

Fiscal Note

State of Alaska
2017 Legislative Session

Bill Version: HB 151
Fiscal Note Number: _____
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Identifier: HB151-DHSS-FLSW-03-20-17
Title: DHSS;CINA; FOSTER CARE; CHILD
PROTECTION
Sponsor: GARA
Requester: House HSS

Department: Department of Health and Social Services
Appropriation: Children's Services
Allocation: Front Line Social Workers
OMB Component Number: 2305

Expenditures/Revenues

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

	FY2018 Appropriation Requested	Included in Governor's FY2018 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Personal Services	2,288.0		4,576.0	6,864.0	6,864.0	6,864.0	6,864.0
Travel	130.0		260.0	390.0	390.0	390.0	390.0
Services	27.0		54.0	81.0	81.0	81.0	81.0
Commodities	172.8		172.8	172.8			
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	2,617.8	0.0	5,062.8	7,507.8	7,335.0	7,335.0	7,335.0

Fund Source (Operating Only)

1002 Fed Rcpts (Fed)	153.7		1,205.0	2,256.4	2,182.0	2,182.0	2,182.0
1004 Gen Fund (UGF)	2,464.1		3,857.8	5,251.4	5,153.0	5,153.0	5,153.0
Total	2,617.8	0.0	5,062.8	7,507.8	7,335.0	7,335.0	7,335.0

Positions

Full-time	27.0		54.0	81.0	81.0	81.0	81.0
Part-time							
Temporary							

Change in Revenues

None							
Total	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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? No
If yes, by what date are the regulations to be adopted, amended or repealed? n/a

Why this fiscal note differs from previous version:

Previous fiscal note showed \$1,200.0 (2 percent federal) reduction in the Foster Care Base Rate fiscal note. The \$1,200 is now spread across the components based on FY2016 allocated expenditures per component. For this component \$972.0 federal was offset by \$972.0 general fund. (\$1,200.0 x 81 percent).

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Division: Office of Children's Services Date: 03/20/2017 01:00 PM
Approved By: Shawnda O'Brien, Asst. Commissioner Date: 03/20/17
Agency: Health and Social Services

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2017 LEGISLATIVE SESSION

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Analysis

Section 15 increases the responsibility of the Department to assess adult family members and family friends to meet licensing requirements for foster care to include the application for waivers, variances and exemptions. Additional licensing staff to assist an adult family member or family friend in obtaining a license and any waivers, variances or exemptions that would help the family member become eligible for foster care payments under AS 47.14.100(b) and (d) that ensures placements with family members or relatives when they are in the best interest of the child.

qty	title	BU	range	location	salary & benefits	TOTAL
1	Community Care Licensing Specialist II	GP	18	Wasilla	\$ 100.4	\$ 100.4
1	Community Care Licensing Specialist II	GP	18	Fairbanks	\$ 102.9	\$ 102.9

Section 17 increases the level of training and workloads for new front line case workers and recommends:

- 1) No more than six cases are assigned to a new front line worker in the first four months of employment
- 2) No more than twelve cases in the first year of employment

Since caseloads per front line workers are higher than the requirements outlined in Section 17, the Department will need an increase in front line workers. The Department would need to add a total of 46 Protective Services Specialists, along with support staff that enable them to be successful in managing their caseloads. In addition to the front line staff a 2012 workload study contracted by the Division recommends the following ratios of support and supervision: One Supervisor for five front line workers, one Social Services Associate for every four front line workers, and one office assistant for every four front line workers.

qty	title	BU	range	location	salary & benefits	TOTAL
26	Protective Services Specialist I/II	GP	15/17	Wasilla	\$ 84.6	\$ 2,199.6
20	Protective Services Specialist I/II	GP	15/17	Fairbanks	\$ 86.6	\$ 1,732.0
6	Social Services Associate II	GP	12	Wasilla	\$ 72.1	\$ 432.6
6	Social Services Associate II	GP	12	Fairbanks	\$ 73.8	\$ 442.8
5	Protective Services Specialist IV	GP	20	Wasilla	\$ 115.9	\$ 579.5
4	Protective Services Specialist IV	GP	20	Fairbanks	\$ 118.9	\$ 475.6
6	Office Assistant II	GP	10	Wasilla	\$ 65.8	\$ 394.8
6	Office Assistant II	GP	10	Fairbanks	\$ 67.3	\$ 403.8
						\$ 6,660.7

One-time commodities (desk, chair, phone, computer) – 79 x \$6.4 = \$505.6

Office Space – 79 x \$1.0 = \$79.0

Travel for Fairbanks Protective Services Specialists, Social Services Associates – 30 x \$13.0 = \$390.0

The Department would likely bring on twenty seven new staff each year for three years.

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.

FISCAL NOTE ANALYSIS

STATE OF ALASKA
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Analysis Continued

By extending subsidy payments for foster youth up to their 21 birthdays, this legislation would alter the Division's federal claiming calculations. When the foster youth are added to the eligibility universe for all children in foster care, it is anticipated that there will be a loss of about two percent in the eligibility penetration rate (due to a 'dilution effect' in the calculation), which will lead to a loss of \$1,200.0 in federal revenue across the Division.

Based on the most recent reporting fiscal year quarter 12/31/2016, approximately 80 youth were in the foster care population and receiving services from the Office of Children's Services through general fund dollars. The Division does not claim Title IV-E for these youth due to the precise requirements they must meet to qualify as noted below. It is fiscally not beneficial for Alaska to include them in the IV-E population. With the expansion up to the 21st birthday for subsidies, these 80 youth would have to be newly included in the formula and they would reduce our overall federal reimbursement for the entire population.

On 12/31/2016 the unduplicated number of children in foster care that received a Title IV-E eligible and reimbursable foster care payment was 1,315 and the total population was 2,351 (eligible and reimbursable AND the eligible and not reimbursable). To come up with the penetration rate we must take 1,315 divided by 2,351 = 55.9 percent. If the Division were to extend the subsidy program to the 21st birthday, approximately 80 children would be added to the denominator of the federal claiming formula, which would result in an approximate two percent reduction in the penetration rate overall, which is applied to our total administrative costs across the board.

$1,315/2,351 = 55.93$ percent current federal reimbursement rate
 $1,315/(2,351 + 80 \text{ additional youth}) = 54.09$ percent revised federal reimbursement rate
 $55.93 \text{ percent} - 54.09 \text{ percent} = 1.8 \text{ percent}$

It is estimated that every 1 percent decrease in the penetration rate decreases federal revenue by \$600.0. To determine the impact to the Front Line Social Workers component, the Department took an average percentage of cost allocated federal revenue based on FY2016 allocated expenditures for each component (81 percent x \$1,200.0 = \$972.0 loss in federal revenue for the Front Line Social Workers component).

Current anticipated federal reimbursement rate = 43 percent for this component.
Any loss in federal revenue would increase the need for general fund expenditures.

For total anticipated FY2018 costs of \$2,617.8, original fund source split, adjusted for the \$972.0 fund source switch:

Federal:	\$1,125.7	(\$972.0)	= \$ 153.7
General Fund:	<u>\$1,492.1</u>	<u>\$972.0</u>	<u>= \$2,464.1</u>
	\$2,617.8	0.0	= \$2,617.8

The same fund source adjustment process is used for calculating out year costs.