

State of Alaska
FY2025 Governor's Operating Budget

Department of Family and Community Services
Foster Care Base Rate
Component Budget Summary

Component: Foster Care Base Rate**Contribution to Department's Mission**

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

Core Services

- Reimburses foster parents for the basic and ongoing costs of raising a child.

Major Component Accomplishments in 2023

Provided foster care payments for a monthly average of 2600 full-time equivalent children in foster care. “full-time equivalent” is a methodology used to calculate foster care expenditures while compensating for the daily fluctuation of children moving in and out of the program. 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 Office of Children’s Services (OCS) supplied foster parent training to provide the essential skills needed to successfully deal with the individual behaviors and special needs of the children in their care.

The Division also continued to offer financial assistance for childcare to working foster parents as a foster parent recruitment and retention effort. OCS partnered with the Child Care Program Office to cover childcare costs for OCS’ resource families.

OCS updated regulations for Difficulty of Care Augmented Rates. This allows OCS to have an additional rate that had previously only been available to the Division of Juvenile Justice . OCS also updated regulations for Intensive Augmented Rates so that these rates can be utilized for youth with complex needs that do not qualify for a Medicaid waiver.

Key Component Challenges

The Office of Children’s Services (OCS) continues to explore recruitment of non-child specific foster homes. The number of children with complex medical and behavioral needs has outpaced the Division’s ability to recruit foster parents with the willingness and capability to care for these high-needs children.

Foster care base rates are computed and reviewed on an annual basis to determine if established rates are sufficient for the daily care and supervision of children in a licensed foster care placement. Considerations are given to the needs of children by age and geographic location to equitably compensate, recruit, and retain foster parents. The Department is required to propose to the legislature a change in the foster care base rates, not less than every five years, or when the base rate deviates by 10 percent or more from the previous rate. With recent significant increases to the general cost of living, the requirements of 7 AAC 53 have been fulfilled.

Significant Changes in Results to be Delivered in FY2025

On July 1, 2022, the new 7 AAC 67 Licensing Regulations became law. The implementation of the new regulations will occur over the next two years.

The current foster care rates went into effect on July 1, 2018. Per AAC 53, the Office of Children’s Services is required to put forth a rate increase. A rate increase will equate to several million dollars in additional federal and state funding needs.

Statutory and Regulatory Authority

AS 47.05.065(3) Legislative Findings Related to Children
AS 47.10 Children in Need of Aid
AS 47.14.020 Duties of Department
AS 47.14.100 Powers and Duties of Department Over Care of Child
AS 47.17 Child Protection
AS 47.40 Purchase of Services
7 AAC 53, Article 1 Child Foster Care Payment Rates and Difficulty-of-Care Augmentation
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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Component Detail All Funds
Department of Family and Community Services

Component: Foster Care Base Rate (3315)
RDU: Children's Services (486)

Formula Component

	FY2023 Actuals	FY2024 Enrolled	FY2024 Authorized	FY2024 Management Plan	FY2025 Governor Adjusted Base	FY2025 Governor	FY2024 Management Plan vs FY2025 Governor		
1000 Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
2000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
3000 Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
4000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
5000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
7000 Grants, Benefits	18,984.6	23,825.9	23,825.9	23,025.9	23,025.9	28,025.9	5,000.0	21.7%	
8000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Totals	18,984.6	23,825.9	23,825.9	23,025.9	23,025.9	28,025.9	5,000.0	21.7%	
Fund Sources:									
1002 Fed Rcpts (Fed)	4,185.4	5,536.6	5,536.6	4,736.6	4,736.6	6,129.4	1,392.8	29.4%	
1003 G/F Match (UGF)	3,180.1	5,172.3	5,172.3	5,172.3	5,172.3	6,230.6	1,058.3	20.5%	
1004 Gen Fund (UGF)	7,659.3	7,517.0	7,517.0	7,517.0	7,517.0	10,065.9	2,548.9	33.9%	
1005 GF/Prgm (DGF)	3,959.8	5,600.0	5,600.0	5,600.0	5,600.0	5,600.0	0.0	0.0%	
Unrestricted General (UGF)	10,839.4	12,689.3	12,689.3	12,689.3	12,689.3	16,296.5	3,607.2	28.4%	
Designated General (DGF)	3,959.8	5,600.0	5,600.0	5,600.0	5,600.0	5,600.0	0.0	0.0%	
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0%	
Federal Funds	4,185.4	5,536.6	5,536.6	4,736.6	4,736.6	6,129.4	1,392.8	29.4%	
Positions:									
Permanent Full Time	0	0	0	0	0	0	0	0.0%	
Permanent Part Time	0	0	0	0	0	0	0	0.0%	
Non Permanent	0	0	0	0	0	0	0	0.0%	

Change Record Detail - Multiple Scenarios with Descriptions
Department of Family and Community Services

Component: Foster Care Base Rate (3315)
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 FY2024 Enrolled To FY2024 Authorized *****												
FY2024 Enrolled	Enrolled	23,825.9	0.0	0.0	0.0	0.0	0.0	23,825.9	0.0	0	0	0
1002 Fed Rcpts		5,536.6										
1003 G/F Match		5,172.3										
1004 Gen Fund		7,517.0										
1005 GF/Prgm		5,600.0										
Subtotal		23,825.9	0.0	0.0	0.0	0.0	0.0	23,825.9	0.0	0	0	0
***** Changes From FY2024 Authorized To FY2024 Management Plan *****												
Transfer to Family Preservation to Align with Anticipated Expenditures	Trout	-800.0	0.0	0.0	0.0	0.0	0.0	-800.0	0.0	0	0	0
1002 Fed Rcpts		-800.0										
Transfer from Foster Care Base Rate to Family Preservation to align with anticipated expenditures.												
Subtotal		23,025.9	0.0	0.0	0.0	0.0	0.0	23,025.9	0.0	0	0	0
***** Changes From FY2025 Governor Adjusted Base To FY2025 Governor *****												
Increase Foster Care Base Rate	Inc	5,000.0	0.0	0.0	0.0	0.0	0.0	5,000.0	0.0	0	0	0
1002 Fed Rcpts		1,392.8										
1003 G/F Match		1,058.3										
1004 Gen Fund		2,548.9										
Totals		28,025.9	0.0	0.0	0.0	0.0	0.0	28,025.9	0.0	0	0	0

The current foster care rates went into effect on July 1, 2018. Per 7 Alaska Administrative Code 53.030, not less than every five years, or when the base rate deviates by 10 percent or more from the previous rate implementation, the department will propose to the legislature a change to the foster care base rates.

Historically, the methodology for this rate review utilized the United States Department of Agriculture (USDA) average cost of living for the United States. This year, a second proposal is being offered that instead uses the USDA average cost of living for the Urban West region which includes Alaska.

The new methodology better aligns the increase to the true cost of living in Alaska.

Line Item Detail (1676)
Department of Family and Community Services
Grants, Benefits

Component: Foster Care Base Rate (3315)

Line Number	Line Name		FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
7000	Grants, Benefits		18,984.6	23,025.9	28,025.9
Object Class	Servicing Agency	Explanation	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
7000 Grants, Benefits Detail Totals			18,984.6	23,025.9	28,025.9
7002	Benefits	Reimbursement to foster care providers for the basic ongoing needs of a foster child. Costs include but are not limited to items such as; food, clothing, shelter, personal, and grooming items.	18,924.6	23,025.9	28,025.9
7003	Sub-Recipient Pass-Through Grants	Sub-Recipient	60.0	0.0	0.0

Revenue Detail (1681)
Department of Family and Community Services

Component: Foster Care Base Rate (3315)

Revenue Type (OMB Fund Code) Revenue Source	Component	Comment	FY2023 Actuals	FY2024 Management Plan	FY2025 Governor
5002 Fed Rcpts (1002 Fed Rcpts)			4,185.4	4,736.6	6,129.4
5019 Federal - Miscellaneous Grants		Title IV-E of the Social Security Act funding	4,185.4	4,736.6	6,129.4
		Title IV-E of the Social Security Act funding			
5005 GF/Prgm (1005 GF/Prgm)			3,959.8	5,600.0	5,600.0
5115 Program Receipts Health & Human Svcs - Charges for Services		General fund program receipts ability to receive Supplemental Security Income/Social Security Administration and child support	3,959.8	5,600.0	5,600.0
		General fund program receipts ability to receive Supplemental Security Income/Social Security Administration and child support			
6003 G/F Match (1003 G/F Match)			0.4	0.0	0.0
6102 Match - Prior Year Reimbursement Recovery		Match-Prior Year Reimbursement Recovery	0.4	0.0	0.0
6004 Gen Fund (1004 Gen Fund)			0.9	0.0	0.0
6046 General Fund - Prior Year Reimbursement Recovery		General Fund-Prior Year	0.9	0.0	0.0