

# **State of Alaska FY2012 Governor's Operating Budget**

## **Department of Health and Social Services Subsidized Adoptions & Guardianship Component Budget Summary**

## Component: Subsidized Adoptions & Guardianship

### Contribution to Department's Mission

Facilitates permanent placements in adoptive or guardianship homes for the increasing number of children in state custody whose special needs make them hard-to-place. Adoption is viewed as the most permanent placement for a child and is therefore generally the preferable option.

Guardianships are considered for children who cannot be freed for adoption, but for whom a reasonably permanent home can be provided through guardianship. This is often the best choice for children who cannot live with their parents, but continue to have an important emotional tie with their families that should not be severed.

### Core Services

- Facilitate permanency through recruitment of homes for children who need permanent homes; home studies on potential adoptive and guardianship families; pre-adoption services for the child and family; and post-adoption services after the final adoption or guardianship court hearing.
- Provide for permanent homes to children that are in the custody of the state and who are unlikely to be adopted without a subsidy.

### Major Activities to Advance Strategies

- Work toward compliance with the Program Improvement Plan to improve timely permanent solutions for children that cannot return to their homes.

### Key Component Challenges

When children leave foster care, their special needs are reassessed to determine whether they will continue to need assistance through the Subsidized Adoption & Guardianship program. Approximately 95 percent of children exiting custody through adoption or legal guardianship have special needs and continue to receive state benefits through the subsidy programs.

Children that have been removed from situations of maltreatment and that have physical, mental or emotional disturbances continue to struggle even after being removed. The OCS has recognized for some time that the level of disturbance and complexity of problems for children in custody is increasing. These factors make it difficult to find permanent adoptive or guardianship homes without a subsidy. It is preferable and more cost-effective for the state to provide a means for children to be given a permanent home with a state-funded subsidy than for the state to continue being completely responsible for the child. The adoption or guardianship subsidy covers the costs for the child's special needs and is available to the family until the child reaches age 18. The special needs of these children combined with budgetary constraints make this a challenging task at best.

Significant increases in adoption home study referrals over the past three fiscal years have led to increases in adoption and guardianship subsidies.

### Significant Changes in Results to be Delivered in FY2012

The Office of Children's Services anticipates continued increases in adoptions and guardianships through FY2011 with those numbers leveling in late FY 2011 and FY2012. A reduction in the number of adoptions being processed will result in more timely permanent solutions for children.

### Updated Status for Results to be Delivered in FY2011

*The Office of Children's Services anticipates continued increases in adoptions and guardianships through FY10 with those numbers leveling in late FY 2011. If a reduction in the number of adoptions being processed is realized, more*

*timely permanent solutions for children should be the result.*

FY2011 first quarter numbers indicate a slight increase in the number of adoptions. Adoptions will be monitored throughout the year to determine whether or not number level out and result in more timely permanency.

## Major Component Accomplishments in 2010

Permanent adoptive or guardianship subsidies for children with special needs in the custody of the state are provided through the Subsidized Adoptions and Guardianships component. These children would likely not be adopted without a subsidy because of their documented special needs. The program has been successful due to an increased emphasis on permanency planning and the commitment to move children from foster care to a permanent placement in as safe and as timely a manner as possible.

The OCS has continued to experience increased success in finding homes for children as children are simultaneously presented in the Alaska Adoption Exchange as well as the Northwest adoptions exchange and AdoptUSkids. As of June, 2009, there were 2,543 continuing adoptions and guardianships, and 343 new adoptions and guardianships for Alaska. One year later there were 2,661 continuing adoptions and guardianships and 337 new adoptions and guardianships.

## Statutory and Regulatory Authority

AS 25.23	Adoption
AS 25.23.190-240	Subsidy for hard-to-place child
AS 47.10.080	Judgments and orders
7 AAC 53 Article 2	Subsidized Adoption and Subsidized Guardianship Payments

Title IV-E of the Social Security Act	
42 USC 1305	Adoptions & Safe Families Act of 1997

### Contact Information

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**Subsidized Adoptions & Guardianship  
Component Financial Summary**

*All dollars shown in thousands*

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
<b>Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	12.6	0.0	0.0
73000 Services	403.5	2,026.3	2,026.3
74000 Commodities	3.2	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	22,870.1	22,125.3	21,345.3
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>23,289.4</b>	<b>24,151.6</b>	<b>23,371.6</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	12,799.0	12,952.0	12,952.0
1003 General Fund Match	2,354.4	2,354.4	2,354.4
1004 General Fund Receipts	7,013.8	8,065.2	8,065.2
1212 Federal Stimulus: ARRA 2009	1,122.2	780.0	0.0
<b>Funding Totals</b>	<b>23,289.4</b>	<b>24,151.6</b>	<b>23,371.6</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
<b>Unrestricted Revenues</b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>				
Federal Receipts	51010	12,799.0	12,952.0	12,952.0
Federal Economic Stimulus	51118	1,122.2	780.0	0.0
<b>Restricted Total</b>		<b>13,921.2</b>	<b>13,732.0</b>	<b>12,952.0</b>
<b>Total Estimated Revenues</b>		<b>13,921.2</b>	<b>13,732.0</b>	<b>12,952.0</b>

**Summary of Component Budget Changes  
From FY2011 Management Plan to FY2012 Governor**

*All dollars shown in thousands*

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
<b>FY2011 Management Plan</b>	<b>10,419.6</b>	<b>0.0</b>	<b>0.0</b>	<b>13,732.0</b>	<b>24,151.6</b>
<b>Proposed budget decreases:</b>					
-Delete ARRA Funding for Enhanced FMAP of 6.2%	0.0	0.0	0.0	-780.0	-780.0
<b>FY2012 Governor</b>	<b>10,419.6</b>	<b>0.0</b>	<b>0.0</b>	<b>12,952.0</b>	<b>23,371.6</b>

**Component Detail All Funds**  
**Department of Health and Social Services**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

	FY2010 Actuals	FY2011 Conference Committee (Final)	FY2011 Authorized	FY2011 Management Plan	FY2012 Governor	FY2011 Management Plan vs FY2012 Governor	
71000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
72000 Travel	12.6	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	403.5	1,026.3	1,026.3	2,026.3	2,026.3	0.0	0.0%
74000 Commodities	3.2	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	22,870.1	22,375.3	22,375.3	22,125.3	21,345.3	-780.0	-3.5%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>23,289.4</b>	<b>23,401.6</b>	<b>23,401.6</b>	<b>24,151.6</b>	<b>23,371.6</b>	<b>-780.0</b>	<b>-3.2%</b>
<b>Fund Sources:</b>							
1002 Fed Rcpts	12,799.0	11,952.0	11,952.0	12,952.0	12,952.0	0.0	0.0%
1003 G/F Match	2,354.4	2,354.4	2,354.4	2,354.4	2,354.4	0.0	0.0%
1004 Gen Fund	7,013.8	8,315.2	8,315.2	8,065.2	8,065.2	0.0	0.0%
1212 Fed ARRA	1,122.2	780.0	780.0	780.0	0.0	-780.0	-100.0%
<b>Unrestricted General (UGF)</b>	<b>9,368.2</b>	<b>10,669.6</b>	<b>10,669.6</b>	<b>10,419.6</b>	<b>10,419.6</b>	<b>0.0</b>	<b>0.0%</b>
<b>Designated General (DGF)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Federal Funds</b>	<b>13,921.2</b>	<b>12,732.0</b>	<b>12,732.0</b>	<b>13,732.0</b>	<b>12,952.0</b>	<b>-780.0</b>	<b>-5.7%</b>
<b>Positions:</b>							
Permanent Full Time	0	0	0	0	0	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Health and Social Services**

**Component:** Subsidized Adoptions & Guardianship (1962)

**RDU:** Children's Services (486)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2011 Conference Committee (Final) To FY2011 Authorized *****												
<b>FY2011 Conference Committee</b>												
	ConfCom	23,401.6	0.0	0.0	1,026.3	0.0	0.0	22,375.3	0.0	0	0	0
1002 Fed Rcpts		11,952.0										
1003 G/F Match		2,354.4										
1004 Gen Fund		8,315.2										
1212 Fed ARRA		780.0										
<b>Subtotal</b>		<b>23,401.6</b>	<b>0.0</b>	<b>0.0</b>	<b>1,026.3</b>	<b>0.0</b>	<b>0.0</b>	<b>22,375.3</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
<b>ADN 06-1-0027 Transfer to Children's Svcs Mgmt to Fund Uncollectible Receipts</b>												
	Trout	-250.0	0.0	0.0	0.0	0.0	0.0	-250.0	0.0	0	0	0
1004 Gen Fund		-250.0										

Each year since at least FY06, Children's Services Management (CSM) experienced federal revenue shortfalls upwards of \$1.5 million because of disproportionate levels of federal to general fund authorization. Federal fund participation in CSM is budgeted at 53.4% but can only be earned at a rate of approximately 29% to 31%. The current rate is 29.3%. This earning capability is primarily based on the ratio of custody children eligible for federal Title IV-E reimbursement to non-eligible custody children and fluctuates quarterly, making it difficult to predict with high accuracy. This request, plus adjustments made in the FY11 budget, will bring general fund levels more in line with anticipated expenditures. Excess federal authorization in CSM will be restricted in FY11 then decremented in FY12.

Several OCS components have historically had funding available to cover shortfalls in other areas of the Children's Services RDU. While OCS wants to affect high quality grantee service delivery, the goal in FY11 is to stabilize the budgets and to do so whenever possible within existing funding.

\$250.0 is available from the Subsidized Adoptions and Guardianships (SAG) component grant line as reimbursement levels are strong and have been consistent with quarterly rates between 79% and 80% before applying the applicable Federal Medical Assistance Percentage (FMAP). In addition, the OCS collects the Social Services Block Grant revenue in the SAG component, resulting in an overall federal fund participation rate of 58% to 60% in this component. Federal receipts are budgeted at 54.4%. SAG has historically had excess general fund that has been utilized in the OCS components with disproportionate match such as CSM. Even though SAG costs have been increasing as the number of adoptions increase, this transfer still allows for some continued growth within the adoption and guardianship programs.

<b>ADN 06-1-0033 Transfer from Front Line Social Worker component to realize full level of federal claims</b>												
	Trin	1,000.0	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		1,000.0										

The Subsidized Adoptions and Guardianship's (SAG) component reimbursement levels are strong and have been consistent with quarterly rates between 79% and 80% before applying the applicable Federal Medical Assistance Percentage (FMAP). In addition, the OCS collects the Social Services Block Grant revenue in the SAG component, resulting in an overall federal fund participation rate of 58% to 60% in this component. Federal receipts are budgeted at 54.4%. This transfer will help bring federal authorization levels up to SAG's ability to claim.

**Change Record Detail - Multiple Scenarios With Descriptions  
Department of Health and Social Services**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<b>Subtotal</b>		<b>24,151.6</b>	<b>0.0</b>	<b>0.0</b>	<b>2,026.3</b>	<b>0.0</b>	<b>0.0</b>	<b>22,125.3</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>
***** Changes From FY2011 Management Plan To FY2012 Governor *****												
<b>Delete ARRA Funding for Enhanced FMAP of 6.2%</b>												
	Dec	-780.0	0.0	0.0	0.0	0.0	0.0	-780.0	0.0	0	0	0
1212 Fed ARRA		-780.0										
For FY2010 general fund match authorization was decremented in the amount then estimated for increased federal participation related to stimulus enhanced FMAP rates. The decrement carried over into the FY2011 base authorized budget. As of July 1, 2011, stimulus enhanced rates will no longer be available.												
<b>Totals</b>		<b>23,371.6</b>	<b>0.0</b>	<b>0.0</b>	<b>2,026.3</b>	<b>0.0</b>	<b>0.0</b>	<b>21,345.3</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Line Item Detail**  
**Department of Health and Social Services**  
**Travel**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
72000	Travel		12.6	0.0	0.0
<b>Expenditure Account</b>			<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
	<b>Servicing Agency</b>	<b>Explanation</b>			
<b>72000 Travel Detail Totals</b>			<b>12.6</b>	<b>0.0</b>	<b>0.0</b>
72100	Instate Travel		10.4	0.0	0.0
72400	Out Of State Travel		2.2	0.0	0.0

**Line Item Detail**  
**Department of Health and Social Services**  
**Services**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000	Services		403.5	2,026.3	2,026.3
			<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
<b>Expenditure Account</b>	<b>Servicing Agency</b>	<b>Explanation</b>			
<b>73000 Services Detail Totals</b>			<b>403.5</b>	<b>2,026.3</b>	<b>2,026.3</b>
73025	Education Services		0.5	0.0	0.0
73450	Advertising & Promos	Recruitment postings, media campaigns and notices necessary to meet legal requirements.	19.2	10.0	10.0
73650	Struc/Infstruct/Land		2.5	0.0	0.0
73675	Equipment/Machinery		0.2	0.0	0.0
73750	Other Services (Non IA Svcs)	Provide assistance to adoptive children and families to include pre-adoptive services and post-adoption services following the final adoption or guardianship hearing.	30.7	1,155.3	1,155.3
73753	Program Mgmt/Consult	Contract with outside vendor for permanent families services that focus on adoption recruitment and referral, home study services to families who want to adopt children in OCS custody and post-adoption services. \$482.6	0.0	510.6	510.6
73812	Legal	Law Contract with outside vendor for participation in the adoption exchange and promote earlier identification of children waiting for adoption and potential families waiting to adopt. \$28.0 RSA: Department of Law, Civil Division, Permanency Placement. Fund legal services to promote and identify permanent placements for those children who have been in state custody for extended periods. Includes case costs such as travel, outside contracts and transcription services.	350.4	350.4	350.4

**Line Item Detail**  
**Department of Health and Social Services**  
**Commodities**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
74000	Commodities		3.2	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
<b>74000 Commodities Detail Totals</b>			<b>3.2</b>	<b>0.0</b>	<b>0.0</b>
74200	Business		1.6	0.0	0.0
74480	Household & Instit.		1.6	0.0	0.0

**Line Item Detail**  
**Department of Health and Social Services**  
**Grants, Benefits**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
77000	Grants, Benefits		22,870.1	22,125.3	21,345.3
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
<b>77000 Grants, Benefits Detail Totals</b>			<b>22,870.1</b>	<b>22,125.3</b>	<b>21,345.3</b>
77119	Foster Care/Adoption	Grant to outside vendor (Northwest Resources Associates) to recruit adoptive families that reflect the ethnic and racial diversity of the children served by OCS. Costs include training and support to resource families designed to improve the safety of children in care, streamline procedures and avoid delays.	0.0	575.0	575.0
77300	Foster/Adopt(Nontax)	Fund adoption and guardianship subsidies to facilitate permanent placements in adoptive homes or stable guardianships for children in State custody whose special needs make them hard-to-place. Federal guidelines for Title IV-E Federal adoptions define a "hard-to-place" child as a "minor who is not likely to be adopted or to obtain a guardian by reason of physical or mental disability, emotional disturbance, recognized high risk of physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these conditions".	21,400.3	21,550.3	20,770.3
77430	Health & Human Svcs		1,469.8	0.0	0.0

**Restricted Revenue Detail**  
**Department of Health and Social Services**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51010	Federal Receipts	12,799.0	12,952.0	12,952.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51010	Federal Receipts		06213800	11100	12,648.5	12,952.0	12,952.0
	Title IVE of the Social Security Act: \$7,852.0						
	Social Services Block Grant - \$3,782.0						
57390	Fed Proj- Social Svc				150.5	0.0	0.0

**Restricted Revenue Detail**  
**Department of Health and Social Services**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51118	Federal Economic Stimulus	1,122.2	780.0	0.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2010 Actuals</b>	<b>FY2011 Management Plan</b>	<b>FY2012 Governor</b>
51118	Federal Economic Stimulus		06213800	11100	1,122.2	780.0	0.0
Funds available due to the federal economic stimulus package, OMB Fund Code #1212.							

**Inter-Agency Services**  
**Department of Health and Social Services**

**Component:** Subsidized Adoptions & Guardianship (1962)  
**RDU:** Children's Services (486)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73812    Legal	RSA: Department of Law, Civil Division, Permanency Placement. Fund legal services to promote and identify permanent placements for those children who have been in state custody for extended periods. Includes case costs such as travel, outside contracts and transcription services.	Inter-dept	Law	350.4	350.4	350.4
<b>73812 Legal subtotal:</b>				<b>350.4</b>	<b>350.4</b>	<b>350.4</b>
<b>Subsidized Adoptions &amp; Guardianship total:</b>				<b>350.4</b>	<b>350.4</b>	<b>350.4</b>
<b>Grand Total:</b>				<b>350.4</b>	<b>350.4</b>	<b>350.4</b>