

State of Alaska FY2003 Governor's Operating Budget

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

Component: Foster Care Augmented 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.

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." The Augmented Foster Care, or difficulty of care program, reimburses foster care providers for necessary costs that are on-going and not covered by the Foster Care Base Rate including: difficulty of care maintenance payment (Justified with Difficulty-of-Care Guidelines and Case Plan), teen parent/baby, sibling groups (3 or more children), and medically fragile children. Decisions on whether to pay Augmented Foster Care rates are made on a case-by-case basis in accordance with Division policy and State regulations.

Component Goals and Strategies

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

- The Department provides Augmented Foster Care 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. The Department has implemented a managed care type of delivery system to ensure that children receive the level of services that they need and to ensure equity between foster care providers.
- Augmented Foster Care/difficulty of care is available to children in foster care based on an assessment of the child's special needs. This foster care program reimburses foster care providers for extraordinary costs and for higher levels of supervision not otherwise covered under the Foster Care Base Rate program. The Department provides the Augmented Foster Care, or difficulty of care program, in accordance with State and Federal Foster Care regulations.

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

- 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 will provide 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.
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Key Component Issues for FY2002 – 2003

Although the Department anticipates the foster care caseload to remain steady for FY2002 and FY2003, the Department is requesting a \$63.0 increment to cover the cost of the Foster Care Augmented program. In FY2001, 30.6% of the children in foster care received an augmentation to their base rate. The Department anticipates that the percentage of augmented cases will remain constant at 30.6% in FY2002 and FY2003.

Decisions on whether to pay Augmented Foster Care rates are made on a case-by-case basis in accordance with Division policy and State and Federal foster care regulations. Augmented rates must be approved in advance by DFYS regional management based on documented assessed needs. Each case must be reassessed at least every six months to determine whether continuation of augmented foster care rates are necessary and in the best interest of the child.

When children enter foster care with a higher level of disturbance, foster parents are required to access a higher level of services to meet their needs (i.e., physical and/or psychological therapy, supervised visits with family members, individual education plans, tutoring). With the increase of parental abuse of drugs and alcohol, children are often exposed to prenatal abuse as well as environmental abuse that affects their behavior and their special needs. Children who have been exposed to parental substance abuse often require special medical and therapeutic care. Child victims of sexual abuse often present unusual behaviors while in foster care as a result of their trauma. Many of these children require frequent appointments and collaboration with therapists, educators, medical providers, and agency personnel.

For the past few years, the Foster Care Augmented component has been short-funded, and the Department has requested a supplemental appropriation. In FY1999 DFYS received a \$1,460.4 supplemental for the Foster Care Base Rate and the Foster Care Augmented programs (\$860.4 Federal Receipts, \$350.0 General Fund, and \$250.0 I/A Receipts). In FY2000 the Department received a \$1,267.3 supplemental for the Foster Care Augmented program. The Governor's FY2001 budget request included a caseload growth increment of \$1,253.2 that was reduced by \$100.0. In FY2002 the Governor's caseload increment of \$325.9 was short-funded by \$98.7.

The safety of children in DFYS custody will be diminished if the FY2003 foster care budget is maintained at the FY2001 funding level. Although the Department anticipates the foster care caseload to remain constant during FY2002 and FY2003, the Foster Care Augmented Rate program has been short-funded for the past several years. If the current budget remains static, the Division anticipates a budget deficit for Foster Care Augmented in excess of \$60.0 in FY2003. With a budget deficit, the Department will be unable to meet its statutory mandate to provide care for children in custody and will have insufficient funds to pay augmented foster care benefits in FY2003.

Children placed with augmented foster care rates have special needs. Without additional funding for the foster parents, these children are more likely to move from placement to placement. If the State is unable to reimburse foster care providers for the cost of special care, DFYS social workers will not be able to find many foster parents who are willing or able to care for abused or neglected children that are unsafe in their own homes.

Major Component Accomplishments in 2001

- Standardized Guidelines: In FY2000 the Division redesigned and implemented guidelines to standardize rates and improve equity between foster care providers. In FY2001 the Department continued to use the process to determine the level of care and special needs of children. The Foster Care Placement Level Checklist establishes guidelines to assist in determining a child's Augmented/Difficulty of Care rate. Examples of conditions that could result in a child aged 12 to 18 years old assessed as needing structured rates include: felony offense(s), six or more misdemeanors, and/or a history of physical violence; gang involvement; severe physical disabilities; severe genetic diseases; life-threatening medical problems; moderate to severe mental disabilities; sexual perpetrator; and serious drug abuse.
- Caseload Growth: The percentage of children receiving a rate augmentation has increased due to children coming into foster care with increasing special needs. In FY1998 approximately 19.3% of the children in foster care received a rate augmentation. In FY1999 23.5% of children received augmented rates, and in FY2000 27.8% of children in foster care received an augmentation to the foster care base rate. An estimated 30.6% of foster care children received an augmented rate in FY2001. The Department anticipates that in FY2002 and FY2003 the Division will provide augmented foster care services to an average of 349 children each day.

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 Augmented 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	0.0	0.0	0.0
73000 Contractual	0.0	0.0	0.0
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	2,529.2	3,685.5	3,748.5
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	2,529.2	3,685.5	3,748.5
Funding Sources:			
1002 Federal Receipts	351.4	396.2	396.2
1003 General Fund Match	1,199.0	1,231.1	1,231.1
1004 General Fund Receipts	478.8	478.8	541.8
1007 Inter-Agency Receipts	0.0	1,079.4	1,079.4
1037 General Fund / Mental Health	500.0	500.0	500.0
Funding Totals	2,529.2	3,685.5	3,748.5

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	351.4	396.2	396.2	396.2	396.2
Interagency Receipts	51015	0.0	1,079.4	1,079.4	1,079.4	1,079.4
Restricted Total		351.4	1,475.6	1,475.6	1,475.6	1,475.6
Total Estimated Revenues		351.4	1,475.6	1,475.6	1,475.6	1,475.6

Foster Care Augmented Rate

Proposed Changes in Levels of Service for FY2003

The Department requests an increment of \$63.0 General Funds to cover the cost of the caseload for the Foster Care Augmented program. In FY2001, 30.6% of the children in foster care received an augmentation to their base rate. The Department anticipates that the percentage of augmented cases will continue at 30.6% in FY2002 and FY2003.

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	2,209.9	396.2	1,079.4	3,685.5
Proposed budget increases:				
-Foster Care Augmented Rate	63.0	0.0	0.0	63.0
Caseload Underfunding				
FY2003 Governor	2,272.9	396.2	1,079.4	3,748.5