

State of Alaska FY2012 Governor's Operating Budget

Department of Health and Social Services Foster Care Base Rate Component Budget Summary

Component: Foster Care Base Rate

Contribution to Department's Mission

Reimburses licensed foster parents for the basic needs of children in their care.

Core Services

- The Foster Care Base Rate program reimburses foster parents for the basic and ongoing costs of raising a child.

Key Component Challenges

The Office of Children's Services (OCS) continues to develop recruitment of foster parents to meet the needs of Alaska's foster children. Not having enough homes that are culturally relevant and adequately trained impacts the ability of the OCS to place children in homes where their best interests can be met. Not having enough appropriate placement options also increases the likelihood of multiple placements for children and is contradictory to the best interests of a child and the Indian Child Welfare Act of 1978.

There has not been an increase to daily rates for foster parents since FY2009 when a 28.9% increase was appropriated. This was the first increase in 8 years. FY2012 marks the 4th year since the increase. Consideration must be given to the need for methodology to periodically and systematically adjust the daily rate to equitably compensate, retain, and recruit foster parents.

Significant Changes in Results to be Delivered in FY2012

Foster care base funds provide for food; clothing; shelter; daily supervision normally carried out by a parent; personal and grooming items; school supplies and regular school activities; age appropriate games, toys, books, and recreational equipment; general recreation such as picnics, community sports, and movies; usual transportation expenses; allowance; babysitting and child care.

Significant Changes in Results to be Delivered in FY2011

Foster care base funds provide for food; clothing; shelter; daily supervision normally carried out by a parent; personal and grooming items; school supplies and regular school activities; age appropriate games, toys, books, and recreational equipment; general recreation such as picnics, community sports, and movies; usual transportation expenses; allowance; babysitting and child care. In FY09, the OCS requested and received a 28.9% increase in foster home reimbursements -- the first increase in over 8 years. This increase has resulted in fewer complaints about the inadequacy of reimbursement rates and therefore fewer requests for additional funds for costs covered under the base rate.

Status Update:

No additional changes are anticipated in FY2011.

Major Component Accomplishments in 2010

Provided foster care services to an monthly average of 1,300 full-time equivalents. Full-time equivalents are used to compensate for the movement of children in and out of the program.

Statutory and Regulatory Authority

AS 47.05	Administration of Welfare, Social Services, and Institutions, duties of department
AS 47.10	Children in Need of Aid

AS 47.14.100 Care of Children
AS 47.17 Child Protection
AS 47.40 Purchase of Services
7 AAC 53, Article 1 Child Care Foster Care Payments
7 AAC 53, Article 3 Children in Custody or Under Supervision: Needs and Income
Titles IV-E of the Social Security Act

Contact Information
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**Foster Care Base Rate
Component Financial Summary**

All dollars shown in thousands

	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	0.0	0.0	0.0
73000 Services	101.9	144.4	144.4
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	12,619.6	14,686.0	14,662.9
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	12,721.5	14,830.4	14,807.3
Funding Sources:			
1002 Federal Receipts	1,728.1	3,992.8	4,029.3
1003 General Fund Match	3,659.2	3,846.0	4,030.0
1004 General Fund Receipts	4,484.7	4,648.0	4,648.0
1005 General Fund/Program Receipts	0.0	2,100.0	2,100.0
1156 Receipt Supported Services	2,542.7	0.0	0.0
1212 Federal Stimulus: ARRA 2009	306.8	243.6	0.0
Funding Totals	12,721.5	14,830.4	14,807.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	1,728.1	3,992.8	4,029.3
General Fund Program Receipts	51060	0.0	2,100.0	2,100.0
Receipt Supported Services	51073	2,542.7	0.0	0.0
Federal Economic Stimulus	51118	306.8	243.6	0.0
Restricted Total		4,577.6	6,336.4	6,129.3
Total Estimated Revenues		4,577.6	6,336.4	6,129.3

**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>
FY2011 Management Plan	8,494.0	2,100.0	0.0	4,236.4	14,830.4
Proposed budget decreases:					
-Delete ARRA funding for enhanced FMAP of 6.2%	0.0	0.0	0.0	-243.6	-243.6
Proposed budget increases:					
-Extending State Custody of Children; Ch. 80 SLA 10 (HB 126)	184.0	0.0	0.0	36.5	220.5
FY2012 Governor	8,678.0	2,100.0	0.0	4,029.3	14,807.3

Component Detail All Funds
Department of Health and Social Services

Component: Foster Care Base Rate (2236)
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	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	101.9	144.4	144.4	144.4	144.4	0.0	0.0%
74000 Commodities	0.0	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	12,619.6	17,101.6	17,325.6	14,686.0	14,662.9	-23.1	-0.2%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	12,721.5	17,246.0	17,470.0	14,830.4	14,807.3	-23.1	-0.2%
Fund Sources:							
1002 Fed Rcpts	1,728.1	3,955.6	3,992.8	3,992.8	4,029.3	36.5	0.9%
1003 G/F Match	3,659.2	3,659.2	3,846.0	3,846.0	4,030.0	184.0	4.8%
1004 Gen Fund	4,484.7	7,287.6	7,287.6	4,648.0	4,648.0	0.0	0.0%
1005 GF/Prgm	0.0	2,100.0	2,100.0	2,100.0	2,100.0	0.0	0.0%
1156 Rcpt Svcs	2,542.7	0.0	0.0	0.0	0.0	0.0	0.0%
1212 Fed ARRA	306.8	243.6	243.6	243.6	0.0	-243.6	-100.0%
Unrestricted General (UGF)	8,143.9	10,946.8	11,133.6	8,494.0	8,678.0	184.0	2.2%
Designated General (DGF)	2,542.7	2,100.0	2,100.0	2,100.0	2,100.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	2,034.9	4,199.2	4,236.4	4,236.4	4,029.3	-207.1	-4.9%
Positions:							
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: Foster Care Base Rate (2236)
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 *****												
FY2011 Conference Committee												
	ConfCom	17,246.0	0.0	0.0	144.4	0.0	0.0	17,101.6	0.0	0	0	0
1002 Fed Rcpts		3,955.6										
1003 G/F Match		3,659.2										
1004 Gen Fund		7,287.6										
1005 GF/Prgm		2,100.0										
1212 Fed ARRA		243.6										
ADN 06-1-0005 FOSTER CARE/CINA/EDUCATION OF HOMELESS (HB 126)												
	FisNot	224.0	0.0	0.0	0.0	0.0	0.0	224.0	0.0	0	0	0
1002 Fed Rcpts		37.2										
1003 G/F Match		186.8										
Subtotal		17,470.0	0.0	0.0	144.4	0.0	0.0	17,325.6	0.0	0	0	0
***** Changes From FY2011 Authorized To FY2011 Management Plan *****												
ADN 06-1-0030 Transfer to Front Line Social Worker to Fund Uncollectible Receipts												
	Trout	-1,819.6	0.0	0.0	0.0	0.0	0.0	-1,819.6	0.0	0	0	0
1004 Gen Fund		-1,819.6										
ADN 06-1-0035 Transfer to Foster Care Special Needs to fund non Title IV-E eligible families												
	Trout	-820.0	0.0	0.0	0.0	0.0	0.0	-820.0	0.0	0	0	0
1004 Gen Fund		-820.0										

Each year since at least FY06, the Front Line Social Workers (FLSW) component experienced federal revenue shortfalls upwards of \$4 million because of disproportionate levels of federal to general fund authorization. Federal fund participation in FLSW is budgeted at 34%. FY10 earned at a rate of 18%. Rates are determined using Random Moment Time Study results that vary quarterly. This request, plus adjustments made in the FY11 budget, will bring general fund levels more in line with anticipated expenditures. Excess federal authorization in FCBR 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.

General fund is available in the Foster Care Base Rate grants line for this transfer. After several years of steadily climbing numbers of children in OCS care that resulted in shortfalls within the FCBR component, costs were fully funded in FY08. Since that time, the numbers of children in out-of-home care have declined. Full time equivalents (FTEs) are used to account for children that naturally move in and out of the program at varying rates. In FY07, FTE counts averaged 1,550 dropping to 1,475 in FY08 then to 1,400 in FY09. FY10 averages are at 1,250. OCS attributes these declines to increases in the number of adoptions and improved child protective services work that keeps children in their own homes whenever possible.

In FY10, the Foster Care Special Needs (FCSN) component experienced federal revenue shortfalls and increased costs of approximately \$1.2 million because of

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

Component: Foster Care Base Rate (2236)

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	
<p>disproportionate levels of federal to general fund authorization. This was the result of increased services to non IV-E eligible families that reduced reimbursement rates and is the unintended consequences of better case work that keeps families intact without removals.</p> <p>Federal fund participation in FCSN is budgeted at 16%. FY10 earned at a rate of 2.5%. Rates earned fluctuate based on the amount of eligible expenditures for eligible clients. This request to transfer \$820.0 into FCSN will bring general fund levels more in line with anticipated expenditures. Excess federal authorization will be restricted in FY11 then decremented in FY12.</p> <p>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.</p> <p>General fund is available in the Foster Care Base Rate grants line for this transfer. After several years of steadily climbing numbers of children in OCS care that resulted in shortfalls within the FCBR component, costs were fully funded in FY08. Since that time, the numbers of children in out-of-home care have declined. Declines are calculated on full time equivalents (FTEs) to account for children that naturally move in and out of the program at varying rates. In FY07, FTE counts averaged 1,550 dropping to 1,475 in FY08 then to 1,400 in FY09. FY10 averages are at 1,250. OCS attributes these declines to increases in the number of adoptions and improved child protective services work that keeps children in their own homes whenever possible.</p>												
	Subtotal	14,830.4	0.0	0.0	144.4	0.0	0.0	14,686.0	0.0	0	0	0
<p align="center">***** Changes From FY2011 Management Plan To FY2012 Governor *****</p>												
Delete ARRA funding for enhanced FMAP of 6.2%												
	Dec	-243.6	0.0	0.0	0.0	0.0	0.0	-243.6	0.0	0	0	0
	1212 Fed ARRA	-243.6										
<p>For FY2010 general fund match authorization was reduced for increased federal participation related to stimulus enhanced FMAP rates. As of July 1, 2011, the stimulus enhanced rates will no longer be available.</p>												
Extending State Custody of Children; Ch. 80 SLA 10 (HB 126)												
	IncM	220.5	0.0	0.0	0.0	0.0	0.0	220.5	0.0	0	0	0
	1002 Fed Rcpts	36.5										
	1003 G/F Match	184.0										
<p>Implement second year of HB 126 fiscal note funding to extend state custody of children to age 21.</p> <p>NOTE: The Administration for Families and Children has issued program instruction that does not allow a state to expand foster care without expanding adoptions and guardianships. For FY12, if a strategy for Alaska has not yet been developed, no federal reimbursements will be allowed.</p>												
	Totals	14,807.3	0.0	0.0	144.4	0.0	0.0	14,662.9	0.0	0	0	0

Line Item Detail
Department of Health and Social Services
Services

Component: Foster Care Base Rate (2236)
RDU: Children's Services (486)

Line Number	Line Name			FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000	Services			101.9	144.4	144.4
Expenditure Account	Servicing Agency	Explanation		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
73000 Services Detail Totals				101.9	144.4	144.4
73827	Safety (IA Svcs)	PubSaf	RSA: Department of Public Safety, Statewide Services, Foster Care Parent Fingerprint Processing Services. Cost incurred to process foster parent AFFIS fingerprint record checks and FBI fingerprint record checks. \$140.9	101.9	144.4	144.4
			RSA: Department of Public Safety, Statewide Services, Social Worker Criminal History Record Checks and Fingerprinting. Cost to provide AFFIS fingerprint record checks and FBI fingerprint record checks of OCS social workers at an estimated \$59 per applicant. \$3.5			

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

Component: Foster Care Base Rate (2236)
RDU: Children's Services (486)

Line Number	Line Name		FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
77000	Grants, Benefits		12,619.6	14,686.0	14,662.9
Expenditure Account	Servicing Agency	Explanation	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
77000 Grants, Benefits Detail Totals			12,619.6	14,686.0	14,662.9
77300	Foster/Adopt(Nontax)	Reimbursement to foster care providers for the basic on-going needs of a child. Costs include but are not limited to items such as food, clothing, shelter and personal and grooming items.	12,619.6	14,686.0	14,662.9

Restricted Revenue Detail
Department of Health and Social Services

Component: Foster Care Base Rate (2236)
RDU: Children's Services (486)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51010	Federal Receipts	1,728.1	3,992.8	4,029.3

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51010	Federal Receipts Title IVE of the Social Security Act and 400.0 anticipated SSI collections for cost of care.		06213600	11100	0.0	3,992.8	3,679.3
51010	Federal Receipts uncollectable federal authorization		6213600	11100	0.0	0.0	350.0
57370	Title Ive Non Vol Fc				1,728.1	0.0	0.0

Restricted Revenue Detail
Department of Health and Social Services

Component: Foster Care Base Rate (2236)
RDU: Children's Services (486)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51060	General Fund Program Receipts	0.0	2,100.0	2,100.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51060	GF Program Receipts Child Support Enforcement receipts collected to offset the costs of children in state custody.		06213600	11100	0.0	2,100.0	2,100.0

Restricted Revenue Detail
Department of Health and Social Services

Component: Foster Care Base Rate (2236)
RDU: Children's Services (486)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51073	Receipt Supported Services	2,542.7	0.0	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51183	DH&SS Inc Foster Car				2,542.7	0.0	0.0

Restricted Revenue Detail
Department of Health and Social Services

Component: Foster Care Base Rate (2236)
RDU: Children's Services (486)

Master Account	Revenue Description	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51118	Federal Economic Stimulus	306.8	243.6	0.0

Detail Information

Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2010 Actuals	FY2011 Management Plan	FY2012 Governor
51118	Federal Economic Stimulus				306.8	0.0	0.0
51118	Federal Economic Stimulus Funds available due to the federal economic stimulus package, OMB Fund Code #1212.		06213600	11100	0.0	243.6	0.0

Inter-Agency Services
Department of Health and Social Services

Component: Foster Care Base Rate (2236)
RDU: Children's Services (486)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010 Actuals	FY2011		
					Management Plan	FY2012 Governor	
73827	Safety (IA Svcs)	RSA: Department of Public Safety, Statewide Services, Foster Care Parent Fingerprint Processing Services. Cost incurred to process foster parent AFFIS fingerprint record checks and FBI fingerprint record checks. \$140.9	Inter-dept	PubSaf	101.9	144.4	144.4
		RSA: Department of Public Safety, Statewide Services, Social Worker Criminal History Record Checks and Fingerprinting. Cost to provide AFFIS fingerprint record checks and FBI fingerprint record checks of OCS social workers at an estimated \$59 per applicant. \$3.5					
73827 Safety (IA Svcs) subtotal:				101.9	144.4	144.4	
Foster Care Base Rate total:				101.9	144.4	144.4	
Grand Total:				101.9	144.4	144.4	