

State of Alaska FY2002 Governor's Operating Budget

Department of Health and Social Services
Purchased Services
Budget Request Unit

Purchased Services Budget Request Unit

Contact: Janet Clarke, Director, Administrative Services

Tel: (907) 465-1630 **Fax:** (907) 465-2499 **E-mail:** janet_clarke@health.state.ak.us

BRU Mission

The mission of the Division of Family and Youth Services is to protect children who are abused and neglected or at risk of abuse and neglect.

BRU Services Provided

The Department, through the Purchased Services BRU, provides a continuum of services from prevention of out-of-home placement to permanency planning including adoptions and guardianships. The Purchased Services BRU is composed of eight integral components including Family Preservation, Foster Care Base Rate, Foster Care Augmented, Foster Care Special Needs, Foster Care AYI, Subsidized Adoption & Guardianship, Residential Child Care, and Court Ordered and Reunification Efforts. (Note: in FY2001, the Department transferred the Delinquency Prevention Component to the newly formed Division of Juvenile Justice which formerly existed as the Youth Corrections arm of DFYS).

The Family Preservation component provides grants to non-profit agencies located across the State to provide family support services; family preservation services; and time limited family reunification services. This component also provides grant funding to pay for child protective services day care and provide grants to non-profit community services agencies so they can provide support services. Through these grants and contracted services, the Division delineates the types of services to be provided, the number and types of clients to be served, the referral process, and the process for insuring that quality programs are provided. DFYS social workers utilize these grantees and refer clients for crisis intervention; parenting skills; prevention of out-of-home placement; and other services to support children in DFYS custody and their families (including foster and adoptive families).

The Department, through the Residential Child Care Component, issues Residential Care grants to non-profit agencies on a competitive basis to provide high quality, time limited residential treatment services for abused, neglected, and delinquent children. Services in this component are directed at providing 24-hour care for children in the custody of the Department who are not able to remain in their own home or who need more structure and treatment than can be provided in foster care. The Department provides a continuum of six levels of residential treatment ranging from day treatment to intensive residential diagnostic treatment center services. Children and youth placed in residential care often present severe and complex treatment problems such as sexual abuse, sexually aggressive behavior, substance abuse, severe emotional disorders, delinquent behavior, and other dysfunctional behavior. When the necessary level of care is not available within the state, services are purchased from out-of-state providers. Out of state providers are approved Alaska Medicaid providers of residential psychiatric treatment in both secure and non-secure settings.

The Subsidized Adoption & Guardianship Component provides permanent homes for children that have been placed in permanent custody of the State. Without this program, many of these children would otherwise be subjected to long-term placement in foster care. The Subsidized Adoption & Guardianship program relieves these children from the prospect of being in foster care for many years and provides them with a permanent home thereby reducing the possibility of further trauma caused by multiple foster care placements. This program has been very successful due to increased emphasis on permanency planning and State initiatives such as Project SUCCEED and the Balloon Project. From FY1992 to FY2000 the number of children removed from the Foster Care system and placed in a permanent home increased from 338 to 1,332. Meeting the continuing caseload growth continues to be the most significant accomplishment of this program. At the close of FY2000, there were 1,332 children in the Subsidized Adoption & Guardianship program. The Department anticipates the number of children in the Subsidized Adoption & Guardianship program to increase by 14% to 1,518 in FY2001 with an additional 14% growth to 1,730 in FY2002.

BRU Goals and Strategies

1) PROVIDE A CONTINUUM OF CARE OPTIONS TO PROTECT CHILDREN IN THE STATE FROM CHILD ABUSE, NEGLECT AND EXPLOITATION:

· AS 47.14.020 mandates the Department to "accept all minors committed to the custody of the department...and provide for the welfare, control, care, custody, and placement of these minors..." To accomplish this mandate, the Division maintains approximately 369 positions, including 240 social workers and social services associates, located in the DFYS Central Office, four Regional Offices and 29 Field Offices spanning from Ketchikan to Barrow.

· The Department, through the Purchased Services BRU, provides funding for a continuum of services from prevention of out-of-home placement to permanency planning including adoptions and guardianships. The Purchased Services BRU is composed of the following eight components: Family Preservation, Foster Care Base Rate, Foster Care Augmented, Foster Care Special Needs, Foster Care AYI, Subsidized Adoption & Guardianship, Residential Child Care, and Court Ordered and Reunification Efforts.

Key BRU Issues for FY2001 – 2002

Family Preservation: Children and families referred or mandated to receive services are presenting more severe behaviors and experiences which require much more intensive intervention in order to preserve or support the family unit. Alaska's child welfare law, along with new Federal laws requires that services be delivered in a manner that is time-limited. This increases the intensity of services required and minimizes the amount of time parents can take to ameliorate the issues placing their children at risk. Parental substance abuse also greatly impacts the success of intervention. With the increase in the use of drugs and/or alcohol by parents, intervention and support services are not as effective which results in the removal of children or failed efforts at family reunification. The Department is requesting MHTAAR funding to provide additional family support services to parents with disabilities, mental health illness or severe alcohol problems.

Family Preservation Federal Initiative: The Department has experienced a 51% reduction in the Federal Title IV-B Subpart 1 grant program over the past five years. This reduction is largely a result of federal legislative and policy changes affecting tribal allotments. The Department is requesting approval for a federal initiative to request Congress to apply a tribal set-aside to Title IV-B, Subpart 1, and is requesting federal authority to receive the full state allotment. This will increase family support, preservation and reunification services available throughout the state, as the number of children coming to the attention of child protection offices remains high.

Family Preservation Dual Track: During FY 2001, the Department was able to implement a pilot program in the Mat-Su Valley designed to use a non-profit established community agency to be responsible, with DFYS support, for response services to low-risk reports of harm. This project has demonstrated a successful impact of community ownership and intervention in the abuse and neglect of children. It has led to a reduction of the need for more official, costly intervention by the Department, while also allowing for the prevention of future harm to the children involved.

Family Preservation Tribal Pass Through: The Department has been working with four tribal organizations including Kawerak, Tlingit-Haida Central Council, Tanana Chiefs Conference, and Cook Inlet Tribal Council to assist them in receiving Federal IV-E reimbursement for Indian child welfare services. The objective of this project is to increase the capacity of tribal organizations to provide case management services to Alaska Native children who are in foster care or at risk of foster care placement. To accomplish this objective, DFYS will claim IV-E reimbursement for a share of the tribal organization's administrative and training costs and pass this reimbursement through to the tribal organization. The reimbursement will be used by the tribal organizations to enhance services to children and families. The Department requests an increment of federal authority to implement this project.

Foster Care Base Rate: The Foster Care Base Rate program is designed to reimburse foster parents for the basic ongoing costs of raising a child including: food, clothing replacement, and 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 expense; allowance; babysitting and child care. The standard foster care base rate is based on the US poverty income guidelines for an Alaskan family of one. The current Foster Care Base Rate is based on 1993 Federal Poverty Guidelines and does not reflect overall cost of living increases that have occurred since that time period. The

Department projects that the foster care caseload will increase 6% per year for the next two years. The projected caseload growth is due to an overall increase in the State's population and general fluctuations in the foster care caseload. The Department has submitted an increment request to cover the cost of care for the additional caseload growth.

Foster Care Augmented Rate Caseload Growth: A key issue for the Department's foster care programs is caseload growth. The number of children placed in Foster Care has increased significantly over the past several years driving up the overall costs of maintaining the State's various foster care programs. The Department anticipates the foster care caseload to increase 6% per year in FY2001 and FY2002. The Augmented Foster Care, or difficulty of care program, reimburses foster care providers for extraordinary costs and for higher levels of supervision not otherwise covered by the Foster Care Base Rate Program. In FY 2000, 27.8% of the children in foster care received an augmentation to their base rate. The Department has requested an increment to cover the cost of caseload growth for the Foster Care Augmented program.

Foster Care Special Needs: The Foster Care Special Needs Program is designed to reimburse foster care providers for "one time" or "irregular" expenses authorized by statute that are not covered in the Foster Care Base Rate or that are being paid by the Foster Care Augmented program. Due to the anticipated 6% caseload growth over the next two years, the Department is requesting an increment to cover the Special Needs costs for additional children.

Shortly after a child is taken into Department custody, the social worker meets with the parents for the purpose of developing a case plan. The case plan documents what the goal for the child is and what needs to occur in order for the child to be safe in their home and when Department involvement with the family is no longer necessary. The case plan is reviewed at case conferences. For children in custody who are placed outside of their home, a case conference is held within 90 days of when custody was assumed, 6 months, and nine months, and each time the case plan goal is changed. In addition, subsequent conferences are held every six months while the child remains in custody and in out-of-home placement. Federal law requires the six-month case conference. States are encouraged to have members of the public participate in the conferences in the capacity of impartial and objective participants in the decision process. It is Department policy to include a community member in the conferences, but it is not always possible to find individuals who are interested or available. The Department is therefore working on increasing community member participation. The increment requested by the Department for this project will fund the cost of involving private citizens in six-month reviews of foster care placements. The cost includes recruiting and training public citizens and reimbursing their travel costs, telephone costs, and stipends.

Foster Care AYI: The Alaska Youth Initiative (AYI) program provides a unique support/placement option using local resources for severely emotionally disturbed (SED) youth whose other option would be institutionalization in either in-state or out-of-state residential care facilities. This program also focuses on transitioning children or youth back into their local communities from institutionalized care. The AYI program can only function if all its components within the Department are funded. The Division of Family and Youth Services and the Division of Mental Health and Developmental Disabilities jointly fund the individualized services provided to the severely disturbed children in the custody of the Department served by this specialized program. The Department of Education and Early Development provides funding for education related costs. In order for the program to be effective, all elements of programming and funding must be present.

Subsidized Adoption & Guardianship: The Department administers the Subsidized Adoption and Guardianship Program to meet the State and Federal mandates to increase the emphasis on permanency planning and to move quickly to find permanent homes for children in custody. A child must have special needs to qualify for the subsidy program. Special needs categories include physical or mental disease, age, membership in a sibling group, racial or ethnic factors, or any combination of these conditions. The program has been a huge success. From FY1992 to FY2000, the number of children removed from the foster care system and placed in a permanent home increased from 338 to 1,332. The Department anticipates the number of children in the Subsidized Adoption & Guardianship program to increase 14% for FY2001 and FY2002. An increment has been requested for FY 2002 to ensure the continuity of subsidy payments and the continued success of the program.

During the last legislative session, the Legislature moved funding in the amount of \$1,000.0 from General Fund to TANF, with the intention of using the TANF funds for the Subsidized Adoption and Guardianship program. In reviewing the program, the Department has determined that the use of TANF for the subsidy program jeopardizes Title IV-E funding. The TANF eligibility requirements violate IV-E reimbursement requirements. Therefore the Department is requesting the \$1,000.0 be returned to the General Fund.

Residential Child Care: The current foster care system has many foster care children that experience severe emotional and behavioral problems. These children often fail in foster home settings, resulting in multiple placements for children and often the loss of foster homes. For many of these children group care, a treatment environment with 24-hour professional staff, is a more appropriate placement. In FY 2001, the Department has purchased 256 in-state residential care facility beds providing for a range of supervision to children in DFYS custody.

The Department is currently in the process, through DFYS, of generating regulations for psychiatric residential care in both secure and semi-secure settings. The public comment period for the proposed regulations has ended and the department is in the process of reviewing those comments in light of potential revisions to the drafted regulations. It is anticipated that these regulations will be enacted sometime early in calendar year 2001. The potential of being able to provide secure residential care within the state may have future impact on the number of out of state placements that are currently occurring.

The Department has submitted a request for FY 2002 MHTAAR funding for the development of a Mental Health Stabilization Home. This will be a short-term residential option that will serve as a step-down program from acute hospital care or secure residential psychiatric treatment. It may also serve as an interim placement for severely disturbed children who are difficult to place. This home will expand available options to allow families and providers to develop a safe and appropriate community placement.

Major BRU Accomplishments for FY2000

1) THE DEPARTMENT PROVIDES FAMILY PRESERVATION/FAMILY SUPPORT, AND TIME-LIMITED REUNIFICATION SERVICES TO FAMILIES:

· For FY2001, the Department issued 31 grants to 26 non-profit service providers located across the State to provide Family Preservation/Family Support and Time-Limited Family Reunification services. The Department also provided funding for child protective services day care grants and community partnership grants including the continuation of the Dual Track program in the Mat-Su to provide a differential response to reports of harm that have been assessed by DFYS as being low risk.

· DFYS social workers utilize these grantees and refer clients for crisis intervention; parenting skills; prevention of out-of-home placement; and other services to support children in DFYS custody and their families (including foster and adoptive families).

2) IN FY2000 THE DIVISION PROVIDED FOSTER CARE SERVICES TO AN AVERAGE OF 1,216 CHILDREN EACH DAY:

Foster Care: The Department, through the Division of Family & Youth Services (DFYS), provided a continuum of foster care programs to meet the needs of children in State custody including the Foster Care Base Rate, Foster Care Augmented, Foster Care Special Needs, and Foster Care AYI programs. Foster care provided these children with an opportunity to enjoy a stable home life and provided them with basic essential needs such as food, shelter, and clothing. These programs provide care for children that have been removed from situations of abuse or neglect and that are at risk of further abuse and neglect. When these children cannot be safely maintained in their own home, it is much better for these children to be placed in a foster home.

Although the number of children in foster care continues to increase, the foster care caseload growth is beginning to level out. The Foster Care caseload increased 16.8% in FY1998 and 16.4% in FY1999 compared to 5.8% in FY2000. The reduction in the FY 2000 foster care caseload growth rate is, in part, a reflection of the success of State permanency planning initiatives Project SUCCEED and the Balloon Project to move children out of foster care and into permanent homes. The Department anticipates the foster care caseload to increase an additional 6% per year for the next two years to an average of 1,290 daily in FY2001 and 1,367 daily in FY 2002.

3) OVER 1,392 CHILDREN HAVE BEEN REMOVED FROM THE FOSTER CARE SYSTEM AND HAVE BEEN PLACED IN PERMANENT HOMES:

The Subsidized Adoption & Guardianship program provides permanent homes for children that have been placed in permanent custody of the State. This program has been very successful due to increased emphasis on permanency planning and the State initiatives Project SUCCEED and the Balloon Project. From FY1992 to FY2000 the number of children removed from the foster care system and placed in a permanent home increased 294% from 338 to 1,332

The Balloon Project provides funding for DFYS and partner legal agencies including the Department of Law, the Public Defender Agency and the Office of Public Advocacy to focus on moving children on the "transition list" that have been in custody the longest from the foster care system and into permanent homes. One measure of the Balloon Project's success can be seen in the reduction of the growth of the foster care caseload due to children transitioning to permanent homes. In FY1999 the foster care caseload increased by 16.4%. In FY2000, the foster care growth rate decreased to 5.8%. Long-term benefits of the Balloon Project will include: moving children that have lingered in the foster care system into permanent homes; savings from reduced foster care caseloads; increased compliance with Federal and State permanency planning laws; prevention of a backlog of cases from happening again; continued collaboration between DFYS and the State legal entities to process child protective services cases on a timely basis; more efficient operations; timely client case handling helps to prevent "problem" cases; and the child protection system works better overall because of the expertise developed during the Balloon Project trial.

Meeting the continuing caseload growth continues to be the most significant accomplishment of this program. At the close of FY2000, there were 1,332 children in the Subsidized Adoption & Guardianship program. The Department anticipates the number of children in the Subsidized Adoption & Guardianship program to increase by 14% to 1,518 in FY2001 with an additional 14% growth to 1,730 in FY2002.

4) THE RESIDENTIAL CHILD CARE COMPONENT PROVIDES SIX LEVELS OF TREATMENT TO MEET THE NEEDS OF CHILDREN IN STATE CUSTODY:

Residential Child Care: The Department, through the Residential Child Care Component, issues Residential Care grants to non-profit agencies on a competitive basis to provide high quality, time limited residential treatment services for abused, neglected, and delinquent children. Services in this component are directed at providing 24-hour care for children in the custody of the Department who are not able to remain in their own home or who need more structure and treatment than can be provided in foster care. For FY2001, the Department has purchased approximately 256 treatment beds providing a continuum of six levels of residential treatment ranging from day treatment to intensive residential diagnostic treatment center services. Children and youth placed in residential care often present severe and complex treatment problems such as sexual abuse, sexually aggressive behavior, substance abuse, severe emotional disorders, delinquent behavior, and other dysfunctional behavior. When the necessary level of care is not available within the state, services are purchased from out-of-state providers. Out of state providers are approved Alaska Medicaid providers of residential psychiatric treatment in both secure and non-secure settings.

Key Performance Measures for FY2002

Measure: Percentage of closed cases for children placed in alternative permanent homes in which a recurrence of substantiated abuse and neglect occurs 6 and 12 months after case closure. (SB 281).

(Developed jointly with Legislature in FY2001.)

Current Status:

The division continues to gather data for this measurement.

Benchmark:

The recommended baseline year is FY1997.

Background and Strategies:

- Homestudy Writers Grant funds made available for third party evaluation of future adoptive homes.
- Training for Adoptive Parents of Special Needs Children is a newly funded community grant program.
- Project SUCCEED is a community-based grant program to help recruit, study, prepare, and follow up with adoptive homes.

Measure: Percentage of permanent adoptive and guardianship homes that are disrupted 6, 12, and 24 months after placement.

(Developed jointly with Legislature in FY2001.)

Current Status:

The division continues to gather data for this measurement.

Benchmark:

The recommended baseline year is FY1997.

Background and Strategies:

- Homestudy Writers Grant funds made available for third party evaluation of future adoptive homes.
- Training for Adoptive Parents of Special Needs Children is a newly funded community grant program.
- Project SUCCEED is a community-based grant program to help recruit, study, prepare, and follow up with adoptive homes.

Measure: Number of children harmed while in custody. (SB 281).

(Developed jointly with Legislature in FY2001.)

Current Status:

The division continues to gather data for this measurement.

Benchmark:

The recommended baseline year is FY1997.

Background and Strategies:

- Developed APSIN Flag Project.
- Increased foster parent training.
- Developed new Foster Care Licensing Manual.
- Lowered caseloads for licensing workers when child care licensing was transferred to Department of Education.

Measure: Average length of time spent in out of home care for children who have been abused or neglected.

(Developed jointly with Legislature in FY2001.)

Current Status:

The division continues to gather data for this measurement.

Benchmark:

The recommended baseline year is FY1997.

Background and Strategies:

- Continue Project SUCCEED and Balloon Project to help move children towards permanency.
- Strengthen case review system at 3 month, 6 month, and 9 months that the child stays in custody.
- Monitor wait time for parents to receive treatment services.
- Increase services to parents and families, such as alcohol treatment and mental health counseling.
- Strengthen family support services.

Measure: Number of foster homes operating at greater than licensed capacity. (SB 281).
(Added by Legislature in FY2001 version.)

Current Status:

The division continues to gather data for this measurement.

Benchmark:

The recommended baseline year is FY1997.

Background and Strategies:

- Continue foster care recruitment campaign.

Status of FY2001 Performance Measures

| | <i>Achieved</i> | <i>On track</i> | <i>Too soon to tell</i> | <i>Not likely to achieve</i> | <i>Needs modification</i> |
|--|-----------------|-----------------|-------------------------|------------------------------|---------------------------|
| <ul style="list-style-type: none"> • Percentage of closed cases for children placed in alternative permanent homes in which a recurrence of substantiated abuse and neglect occurs 6 and 12 months after case closure. (SB 281). • Percentage of permanent adoptive and guardianship homes that are disrupted 6, 12, and 24 months after placement. • Number of children harmed while in custody. (SB 281). • Average length of time spent in out of home care for children who have been abused or neglected. • Number of foster homes operating at greater than licensed capacity. (SB281). | | | X | | |
| | | | X | | |
| | | | X | | |
| | | | X | | |
| | | | X | | |

Purchased Services
BRU Financial Summary by Component

All dollars in thousands

| | FY2000 Actuals | | | | FY2001 Authorized | | | | FY2002 Governor | | | |
|---------------------------------|-----------------|-----------------|----------------|-----------------|-------------------|-----------------|----------------|-----------------|-----------------|-----------------|----------------|-----------------|
| | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds | General Funds | Federal Funds | Other Funds | Total Funds |
| Formula Expenditures | | | | | | | | | | | | |
| Foster Care Base Rate | 8,017.1 | 1,854.2 | 0.0 | 9,871.3 | 8,194.4 | 2,709.3 | 0.0 | 10,903.7 | 8,422.3 | 2,782.0 | 0.0 | 11,204.3 |
| Foster Care Augmented Rate | 2,305.2 | 250.9 | 0.0 | 2,556.1 | 2,178.0 | 329.4 | 1,079.4 | 3,586.8 | 2,437.1 | 396.2 | 1,079.4 | 3,912.7 |
| Foster Care Special Need | 3,040.0 | 328.0 | 138.3 | 3,506.3 | 2,599.3 | 475.6 | 50.0 | 3,124.9 | 3,330.9 | 525.9 | 50.0 | 3,906.8 |
| Foster Care AYI Subsidized | 550.0 | 0.0 | 0.0 | 550.0 | 550.0 | 0.0 | 0.0 | 550.0 | 550.0 | 0.0 | 0.0 | 550.0 |
| Adoptions/Guardians | 6,401.4 | 3,301.1 | 305.6 | 10,008.1 | 6,711.8 | 3,496.6 | 1,490.4 | 11,698.8 | 9,175.3 | 4,321.0 | 0.0 | 13,496.3 |
| Court Orders/Reunification Eff. | 0.0 | 0.0 | 0.0 | 0.0 | 500.0 | 0.0 | 0.0 | 500.0 | 500.0 | 0.0 | 0.0 | 500.0 |
| Non-Formula Expenditures | | | | | | | | | | | | |
| Family Preservation | 978.7 | 1,931.3 | 1,496.7 | 4,406.7 | 1,890.5 | 2,841.2 | 300.0 | 5,031.7 | 1,890.5 | 3,441.2 | 750.0 | 6,081.7 |
| Residential Child Care | 10,973.9 | 424.9 | 861.9 | 12,260.7 | 11,622.9 | 625.0 | 100.0 | 12,347.9 | 11,622.9 | 625.0 | 875.0 | 13,122.9 |
| Delinquency Prevention | 0.0 | 2,483.7 | 0.0 | 2,483.7 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Totals | 32,266.3 | 10,574.1 | 2,802.5 | 45,642.9 | 34,246.9 | 10,477.1 | 3,019.8 | 47,743.8 | 37,929.0 | 12,091.3 | 2,754.4 | 52,774.7 |

Purchased Services

Proposed Changes in Levels of Service for FY2002

Foster Care: The Department provides four highly interrelated foster care programs including Foster Care Base Rate, Foster Care Augmented, Foster Care Special Needs, and Foster Care AYI. These programs provide a continuum of foster care resources to children in State custody. The overall program goals and services provided by the Department's foster care programs have remained largely unchanged for the past several years. The Department anticipates the Foster Care Base Rate and Foster Care Special Needs caseloads to grow 6% per year in FY2001 and FY2002 to 15,474 FTE's (average 1,290 children daily) and 16,402 FTE's (average of 1,367 daily) respectively. The projected caseload growth is due to an overall increase in the State's population and general fluctuations in the foster care caseload.

Foster Care Special Needs: The Division's goal is to have at least one community member from each region who will participate in every 6-month review that is held. DFYS is planning to implement a statewide training program for individuals interested in serving as community members at case conferences. The Division will develop a statewide committee made up of one citizen from each region who participates in 6-month conferences to share experience and recommend overall system improvements.

Family Preservation: The Federal Adoptions and Safe Families Act requires that efforts be made to ameliorate issues which caused children to be removed from their homes or continue to interfere with reunification. These services, however, must now be done within a certain time period which speaks to the "child's sense of time". This greatly enhances the level of service provision required in a briefer amount of time. Beginning in FY2000, the Department provided grants to non-profit social services agencies to provide Time-Limited Family Reunification services. The grantees provide services to clients referred by DFYS that are designed to facilitate reunification of children with their families when the children have been placed in foster care.

Subsidized Adoption & Guardianship: Participation in the new projects such as Project SUCCEED and the Adoption Exchange requires additional work on the part of workers in the field and in the adoption and guardianship unit. Under Federal law - the acceleration of the permanency planning process (the Adoptions and Safe Families Act, 1997) and the institution of programmatic changes (the Multi-Ethnic Placement Act of 1994 and the Interethnic Adoption Provision modifications in 1996) - and under subsequent state law (AS 47.10.080 as modified by HB 375 in 1998), subsidies must be in place more quickly than ever before. State program activities, including Project SUCCEED and the Balloon Project, are also being developed in accordance with additional Federal programs such as the Adoption 2002 Initiative.

Residential Child Care: The Department, through the Division of Family and Youth Services and in coordination with current residential care providers, determined that the current categorical definitions of residential care needed to be reexamined. Through this collaborative effort, proposed changes to the levels of care are under review. It is anticipated these changes will go into effect in FY2002.

A residential care grant has been awarded to Family Centered Services of Alaska to provide Residential Diagnostic Treatment services to children and youth in Fairbanks. The program will begin in FY2002 upon completion of building modifications that must be made to the facility.

Court Ordered and Reunification Costs Component: In FY2001 the Division transferred \$500.0 from the Foster Care Special Needs component to this new component to cover the costs of court ordered and reasonable and active efforts requirements. This is a new budget component and we will report accomplishments after the program is in operation for at least one budget cycle. The Division expects this component will increase accountability in tracking the foster care services intended to preserve and reunite families.

Purchased Services
Summary of BRU Budget Changes by Component
From FY2001 Authorized to FY2002 Governor

All dollars in thousands

| | <u>General Funds</u> | <u>Federal Funds</u> | <u>Other Funds</u> | <u>Total Funds</u> |
|--|----------------------|----------------------|--------------------|--------------------|
| FY2001 Authorized | 34,246.9 | 10,477.1 | 3,019.8 | 47,743.8 |
| Adjustments which will continue current level of service: | | | | |
| -Subsidized Adoptions/Guardians | 1,000.0 | 0.0 | 0.0 | 1,000.0 |
| Proposed budget decreases: | | | | |
| -Subsidized Adoptions/Guardians | 0.0 | 0.0 | -1,490.4 | -1,490.4 |
| -Residential Child Care | 0.0 | 0.0 | -100.0 | -100.0 |
| Proposed budget increases: | | | | |
| -Family Preservation | 0.0 | 600.0 | 450.0 | 1,050.0 |
| -Foster Care Base Rate | 227.9 | 72.7 | 0.0 | 300.6 |
| -Foster Care Augmented Rate | 259.1 | 66.8 | 0.0 | 325.9 |
| -Foster Care Special Need | 731.6 | 50.3 | 0.0 | 781.9 |
| -Subsidized Adoptions/Guardians | 1,463.5 | 824.4 | 0.0 | 2,287.9 |
| -Residential Child Care | 0.0 | 0.0 | 875.0 | 875.0 |
| FY2002 Governor | 37,929.0 | 12,091.3 | 2,754.4 | 52,774.7 |