

# Fiscal Note

State of Alaska  
2017 Legislative Session

Bill Version: HB 151  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB151-DHSS-SAG-03-10-17  
Title: DHSS;CINA; FOSTER CARE; CHILD PROTECTION  
Sponsor: GARA  
Requester: House HSS

Department: Department of Health and Social Services  
Appropriation: Children's Services  
Allocation: Subsidized Adoptions & Guardianship  
OMB Component Number: 1962

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2018	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2018 Request	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>OPERATING EXPENDITURES</b>	<b>FY 2018</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits	2,880.0		5,760.0	8,640.0	8,640.0	8,640.0	8,640.0
Miscellaneous							
<b>Total Operating</b>	<b>2,880.0</b>	<b>0.0</b>	<b>5,760.0</b>	<b>8,640.0</b>	<b>8,640.0</b>	<b>8,640.0</b>	<b>8,640.0</b>

## Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	1,036.8		2,073.6	3,110.4	3,110.4	3,110.4	3,110.4
1004 Gen Fund (UGF)	1,843.2		3,686.4	5,529.6	5,529.6	5,529.6	5,529.6
<b>Total</b>	<b>2,880.0</b>	<b>0.0</b>	<b>5,760.0</b>	<b>8,640.0</b>	<b>8,640.0</b>	<b>8,640.0</b>	<b>8,640.0</b>

## Positions

Full-time							
Part-time							
Temporary							

## Change in Revenues

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2017) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2018) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? **Yes**  
If yes, by what date are the regulations to be adopted, amended or repealed? **12/31/17**

## Why this fiscal note differs from previous version:

Not applicable; initial version.

Prepared By: <u>Christy Lawton, Director</u>	Phone: <u>(907)465-3170</u>
Division: <u>Office of Children's Services</u>	Date: <u>03/11/2017 06:00 PM</u>
Approved By: <u>Shawnda O'Brien, Asst. Commissioner</u>	Date: <u>03/10/17</u>
Agency: <u>Health and Social Services</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2017 LEGISLATIVE SESSION

BILL NO. HB151

Analysis

**Section 2** amends AS 25.23.210(b), *Amount and duration of subsidy payments*, extending adoption and guardianship subsidy benefits for children for three additional years, from age 18 up to a child's 21st birthday. The increase in subsidies would be rolled out as follows: adding youth who are age 18 in year one; youth who are 18 and 19 in year two; and adding youth 18, 19, and 20 in year three. Currently, an average of 25 subsidies are closed each month as children reach the current age threshold of 18, which results in about 300 closures annually.

Projected additional subsidy costs resulting from this legislation were determined by looking at the number of existing adoption and guardianship assistance children who have aged out, and the average subsidy costs. Prior to the finalization of an adoption or a guardianship, the agency evaluates the special needs of the child and what financial assistance the prospective family may require. The subsidy starts at a \$0 base level and moves up from there, based on the individual child's identified needs. Currently, the average subsidy payment is about \$800.00 per child.

Projected additional subsidy costs:

FY 2018: 300 children X \$800.00 X 12 months = \$2,880,000.00

FY 2019: 600 children X \$800.00 X 12 months = \$5,760,000.00

FY 2020: 900 children X \$800.00 X 12 months = \$8,640,000.00

FY 2021 and forward would remain at the FY 2020 level

Note: Not all youth will qualify for continuing subsidies after age 18 due to eligibility requirements for federal adoption and guardianship subsidies. The following must be verified at least annually for the department to continue to claim Title IV-E funding for the individual child:

- 1) Completing secondary education or a program leading to an equivalent credential;
- 2) Enrolled in an institution which provides postsecondary or vocational training;
- 3) Participating in a program or activity designed to promote, or remove barriers to, employment;
- 4) Employed at least 80 hours per month; or
- 5) Incapable of doing any of the activities described in subclauses (1-4) due to a medical condition, which incapability is supported by regulation updated information in the case plan of the child.

Regulations for foster care, adoption, and guardianship eligibility and payment requirements (7 AAC 53) will need to be changed to reflect the expansion of the eligibility requirements for title IV-E eligibility for youth ages 18 through the 21st birthday. It is expected that these regulatory changes will be in place six months from the date the bill is adopted.