

State of Alaska FY2003 Governor's Operating Budget

Department of Health and Social Services Foster Care Special Need Component Budget Summary

Component: Foster Care Special Need

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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 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.

The Foster Care Special Needs program reimburses providers for pre-approved "one time" or "irregular" expenditures authorized by AS 47.14 that are not covered by the Foster Care Base Rate and that have been assessed on an as-needed basis. State regulations (Sections 7 AAC 53.050 and 7 AAC 53.310-350) outline the allowable uses of Special Needs payments to DFYS clients.

The standardized guidelines developed in FY2000 provides criteria to determine the level of care and special needs of children. Some types of expenditures have resource equity criteria assigned, and all expenditures must be based on documented need. Request for Special Needs Funds forms are used to request/receive approval for payment of ongoing direct costs, one-time, or short-term costs. These are services needed to meet the needs of children in custody or under Division supervision so the provision of goods or services on an as-needed basis is consistent with the child's case plan. Goods or services may be used to support a case plan.

Examples of services provided include: licensed child care for children in foster care to enable their foster parent(s) to continue working; childcare for foster parents to attend court hearings, case conferences, or training events; extraordinary clothing for medically fragile children and for children experiencing a growth spurt; initial clothing for a new placement first coming into foster care; damages and loss to foster parent in accordance with 7 AAC 53.110; food and dry goods considered essential to maintain a placement in an unlicensed relative's home; food for special diets for children that cannot eat a regular diet (must be recommended by a doctor); rent, utility or house payments to help maintain a child in a specific unlicensed relative placement; extraordinary laundry; medical, dental, diagnostic, assessment, treatment services, and medical equipment for foster children that are not covered under Medicaid or other third-party coverage; medical exams during CPS investigations; paternity testing for alleged biological parent; personal incidentals including activity fees for reasonable and occasional events (resource equity criteria based); search for and notices to missing parents; services to parent(s), legal guardians, and Indian custodians including homemaker services, counseling or therapy, parent training, substance abuse treatment services, and other mental health services; shipping and freight costs to bring child's personal belongings to a specific placement; special equipment, furniture, and services such as special cribs, beds, mattresses for persons with disabilities; stand-by foster homes; travel for children in foster care to visit with their families; travel for foster children other than visits with family (child in custody and placement travel over 50 miles from their placement for more than 24 hours); travel for parent visit with child; travel for staff or non-employee escort travel; and paid supervised visitation.

Other Services Provided: The Foster Care Special Needs component also provides funding for other services including contracts for drug testing; foster parent training (required by AS 47.14.115); foster parent fingerprinting and criminal history record checks (required by AS 47.35); Vital Statistic data inquiries and Social Security/SSI eligibility.

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

of-home placements as well as children that are at risk of out-of-home placements are eligible to receive services.

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."

- Special needs children present unique challenges to families already experiencing deficits due to substance abuse, criminal activity, parental handicaps, domestic violence, and other conditions. The Department's foster care programs provide support services to reunite families. When family reunification is not possible, permanent homes must be located that can meet the needs of the child through guardianship or adoption.

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

- Special Needs funds can be used to avoid frequent moves and changes in environment for children placed in foster care; the use of special funds can provide the support needed by providers to maintain a child in care.

3) 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.

Key Component Issues for FY2002 – 2003

- Needs Assessment Tool:** All special needs expenditures must be based on documented assessed need. A new assessment tool was developed to provide standardized criteria to determine the level of care and special needs of children.
- Foster Care Case Load Growth:** The Foster Care Special Needs budget is calculated based on historical cost data and is driven by the Foster Care Base Rate caseload. The Foster Care Base Rate caseload is utilized because all children in foster care are potential recipients of Foster Care Special Needs benefits. The Department anticipates the Foster Care Base Rate and Foster Care Special Needs caseloads to remain constant in FY2002 and FY2003.
- Budget Increment:** For the past few years, the Department's foster care programs have been short-funded and supplemental appropriations have been necessary to cover the cost of under-funded caseload growth. The Governor's FY2001 budget included a \$1,334.9 increment for foster care special needs caseload growth. Funding for this request was reduced by \$1,133.1 resulting in a net caseload growth increment of \$201.8. In FY2002 the \$631.9 Foster Care Special Needs caseload growth increment in the Governor's budget was short-funded by \$557.6. Based on projected special needs costs, the Department sees the potential need for a FY2002 supplemental.
- AS 47.14.100(d)(1) requires 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." If this increment is not funded, the Department will have insufficient funds to pay Foster Care Special

Needs benefits and will be unable to meet this statutory mandate.

- Meeting the Needs of Special Needs Children: 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.

- There is already a shortage of foster parents: An inability (whether real or perceived) to reimburse foster care providers for services rendered will seriously erode any success that the Department has made during the last two years to recruit more foster parents. Foster parents rely on the State being able to reimburse them for the costs of care for the children in their care. Any reduction in payments may disrupt these placements and result in the Department not having enough foster parents to care for the children committed to State custody. If the State is unable to reimburse foster care providers for their costs of care, DFYS social workers will not be able to find many foster parents that are willing or able to place abused neglected children in their own homes.

Major Component Accomplishments in 2001

1) REDESIGNED AND IMPLEMENTED 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 this process to determine the level of care and special needs of children. Services were provided to meet the assessed needs of children in custody or under Division supervision on an as-needed basis that is consistent with the child's case plan.

2) FOSTER PARENT RECRUITMENT AND RETENTION:

The Division has started to offer childcare assistance to working foster parents as a foster parent recruitment and retention effort.

3) IN FY2001 THE DIVISION PROVIDED FOSTER CARE SERVICES TO AN AVERAGE OF 1,141 CHILDREN EACH DAY:

The number of children placed in foster care has increased significantly over the past several years. The foster care caseload increased 16.8% in FY1998 and by another 16.4% in FY1999. Foster care provided these children an opportunity to enjoy a stable home life and provided them with basic essential needs such as food, shelter, and clothing.

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 which contributed to the a reduction of the foster care caseload growth rate to 5.8% in FY2000. In FY2001 the foster care case load growth decreased 6.2%. The Department anticipates the foster care caseload to remain constant at an average of 1,141 children daily for FY2002 and FY2003.

4) DEVELOPED APSIN DATA EXCHANGE PROJECT TO INCREASE SAFETY OF CHILDREN IN FOSTER CARE:

DFYS developed the APSIN Data Exchange Project in cooperation with the Department of Public Safety (DPS), to increase the safety of children in foster care. The APSIN Data Exchange Project provides a computer interface between the DFYS client case management system Prober and the Alaska Public Safety Information Network (APSIN). DFYS foster care providers are identified or flagged in APSIN and DFYS is notified in the event a foster care provider has been arrested or has had any other interaction with the criminal justice system. DFYS reviews these notices and determines whether or not continued placement of a child in the provider's home poses a risk to the child.

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 Special Need
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	1.9	0.0	0.0
73000 Contractual	828.1	922.6	922.6
74000 Supplies	0.3	0.0	0.0
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	2,911.9	2,276.6	3,371.9
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,742.2	3,199.2	4,294.5
Funding Sources:			
1002 Federal Receipts	886.6	525.9	525.9
1003 General Fund Match	168.3	192.3	192.3
1004 General Fund Receipts	1,889.4	1,683.1	2,278.4
1007 Inter-Agency Receipts	50.0	50.0	550.0
1037 General Fund / Mental Health	747.9	747.9	747.9
Funding Totals	3,742.2	3,199.2	4,294.5

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	886.6	525.9	525.9	525.9	525.9
Interagency Receipts	51015	50.0	50.0	550.0	550.0	550.0
Restricted Total		936.6	575.9	1,075.9	1,075.9	1,075.9
Total Estimated Revenues		936.6	575.9	1,075.9	1,075.9	1,075.9

Foster Care Special Need

Proposed Changes in Levels of Service for FY2003

Although the Department anticipates the Foster Care Special Needs caseload will remain constant in FY2003, \$595.3 is requested to cover underfunding of this program. For the past few years, the Department's foster care programs have been short-funded and supplemental appropriations have been necessary to cover the cost of under-funded caseload growth. Based on projected special needs costs, the Department sees the need for a \$595.3 increase to cover program costs in 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	2,623.3	525.9	50.0	3,199.2
Proposed budget increases:				
-Foster Care Special Needs Caseload Underfunding	595.3	0.0	0.0	595.3
-DEED I/A for Child Care to Unlicensed Relatives Providing Foster Care	0.0	0.0	500.0	500.0
FY2003 Governor	3,218.6	525.9	550.0	4,294.5