

State of Alaska FY2003 Governor's Operating Budget

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

Component: Foster Care Base Rate

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Component Mission

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

Component Services Provided

Program Summary: AS 47.14.100 mandates the Department to provide for the "...care of every child committed to its custody by placing the child in a foster home or in the care of an agency or institution providing care for children inside or outside the state." (emphasis added). To meet this mandate, the Department, through the Division of Family & Youth Services (DFYS), provides various foster care programs to children placed in custody of the State. These are children who have been removed from situations of abuse and/or neglect and are at risk for further abuse and neglect.

The Department provides a spectrum of foster care services including the Foster Care Base Rate, Foster Care Special Needs, Foster Care Augmented, and Foster Care AYI to meet the needs of children in State custody and to meet the Department's statutory mandate to provide for the care of children in State custody. These four foster care programs are complimentary, and without full funding for these programs the Department will not be able meet the basic needs of many children in foster care.

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.

During FY2001 the Department provided foster care benefits to an average of 1,141 children daily. The Department anticipates the caseload to remain steady in FY2002 and FY2003.

Component Goals and Strategies

1) PROVIDE SAFE AND APPROPRIATE FOSTER HOMES FOR ABUSED AND NEGLECTED CHILDREN IN STATE CUSTODY IN ACCORDANCE WITH STATE LAW:

- AS 47.14.100 mandates the Department to provide for the "...care of every child committed to its custody by placing the child in a foster home or in the care of an agency or institution providing care for children inside or outside the state." AS 47.14.100(d)(1) further mandates the Department to "...pay the costs of caring for physically or mentally handicapped foster children, including the additional costs of medical care, habilitative and rehabilitative treatment, services and equipment, special clothing, and the indirect costs of medical care, including child care and transportation expenses."

- Foster care providers are reimbursed at the base rate for the number of days the child is placed at the foster home.
- The daily base rate amount is established in regulations and varies depending on the age of the child and the geographical location where the child is placed. The current Foster Care Base Rate set in 1998 is based on the federal poverty guidelines of 1993, and does not reflect the overall cost of living increase of 23.45% that has occurred since that time. The Department is requesting to increase the daily base rate to the 1997 poverty guidelines, an increase of 13.5% over the 1993 level. Even with this modest increase foster care providers will receive a mere 90.1% of the 2001 federal poverty guidelines, 9.9% less than the current poverty guidelines.

2) MAINTAIN CHILDREN REQUIRING OUT-OF-HOME CARE IN THE SAFE AND STABLE ENVIRONMENT THEY

NEED:

- The Division contracts for finger printing as a criminal background check for foster parents and all persons age 16 years and older living in the foster home. The prints are forwarded to the Department of Public Safety, under agreement, and are checked against State and FBI criminal justice records for crimes that might pose a risk to children in care.

3) PROVIDE CASE MANAGEMENT FOR CHILDREN TRANSITIONING FROM IN-STATE OR OUT-OF-STATE RESIDENTIAL CARE FACILITIES OR YOUTH DETENTION FACILITIES BACK INTO THEIR LOCAL COMMUNITIES:

- Foster care will be used to provide placement resources in a less structured environment to children ensuring orderly transition back to their parent's home or another permanent placement resource.

Key Component Issues for FY2002 – 2003

The Foster Care Base Rate program is designed to reimburse foster parents for the basic on-going costs of raising a child. The current Foster Care Base Rate is based on 1993 Federal Poverty Guidelines and does not reflect the overall cost of living increases that have occurred since that time. 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 foster care programs. For the past few years, foster care has been short-funded, and the Department has had to ask the Legislature for supplemental appropriations. The Department received a \$1,951.9 supplemental (\$1,006.4 Fed and \$945.5 GF) for under-funded caseload growth in FY2000. The Department's FY2001 foster care budget included an increment request of \$3,429.7 to fund 12% projected caseload growth for the Foster Care Base Rate program. The Legislature provided funding of \$2,285.5 (a reduction of \$1,144.2). In FY2002 the \$300.6 Foster Care Base Rate caseload growth increment in the Governor's budget was not funded.

The foster care caseload increased by 16.8% in FY1998 and 16.4% in FY1999. In FY2000 the foster care caseload growth rate decreased to 5.8% (14,598 total FTE's for an average of 1,216 children daily). The reduction in the FY2000 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. In FY2001 the foster care caseload decreased 6.2%. During that fiscal year, foster care benefits were provided to an average of 1,141 children daily or 13,697 FTE's. The Department anticipates the foster care caseload to remain constant in FY2002 and FY2003.

The State has an obligation to reimburse foster care providers for the cost of care for children in their custody. If the State fails to meet its obligation, foster care providers will have no legal obligation to continue to provide care for the children. This could result in foster parents returning children to the Division of Family and Youth Services. This situation would seriously undermine the State's child welfare system and would negatively impact the children that the State is responsible for protecting.

Major Component Accomplishments in 2001**1) IN FY2001 THE DIVISION PROVIDED FOSTER CARE SERVICES TO AN AVERAGE OF 1,141 CHILDREN EACH DAY:**

- The foster care caseload increased by 16.8% in FY1998 and by another 16.4% in FY1999. In FY2000, through the efforts of Project Succeed and the Balloon Project, the Division was able to place many children that were in long-term foster care into permanent adoptive homes or guardianships. These placements contributed to the 5.8% reduction in the foster care caseload growth rate.

2) RECRUITMENT AND RETENTION OF FOSTER PARENTS WHO CAN PROVIDE THE SPECIALIZED CARE NECESSARY TO MEET THE NEEDS OF THIS POPULATION:

Trained, experienced foster families are a valuable resource and provide an essential service. In recent years,

children placed in foster care have more complex needs and issues, and foster parents are often required to have a greater level of specialized knowledge. The Department provided foster parent training so that foster parents can acquire the skills they need to successfully deal with the individual behaviors and special needs of children in their care.

- Recruit foster parents with the “Foster A Future” campaign. The “Foster A Future” media campaign consists of posters, brochures, television and radio spots, public service announcements and print ads. In addition to paid advertising, extensive recruitment efforts were made around the state, in collaboration with community agencies and tribal organizations, churches, children’s conference organizers, and foster parent support groups.

3) IMPROVED COLLABORATION AND COORDINATION OF SERVICES PROVIDED BY VARYING AGENCIES:

- The Division has entered into a number of projects in which various agencies provide service delivery to the client population. This allows increased services for a greater number of clients and also minimizes duplication or gaps in service delivery.

4) CHILD CARE FOR WORKING FOSTER PARENTS:

- The Division has started to offer child care to working foster parents as a foster parent recruitment and retention effort.

Statutory and Regulatory Authority

AS 47.05 Administration of Welfare, Social Services, and Institutions.
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-B and IV-E of the Social Security Act

Foster Care Base Rate
Component Financial Summary

All dollars in thousands

Formula Program:	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	14.1	100.0	100.0
73000 Contractual	141.8	157.4	157.4
74000 Supplies	0.0	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	8,595.2	9,753.7	11,012.2
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	8,751.1	10,011.1	11,269.6
Funding Sources:			
1002 Federal Receipts	1,632.9	2,540.2	2,889.2
1003 General Fund Match	3,806.8	3,845.7	3,845.7
1004 General Fund Receipts	2,319.9	2,633.7	3,543.2
1005 General Fund/Program Receipts	991.5	991.5	991.5
Funding Totals	8,751.1	10,011.1	11,269.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	1,632.9	2,540.2	2,540.2	2,889.2	2,889.2
General Fund Program Receipts	51060	991.5	991.5	991.5	991.5	991.5
Restricted Total		2,624.4	3,531.7	3,531.7	3,880.7	3,880.7
Total Estimated Revenues		2,624.4	3,531.7	3,531.7	3,880.7	3,880.7

Foster Care Base Rate

Proposed Changes in Levels of Service for FY2003

At a cost of \$1,258.5, the Department proposes to increase the foster care daily base rate by \$3.02. This increase, to the 1997 poverty guidelines, is 13.5% over the 1993 level. Even with this modest increase, foster care providers will receive a mere 90.1% of the 2001 federal poverty guidelines, or 9.9% less than the current poverty guidelines.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	7,470.9	2,540.2	0.0	10,011.1
Proposed budget increases:				
-Child Protection: Foster Care Daily Rate Increase of 13.5%	909.5	349.0	0.0	1,258.5
FY2003 Governor	8,380.4	2,889.2	0.0	11,269.6