North Carolina Department of Health and Human Services  
Division of Social Services  
325 North Salisbury Street • Raleigh, North Carolina 27603  
Courier # 56-20-25

James B. Hunt, Jr., Governor  
H. David Bruton, M.D., Secretary

E. C. Modlin, ACSW, Director  
(919) 733-3055

December 22, 2000

Dear County Director of Social Services

Attention:  Children’s Services Administrators and Supervisors  
Adoption Services Staff  
Recruitment and Licensing Staff

Subject:  SPECIAL CHILDREN ADOPTION INCENTIVE FUND

We are pleased to inform you that the Social Services Commission has defined  
the specific target population to be served by the Special Children Adoption Incentive  
Fund. As you recall, this Fund was created by the General Assembly during the last  
legislative session to encourage the adoption of foster children with particularly severe  
physical and mental impairments. The Fund will be implemented on a demonstration  
basis in counties that elect to participate. The purpose of this letter is to inform you of  
the newly adopted rules and provide you with the opportunity to indicate your interest in  
participating.

The Special Children Adoption Incentive Fund was created by the General  
Assembly to remove financial barriers for foster parents who want to adopt a child with a  
severe physical or mental condition but would experience a loss of public financial  
support if they did. These are situations in which the public financial support that they  
receive as foster parents from all sources is more than the adoption assistance rates.  
The Fund enables foster parents of a child that meets the eligibility requirements to  
receive adoption assistance that equals the amount of public financial assistance that  
they receive as foster parents for the child, if they reside in a county that agrees to  
participate in this effort. Participating counties must agree to assume responsibility for  
50% of the additional monthly assistance (i.e. in excess of the standard adoption  
assistance rates) that is paid to the families to eliminate the financial disincentive.

Attached are the temporary rules that have been approved by the Social  
Services Commission. These rules are effective on 1/1/2001. Rule 41H.0409 describes  
the eligibility requirements for the Special Children Adoption Incentive Fund, and Rule  
41H.0410 describes how payments will be made. Please note that:

An Equal Opportunity/Affirmative Action Employer
the Fund is available to support adoptions that occur on or after January 1, 2001 and is NOT retroactive;

adoptive parents must clearly understand that this Fund is not an entitlement and is subject to the continued availability of state and county funds. While the General Assembly has budgeted a recurring appropriation for the Fund and we expect it to continue, this is not an entitlement like the regular adoption assistance.

The Special Children Adoption Incentive Fund may not be able to serve all children who meet the eligibility requirements. Since this funding is capped, the approvals will be given on a “first come, first served” basis. Rule 41H.0410 indicates what must be included in the initial payment claims. If all requested items are not included in the initial requests, those claims will be set aside and included only when all information is received. The agency will be notified when a claim is approved.

Counties that agree to participate should contact Esther High in the Children’s Services Section of the Division by January 26, 2001. Ms. High can be contacted by letter, by phone at 919-733-4622, or by e-mail at esther.high@ncmail.net. Memoranda of Agreement, eligibility verification forms, and payment instructions will be distributed to counties that agree to participate.

We believe that this effort to eliminate the financial disincentive for foster parents to adopt children with very special needs is an important step for our system. We sincerely hope that many county DSS agencies will be interested in participating in the Special Children Adoption Incentive Fund demonstration.

Sincerely,

Charles C. Harris, Chief
Children’s Services Section

Attachment

cc: Chip Modlin
    Nancy Coston
    Melinda Hamrick
    Gary Fuquay
    Floyd Bowen
    Karen Anderson
    Children’s Services Team Leaders
    CPRs
    Local Support Managers
.0409 ELIGIBILITY REQUIREMENTS FOR THE SPECIAL CHILDREN ADOPTION INCENTIVE FUND AND EFFECTIVE DATE

(a) Within the limits of available funding, the following criteria shall establish eligibility for the Special Children Adoption Incentive Fund. Eligibility is verified and approved on a case-by-case basis by staff of the Division of Social Services for compliance with budgetary limitations and all of the following eligibility criteria:

1. The child must be in the custody and placement responsibility of the participating county departments of social services;

2. The child has been in the legal custody of a participating county department of social services for at least six consecutive months and has a health condition (physical, mental, etc.) that is expected to result in impairment in the child’s ability to function in the home, school or community and to endure throughout childhood. The child’s health condition and the duration of the condition shall be documented by a written statement from a licensed physician and maintained in the child’s record;

3. The child requires eight or more hours daily of direct supervision for personal health care or prevention of self-destructive or assaultive behavior. The status of the child’s condition and the supervision needed for the child’s condition shall be documented in a written statement from a licensed health or mental health practitioner. The county department of social services working with the foster family and child shall document knowledge of the child’s condition and the need for eight or more hours of daily direct supervision by the foster family, health professional or special education teacher;

4. The foster parent(s) are licensed and the child has resided in the home for the previous six months on a continuous basis. The child’s length of stay shall be documented in a written statement from the county department of social services. A copy of the foster home license shall be maintained in the child’s record;

5. The foster parent(s) have been receiving monthly cash assistance from any governmental source whether federal, State or local above the state adoption assistance rate established by the General Assembly for the previous six months on a continuous basis to provide the care required for the child’s health condition and functional impairment;

6. The foster parent(s) are willing to adopt the child only if the monthly cash assistance from any governmental source whether federal, State or local above the state adoption assistance rate received as foster parent(s) is not terminated;

7. The foster parent(s) have signed an adoption assistance agreement and a supplemental agreement that includes the additional amount of cash assistance that the foster parent(s) have agreed to accept prior to the finalization of the adoption. The supplemental agreement will acknowledge that the Special Children Adoption Incentive Fund benefits are not an entitlement and are subject to the availability of State and county funds for this purpose.
(8) The Decree of Adoption for the child was issued by the court on or after January 1, 2001; and
(9) The county department of social services having legal custody of the child voluntarily agrees to participate in the Special Children Adoption Incentive Fund and agrees to assume 50% of the payment above the State adoption assistance rate established by the General Assembly.

(b) The Special Children Adoption Incentive Fund benefits for which the child may be eligible will become effective the first month following the month in which the Decree of Adoption is issued.

(c) When more than one application is received at the same time and funding is not available to serve all applicants, the Division of Social Services will base a decision as to which application(s) will be approved on the child’s need for greater direct supervision and the child least likely to be adopted.

History Note: Authority G.S. 108A-49; 108A-50; 143B-153; S.L. 2000-67, Sec. 11.16;

10 NCAC 41H .0410, PAYMENTS FROM THE SPECIAL CHILDREN ADOPTION INCENTIVE FUND, is being proposed for temporary adoption as follows:

.0410 PAYMENTS FROM THE SPECIAL CHILDREN ADOPTION INCENTIVE FUND

(a) Payments from the Special Children Adoption Incentive Fund will be made by the Division of Social Services to the adoptive parent(s).

(b) Participating county departments of social services shall submit claims for payments to the Division of Social Services.

(c) The initial payment claim must include the following items:

(1) verification of child’s placement authority;
(2) verification that the child has lived with the foster family six consecutive months;
(3) copy of written statement from a licensed physician regarding the child’s health condition;
(4) copy of written statement from a licensed health, mental health, or developmental disability professional regarding the status of the child’s condition;
(5) copy of signed adoption assistance agreement;
(6) copy of signed supplemental assistance agreement; and
(7) copy of Decree of Adoption.

(d) Monthly payment claims shall be submitted on the “Request for Special Children Adoption Incentive Fund Payment” form developed by the Division of Social Services.

History Note: Authority G.S. 108A-49; 108A-50; 143B-153; S.L. 2000-67, Sec. 11.16;