

Fiscal Note

State of Alaska
2017 Legislative Session

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

Identifier: HB151-DHSS-SAG-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: Subsidized Adoptions & Guardianship
OMB Component Number: 1962

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				
	FY 2018	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
OPERATING EXPENDITURES							
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							
Total Operating	2,880.0	0.0	5,760.0	8,640.0	8,640.0	8,640.0	8,640.0

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
Total	2,880.0	0.0	5,760.0	8,640.0	8,640.0	8,640.0	8,640.0

Positions

Full-time							
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? **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If yes, by what date are the regulations to be adopted, amended or repealed?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:

Clarified federal percentage in the narrative. And, removed language in regard to verification of eligibility on an annual basis to claim Title IV-E funding for an individual child. Replaced with "during a month in which the requirements are not met, the agency must temporarily discontinue the Title IV-E adoption assistance payment for the youth until such time they meet the following criteria again."

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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

BILL NO. HB 151

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: (Federal 36 percent / General Fund 64 percent)

FY2018: 300 children X \$800.00 X 12 months = \$2,880,000.00

FY2019: 600 children X \$800.00 X 12 months = \$5,760,000.00

FY2020: 900 children X \$800.00 X 12 months = \$8,640,000.00

FY2021 and forward would remain at the FY2020 level

Note: Not all youth will qualify for continuing subsidies after age 18 due to eligibility requirements for federal adoption and guardianship subsidies.

Per federal guidance, the Division must ensure that an adoption assistance payment for a youth over 18 meets the education and employment criteria. During a month in which the requirements are not met, the agency must temporarily discontinue the Title IV-E adoption assistance payment for the youth until such time they meet the following criteria again:

- 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 sub-clauses (1-4) due to a medical condition, which incapability is supported by regulation updated information in the case plan of the child.

Due to the Fostering Connections to Success and Increase Adoptions Act of 2008 delinking Title IV-E eligibility of adoption assistance eligibility from the 1996 Aid to Families with Dependent Children (AFDC) policy the Division is required to track any savings generated from switching general funds to federally funded adoption assistance. The Department is then required to spend the general fund that would have been spent on the subsidy on child welfare services that may be provided under Titles IV-B and IV-E. Due to the many variables in determining eligibility there is no way to predict the number of children in the proposed 18-21 age group that would fall under this category.

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.