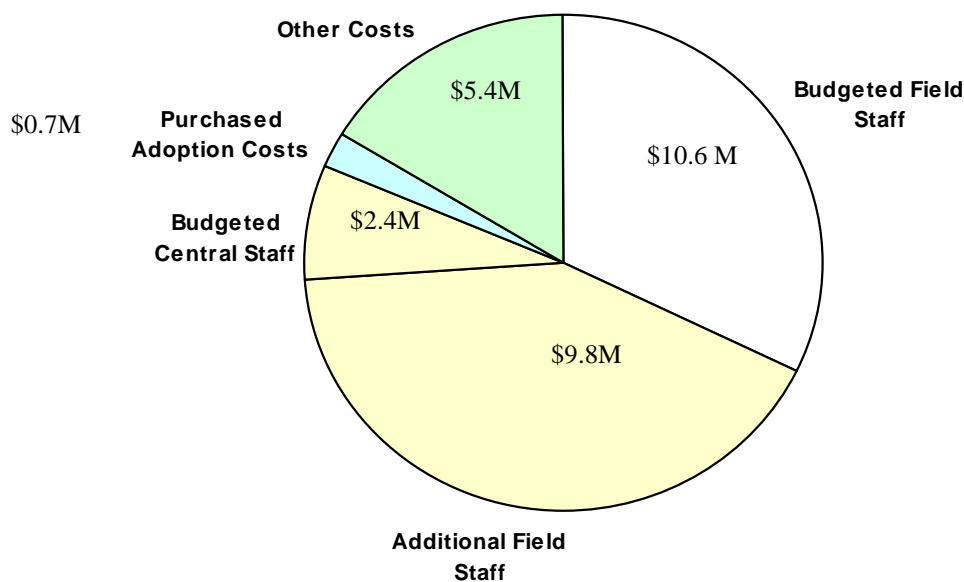
³ Identify child for adoption: IDCA, SPD, ICWA; Termination activities: TP, TPR; Link child with family: HS, ARA, INQ, PST, LCF, PWCB, RSI; Paperwork: SPW; Adoption decision and follow-up: APF, D/PFS, MC, TA.

adoption and termination activities, are historically the responsibility of SCF. The category “identify child for adoption” includes a determination of the adoptability of the child, planning for sibling placement and planning for permanent arrangements with a current caretaker. The “termination” category includes working with the staff from the Attorney General’s office in developing the case to be presented and presenting testimony in court. “Linking the child with the family”, “paperwork” and “adoption decision and follow-up” are categories done by both SCF and private agencies.

There are activities within the last three categories that SCF performs on behalf of private agencies. An example of those activities is the requirement to present cases at semi-annual Citizen Review Board/judicial reviews, after the child is placed in an adoptive home. The time study was not designed to separate out these SCF-specific activities, so more information is needed so that costs unique to SCF can be identified at a more detailed level.

Figure 3 presents a complete list of SCF costs including budget information and the results of the time study.

Appendix Figure 3. Total SCF costs of adoptions work including “additional” activities, central office staff, and other expenses. The total cost is \$28.9 Million.



Appendix 3: Detail of Time Study Activities

Central Office Administration

| | |
|--|---|
| | <p>AA: Adoption Assistance Pre-finalization</p> <ul style="list-style-type: none"> • New applications/case openings • Agreements • Correspondence/Consult <p>Post-finalization</p> <ul style="list-style-type: none"> • Decrees (Legal fees, name changes, etc) • Renegotiations • Annual Reviews/Follow-ups <p>General</p> <ul style="list-style-type: none"> • Adoption Assistance Committee support • Case consulting • Medical coverage eligibility processing and coordination <p>Pcon: Permanency Consultant Consultation with field staff Travel File reviews</p> <ul style="list-style-type: none"> • Legally free designation • Adoptive placement designation • Finalization • Recruitment <p>Affidavits and other court notices SED exemptions Training Adoption committee staffing</p> <p>Acon: Adoption Consultant Consultation with field staff Travel Training File reviews Court filings</p> <p>LAR: Legal Assistance Referral IAP: Independent Adoption Program ARAS: Voluntary Adoption Registry/Assisted Search Program HS: Adoption Home Study CHS: Criminal History Checks – SCF CHP: Criminal History Checks – Private Agency</p> |
|--|---|

Adoption and Permanent Planning Time Capture Activities

INQ: Inquiries

Field Calls

- Provide program information
- Refer caller to a private adoption agency, if appropriate
- Counsel out if necessary

Send written information on adoption program and orientation dates

Family contact leading to decision not to proceed with an application

PST: Pre-Service Training

Number of classes and hours

Prepare for training

- Material preparation
- Curriculum Development (primarily SCF, with indirect involvement from SNAC)
- Room set up

Counsel out prospective family, if needed

HS: Home Study

Read material from, and on, family

- Check for completeness of documents for home study packet
- Contact family to obtain any missing information
- Interviews
- Home visits

Office visits

Travel

- Collateral Contacts
- Medical or treatment professionals if necessary
- References as necessary

Write home study, update, or renewal (renewal: family has adopted previously and requires a renewal as they are re-applying)

Write home study update (family has original home study but a year has passed with no placement)

Consultations with: supervisor, case consultant, CET as applicable

LCF: Link Child to Adoptive Family

Update waiting child book

- Review child bulletins
- Check book for accuracy-remove and add children as appropriate
- Send bulletins to waiting families for potential interest
- Send home study to child's worker for consideration
- Outline pertinent family/child strengths and challenges

Contact child's worker for child's availability and to discuss collateral contacts with SCF

Presentation of Child/Family at committee

- Develop short profile of Family/or Child

- Make child's/Family's life story book
- Update medical history
- Update adoption planning summary
- Prepare presentation of child/family at committee
- Split family record and gather 963 case materials

Committee Responsibilities

- Membership on central, branch, or regional adoption committees
- Branch responsibilities on current caretaker staffing
- Ad hoc staffing, consultations, in adoption planning
- Challenges to committee decisions

Consultations with: supervisor, case consultant, CET as applicable

Adoption Council

- Membership on Adoption Council
- Sibling planning
- Adoptability
- Current Caretaker staffs
- Disruptions

TA: Transition Activities

Meet with the family to review child information presented at committee

Preparing child and foster family for move

Coordinate the plan with child's worker and adoption family for transition

Home visits with the adoptive family and discuss child's history and present functioning

Physical placement (transport) of child

Home visit with the adoptive family following placement

Facilitate and supervise visits

Travel time

Telephone calls to family and referral to professionals services if needed

Citizen Review Board reports and presentations

Negotiate adoption subsidy

ICPC referral if needed

Agency contract and child-specific supervision contract

Produce six month progress report and final report for adoption finalization

Consultations with: supervisor, case consultant, CET as applicable

SPD: Discuss Service Planning with Birth Parents

Review current service plan

If appropriate, draft new service plans

Review permanency options with parents

Discuss voluntary relinquishments, openness in adoptions, mediations, etc.

If appropriate, refer case for mediation

If parent is willing to relinquish, take relinquishments from parent(s).

Attend court review hearings to present SCF planning.

Consultations with: supervisor, case consultant, CET as applicable

TP: Move to Termination Planning

Attend Legal Assistance Staffing
Prepare Legal Assistance Referral within 30 days of staffing
Discuss change in planning with parents, parent's attorneys, and any changes in visitations.
Inform child (if appropriate), foster parents, relatives, etc. of decision to seek TPR.
Sign TPR petition.
Consultations with: supervisor, case consultant, CET as applicable

TPR: Termination of Parental Rights Process

Work with trial attorney to prepare case for TPR
Attend pretrial conference, show cause hearing
Review file and prepare for court testimony
Testify at prima facia or contested TPR trial
When received, review TPR order for correct information
Notify others involved in the case of TPR decision
Consultations with: supervisor, case consultant, CET as applicable

MC: Monitor Child's Progress in Out-of-Home Care

Visit child on regular basis.
Discuss Child's needs, behavior, etc. with foster/adoptive parents
Maintain communication with child's therapist, teachers, pediatrician, etc.
If necessary, make new referrals for appropriate services for child
Once relinquishment or TPR occurs, arrange good-bye visit for parents and child
Prepare child and birth parents for good-bye visits, attend visit with the child
Consultations with: supervisor, case consultant, CET as applicable

SPW: Supporting paper work (Process that Paper!)

Prepare 147 for Citizen Review Board
Attend Citizen Review Board
Write letters to parents, attorneys, relatives, etc., regarding case issues.
Process payment authorizations for various services for children and parents.
Obtain releases of information from parents and secure records from treatment providers, corrections, etc.
Obtain birth and medical records of child
Write referrals to psychologists, therapists, etc.
Keep written log notes of every contact with child, parents, attorneys, all significant persons on each case in caseload.
Consultations with: supervisor, case consultant, CET as applicable.

IDCA: Identification of Child for the Adoption Track

Adoptability determination
Sibling planning
Current caretaker staffing
Prepare documents to get child in Adoption Track

- 400 Series (i.e. Adoption Planning Summary)

- 246 (Child's Medical Report)
- ICWA documentation
- Consultations with: supervisor, case consultant, CET as applicable.

PWCB: Prepare Waiting Child Bulletin

Gather information from relevant sources for child profile

Arrange and get current photos, make 55 copies and send to Central Office

Write narrative

Central Office reviews bulletins and disseminates to field

ARA: Additional Recruitment Activities

SCF E-Mail to adoption workers

Register child on NWAE (when applicable)

Media Contacts

- Wednesday's Child Video taping and related activities to set up
- Newspaper columns
- Other media events
- Adoption parties
- Community meetings/ information orientations

RSI: Responding to Specific Inquiries

Adoption workers (SCF, private agencies and out of state)

Sending material to adoption workers and families

Reading home studies on potential families and selecting adoptive families for committee.

APF: After Placement Follow Up

Prepare 147 if placement is supervised by child's worker

Attend CRB's if placement is supervised by child's worker (out of state adoptions/and/or private agencies)

Get adoption assistance agreements in place for out of state placements and on occasion for current caretakers.

Coordinate foster care certification with child's worker, when applicable.

Prepare 18 month dispositional court report if necessary.

Supervise adoptive placement including current caretaker adoptions and out of state placements

Prepare necessary paperwork for Central Office for finalization (e.g. vital statistic letter, putative father affidavit, adoption registry, etc.)

Consultations with: supervisor, case consultant, CET as applicable.

Disruption/Post Finalization Services

Collaborative effort of adoption and planning workers

Disruptions

OTH: Other #1, #2, #3, etc.

If you perform a major activity that is not listed, please use the OTH #1, etc. and write out an explanation of what it is.

**Response of the
State Office for Services to Children and Families**



Oregon

John A. Kitzhaber, M.D., Governor

July 24, 1998

Department of Human Resources
State Office for Services to Children and Families

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Salem, OR 97310-1017
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Senator Gene Timms, Co-Chair
Representative Jim Welsh, Co-Chair
Joint Legislative Audit Committee
H-178 State Capitol
Salem, OR 97310



Dear Senator Timms and Representative Welsh:

Oregon's adoption services are of vital importance as we begin to implement the federal Adoption and Safe Families Act which became law on November 19, 1997. Similar to Oregon's SB 689, it shortens the time frame for parents to resolve the issues that brought their children into foster care, and it mandates that states begin or join termination of parental rights actions on children who are in foster care for fifteen months or longer. SB 689 affects all children who come into care after October 1997; the federal act applies to all children in care. We anticipate that approximately 750 additional children above the base level of 1,200 children will need alternate permanent placements -- mostly adoptive homes -- in the 1999-2001 biennium as a result of this federal legislation.

Oregon is nationally recognized as a model state in terms of adoption process and outcomes. For example, an August 8, 1997 article in the *Statesman Journal* notes that Oregon ranks second in the nation in accomplishing adoptions planned for all children who are freed for adoption. Moreover, the Child Welfare League of America data demonstrates that Oregon has one of the lowest adoption disruption rates (less than 5% as compared with more than 30% in other states) in the nation. The LFO study states in several places in its report that it could find nothing to substantiate the idea that significant changes in SCF's adoption process that shift more responsibility to the private sector would significantly yield better outcomes at the same or a reduced cost to Oregon taxpayers.

From August through December of last year we gathered comments and ideas from hundreds of interested Oregonians about how to improve our adoption system, and then spent the early spring months crafting those suggestions into a strategic plan with

Assisting People to Become Independent, Healthy and Safe
An Equal Opportunity Employer

measurable outcomes. This strategic plan targets five goals:

- ▶ Increase the number of children placed into permanent homes
- ▶ Reduce the length of time to achieve permanent homes for children
- ▶ Increase the number of studied, trained and certified families
- ▶ Improve system policies, procedures and practice to achieve timely permanent placements
- ▶ Improve post-adoption services and support

Adoptions are an integral part of the Child Protective Services of SCF. LFO articulated in their report that the most fundamental reason SCF is engaged in adoption work is that we are Oregon's child protective service agency. The adoption services provided by SCF, either directly or through purchase of service or contractual arrangements, are an extension of our child protection responsibilities. We are engaged in permanency planning from the first contact that we make with a family: first, to assess the child's safety and when possible to make diligent efforts to keep the child safely at home; secondly, if and when the child must be removed from the home, to make diligent efforts to return the child home; and finally, if both of these efforts have failed to insure that the child will be able to live safely at home, to implement the alternate permanent plan that has been built for the child beginning from the day he or she came into care.

To illustrate the nature of this type of concurrent planning, in a recent study of the 124 children whose adoptions finalized in November and December 1997, the average length of time from removal from their parents' home to physical placement into the home that would eventually adopt them was only 13 months, even though on average, these children did not become legally free for adoption until ten months later. Over 80% of these children were adopted by their relatives or by their non-relative temporary care givers. I cite these statistics to illustrate the difficulty of conceptually, budgetarily and practically separating child protective service activities from permanency activities from adoption activities. For the record, I want to commend the LFO staff for their skill in understanding this difficulty and reflecting it in this report.

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Rates for private adoption agencies have increased at the legislatively authorized level for all child welfare providers: 23 percent in the past 5 years. We should base reimbursement on what SCF's costs would be for similar service (i.e. hourly caseworker cost \$23.50).

While SCF does not disagree that the current payment structure should be revisited, for the record it should be noted that any changes that would require a closer monitoring of private agency time or work would also require additional SCF staffing, thus increasing our administrative expenses. Likewise, it would seem most appropriate that the basis on which a revised payment rate should be built is the hourly rate (including all related position costs) paid to SCF staff for the same work.

SCF has already begun to look at the issue of building future compensation based on reasonable costs for an average transaction and including a factor for high special needs children, and has preliminary data comparing the types of SCF children sought by and placed by Oregon private adoption agencies as compared with the types sought by and placed by out of state private adoption agencies. This data clearly demonstrates that, despite the significant participation by the Oregon private agencies in the placement of SCF children, by and large they place primarily younger children who have less special needs. On the other hand, the older and more difficult children are more often placed by out of state agencies. From SCF's perspective, the critical place at which more involvement of the Oregon private agencies is needed is in the placement of older and harder-to-place children for which the compensation might be greater than their current rate.

Additional roles for private adoption agencies include two activities -- recruitment and parent training -- currently being done under a separate SCF-private agency contractual arrangement by the Boys and Girls Aid Society (BGAS). This contract was originally developed with the agreement of all of the participating Oregon private adoption agencies that these activities could most efficiently be managed by one agency rather than by each of the individual agencies. Under the current arrangement, all of the private agencies can send their families who are interested in adopting SCF

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children to BGAS for pre-adoption training. Likewise, BGAS publishes the *Family Matters* newsletter which is one of Oregon's most effective recruitment tools.

All private agencies have been invited to become members of adoption committees; only five have accepted. LFO also suggests that the private agencies might be offered the opportunity to have more participation in child placement decisions. In the beginning stages of expansion of the number of adoption committees and the membership on them that SCF began in January of this year, repeated invitations were made to all (29) Oregon private adoption agencies to nominate committee members. Only five of those agencies elected to do so. All of the nominees have now received training and are serving as either regular or alternate adoption committee members.

Further, LFO suggests that the private agencies might appropriately be involved in termination of parental rights activities. SCF has included in its base budget exception and regular budget packages for consideration by the 1999 Legislature several activities (such as preparation of LARs -- Legal Assistance Referrals) which the private agencies might be interested in providing. If and when these activities are funded by the Legislature, the private agencies will have the opportunity to respond to RFPs to provide these services.

Finally, LFO suggests that private adoption agencies might be looked to for the provision of adoption mediation services. In an effort to make an early response to the large increase in children who must be freed for adoption under both SB 689 and the federal Adoption and Safe Families Act, SCF has issued a statewide RFP for adoption mediation services. All of the twenty nine private adoption agencies licensed in Oregon have been sent the RFP and have an opportunity, along with other potential providers, to bid for these multiple contracts.

Oregon takes a proactive stance on behalf of children and makes the best possible use of all of its resources. Oregon is also in the forefront with a far greater number of placements made each year and a significantly lower disruption rate than other states. SCF workers and supervisors are dedicated professionals focused on getting waiting

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children into permanent homes in a timely manner. Oregon has made the decision to take more care and time to select families to lessen the possibilities of disruptions -- disruptions that traumatize children and hurt and disillusion families. Oregon has a great record of placing children with qualified families throughout the United States when there are no compelling reasons to keep them in Oregon. It is also one of the states most willing to do cross racial adoptions for children of color.

Sincerely,



fr

Kay D. Toran
Director

KDT:mjl:bf