



AK | DFCS
ALASKA DEPARTMENT OF
FAMILY AND COMMUNITY
SERVICES

House Finance Committee

Department of Family and Community Services Budget
Overview and Office of Children's Services Responses to
Legislative Audit

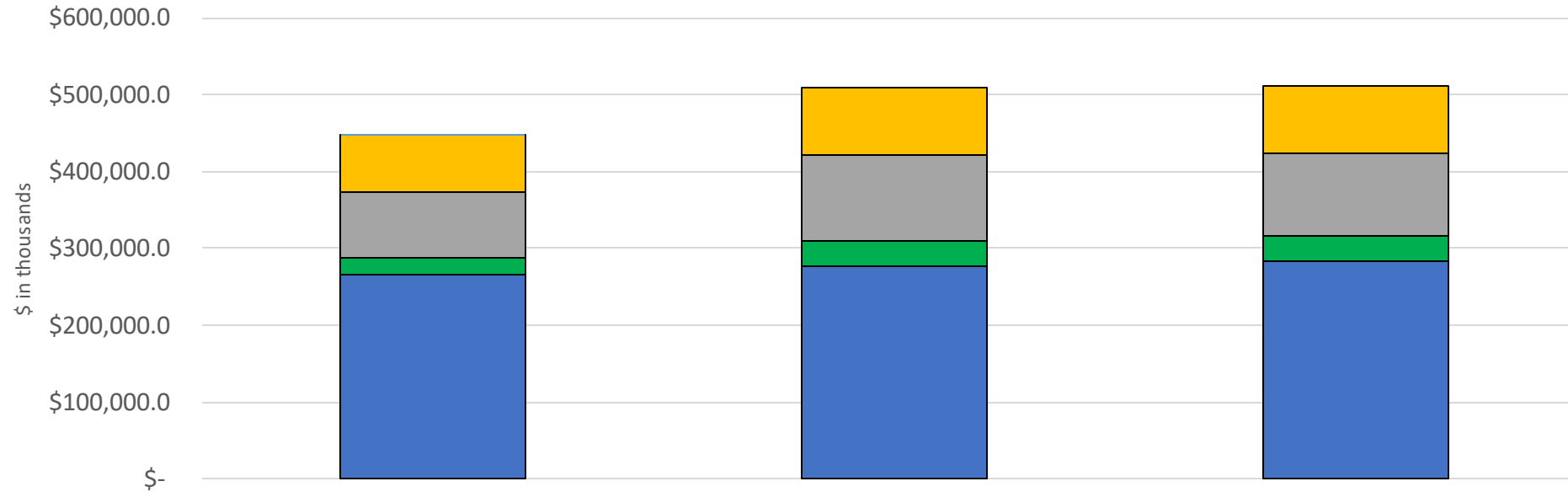
Tracy Dompeling, Acting Commissioner

Marian Sweet, Assistant Commissioner

Kim Guay, Director

February 27, 2026

Department Summary



	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor
UGF	\$ 266,506.5	\$ 277,419.8	\$ 283,707.8
DGF	\$ 21,131.3	\$ 32,302.6	\$ 31,761.8
Other	\$ 86,247.0	\$ 112,331.8	\$ 109,282.5
Federal	\$ 73,238.8	\$ 88,225.5	\$ 86,436.8
Total	\$ 447,123.6	\$ 510,279.7	\$ 511,188.9

\$ in thousands

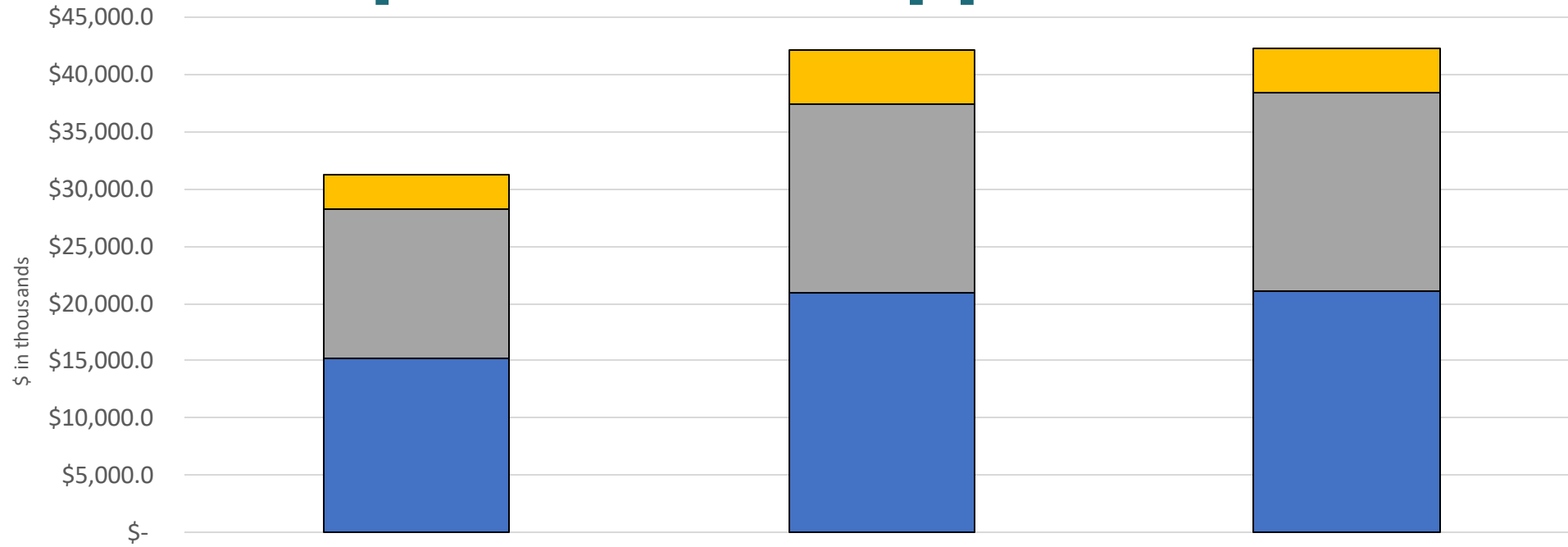


Full-time Position Vacancy and Turnover

	FY2024			FY2025			FY2026		
	Positions	Vacancy	Turnover	Positions	Vacancy	Turnover	Positions	Vacancy	Turnover
Alaska Pioneer Homes	425	15.8%	20.7%	427	12.2%	20.3%	427	11.5%	22.3%
Alaska Psychiatric Institute	325	21.5%	10.2%	322	21.7%	14.3%	321	23.7%	15.7%
Juvenile Justice	424	13.0%	11.3%	422	10.0%	11.7%	421	11.6%	15.4%
Office of Children's Services	610	26.6%	22.8%	609	18.9%	23.4%	608	17.1%	19.7%
Departmental Support Services	82	13.9%	29.2%	90	15.1%	32.1%	87	14.9%	17.5%
Department Totals	1866	19.6%	18.1%	1870	15.6%	18.8%	1864	15.6%	18.5%

Turnover Rate = Separations/Average Filled * 100
 Data presented is through December of each fiscal year

Departmental Support Services



	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor
UGF	\$ 15,175.2	\$ 20,870.5	\$ 21,045.0
DGF	\$ -	\$ -	\$ -
Other	\$ 13,145.5	\$ 16,508.9	\$ 17,441.8
Federal	\$ 2,946.5	\$ 4,737.9	\$ 3,798.7
Total	\$ 31,267.2	\$ 42,117.3	\$ 42,285.5

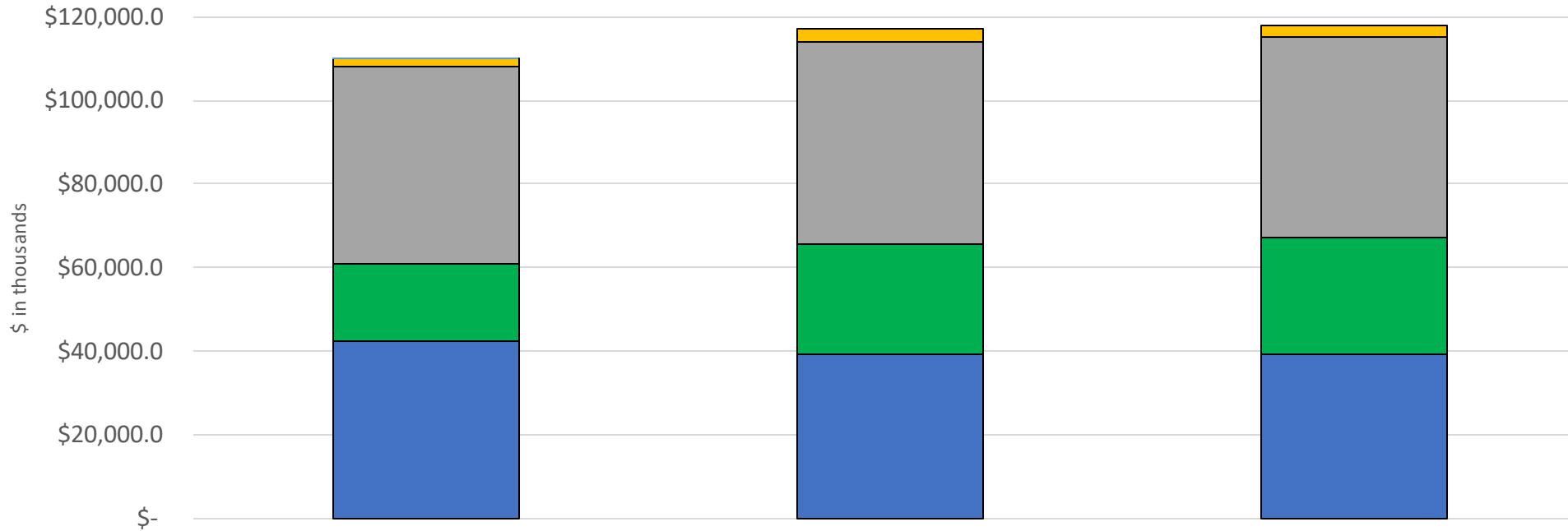
Departmental Support Services FY2026 Items

	Amount	Fund Source
Technical Adjustment – Moved uncollectible interagency receipt authority from the Office of Children’s Services	\$2,122.6	I/A
Technical Adjustment – MH Trust: Complex Care Program (FY2024-FY2027)	\$400.0	MHTAAR
Technical Adjustment – Restore funding for Small Group Home Placements for Stabilized Clients with Complex Needs (FY2025-2028)	\$750.0	UGF
Technical Adjustment – MH Trust: Statewide Designation, Evaluation, Stabilization & Treatment Coordinator (FY2021-FY2027)	\$87.0	MHTAAR
Technical Adjustment – Increase Funding for Positions Transferred to the Talent Acquisition Unit	\$614.0	\$152.7 Fed \$461.3 GFM

Departmental Support Services FY2027 Budget Summary

Governor's Proposed Budget:	Amount	Fund Source
New Budget Change – Information Technology Classification Study Implementation	\$452.1	I/A
New Budget Change – Transfer from the Department of Health for the Residential Care for Children and Youth Grant Program	\$474.3	GF/MH
New Budget Change – Transfer Positions from Administration for Accounts Payable and Travel and Expense Activities	Net zero	
Technical Adjustment – Restore Mental Health Trust funding	\$487.0	MHTAAR
Technical Adjustment – Restore Mental Health Trust funding for Small Group Home Placements for Stabilized Clients with Complex Needs (FY2025-FY2028)	\$750.0	UGF
Technical Adjustment – Reduce uncollectible receipt authority to align with projected need. The department reviewed historical revenue collection trends and this decrement aligns receipt authority with actual needs	(\$838.0)	Fed

Alaska Pioneer Homes



	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor
UGF	\$ 42,378.7	\$ 39,090.3	\$ 39,276.8
DGF	\$ 18,682.2	\$ 26,702.6	\$ 27,801.8
Other	\$ 47,097.4	\$ 48,457.8	\$ 48,311.6
Federal	\$ 1,953.3	\$ 2,947.5	\$ 2,584.9
Total	\$ 110,111.6	\$ 117,198.2	\$ 117,975.1

Alaska Pioneer Homes FY2026 Items

FY2026 Enacted:

Amount Fund Source

Language – Move pharmacy operations to the language section

\$4,000.0 SDPR

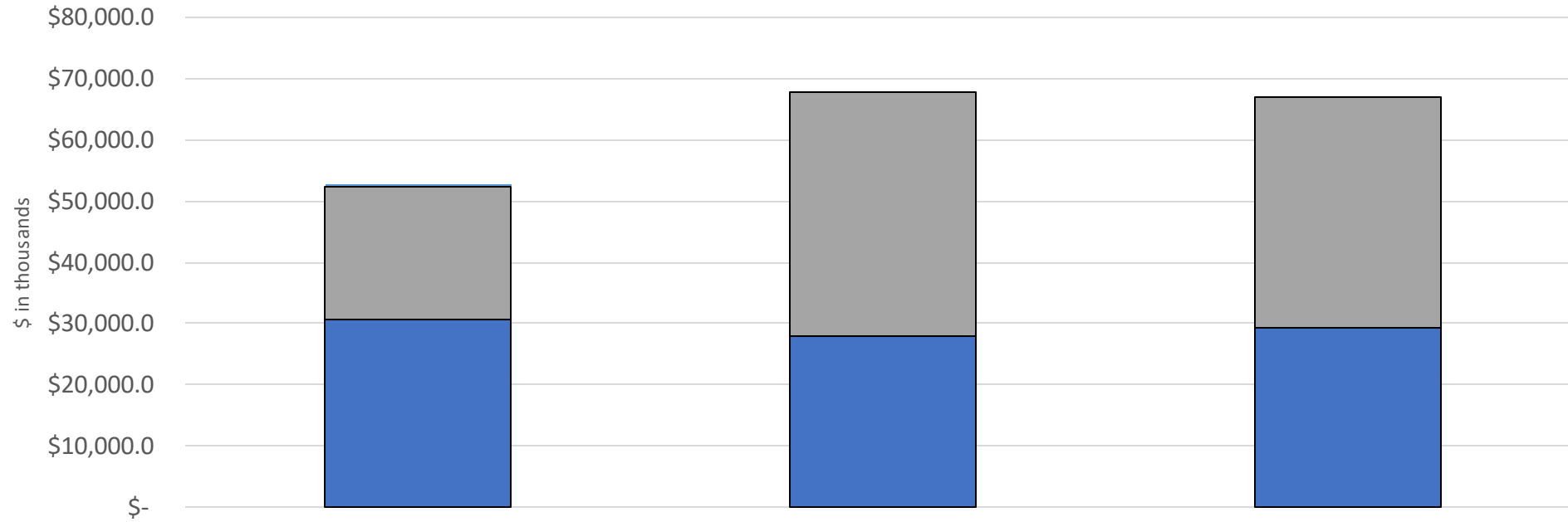
\$ in thousands

Alaska Pioneer Homes FY2027 Budget Summary

Governor's Proposed Budget:	Amount	Fund Source
Technical Adjustment – Reduce uncollectible receipt authority to align with projected need. The department reviewed historical revenue collection trends and this decrement aligns receipt authority with actual needs	(\$479.0)	Fed
Technical Adjustment – Restore Alaska Pioneer Homes Pharmacy Operations	\$3,000.0	SDPR

\$ in thousands

Alaska Psychiatric Institute



	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor
UGF	\$ 30,618.5	\$ 27,831.3	\$ 29,347.5
DGF	\$ -	\$ -	\$ -
Other	\$ 21,863.1	\$ 39,889.5	\$ 37,616.1
Federal	\$ -	\$ -	\$ -
Total	\$ 52,481.6	\$ 67,720.8	\$ 66,963.6

\$ in thousands

321 full-time positions

Alaska Psychiatric Institute FY2026 Items

FY2026 Enacted:	Amount	Fund Source
New Budget Change – Increase Authority to Correct Structural Deficit within the Alaska Psychiatric Institute	\$2,184.4	UGF

\$ in thousands

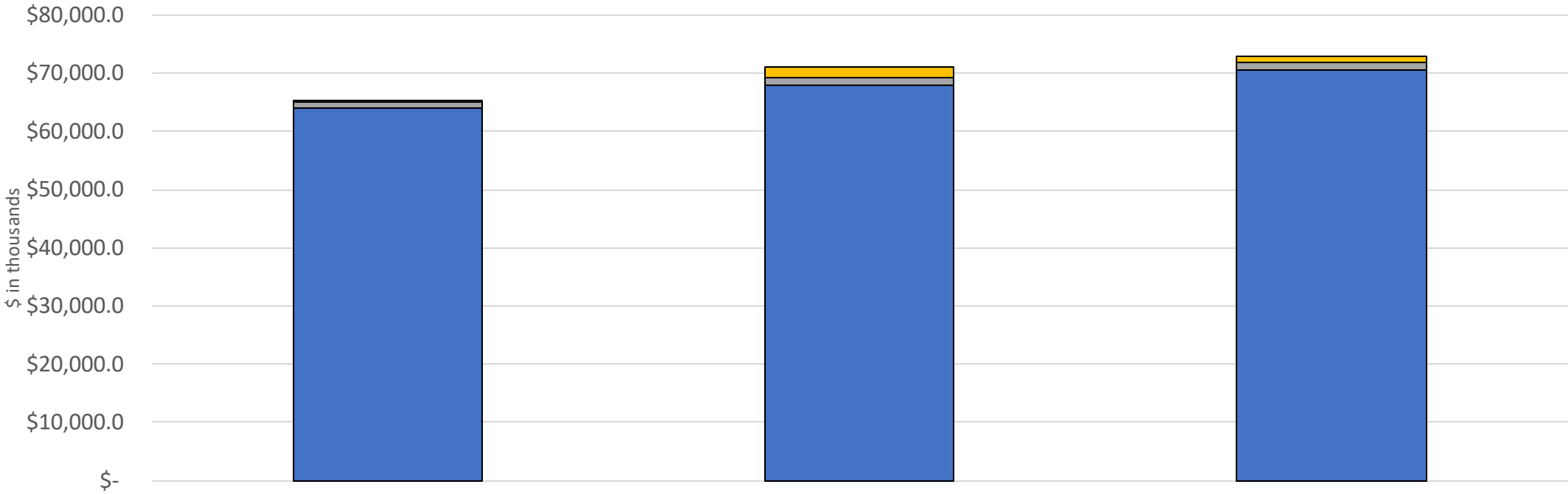
Alaska Psychiatric Institute FY2027 Budget Summary

Governor's Proposed Budget:

	Amount	Fund Source
Technical Adjustment – Reduce uncollectible receipt authority to align with projected need. The department reviewed historical revenue collection trends and this decrement aligns receipt authority with actual needs	(\$2,504.0)	I/A (\$932.0) SDPR (\$1,572.0)

\$ in thousands

Juvenile Justice



	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor
UGF	\$ 64,057.4	\$ 68,029.4	\$ 70,456.1
DGF	\$ -	\$ -	\$ -
Other	\$ 890.4	\$ 1,336.6	\$ 1,334.2
Federal	\$ 491.7	\$ 1,588.6	\$ 1,050.6
Total	\$ 65,439.5	\$ 70,954.6	\$ 72,840.9

\$ in thousands

421 full-time positions



Juvenile Justice FY2026 Items

FY2026 Enacted:

	Amount	Fund Source
Not Adopted – Increase Funding to Create a Youth Court in Fairbanks	\$25.3	UGF
Technical Adjustment – Restore Mental Health Trust funding for occupational therapy services in the youth facilities (FY2025-FY2027)	\$100.0	MHTAAR

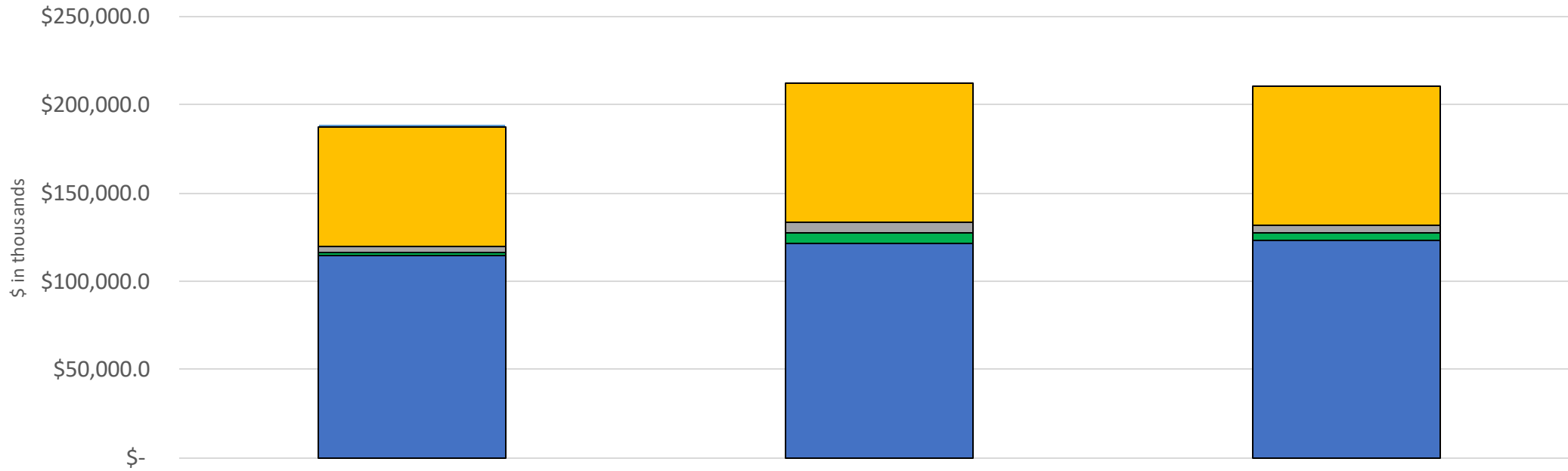
\$ in thousands

Juvenile Justice FY2027 Budget Summary

Governor's Proposed Budget:	Amount	Fund Source
New Budget Change – Information Technology Classification Study Implementation	\$60.7	UGF
Technical Adjustment – Reduce uncollectible receipt authority to align with projected need. The department reviewed historical revenue collection trends and this decrement aligns receipt authority with actual needs	(\$549.0)	Fed
Technical Adjustment – Restore Mental Health Trust funding for occupational therapy services in the youth facilities	\$100.0	MHTAAR

\$ in thousands

Office of Children's Services



	FY2025 Actuals	FY2026 Management Plan	FY2027 Governor
UGF	\$ 114,276.7	\$ 121,598.3	\$ 123,582.4
DGF	\$ 2,449.1	\$ 5,600.0	\$ 3,960.0
Other	\$ 3,250.6	\$ 6,139.0	\$ 4,578.8
Federal	\$ 67,847.3	\$ 78,951.5	\$ 79,002.6
Total	\$ 187,823.7	\$ 212,288.8	\$ 211,123.8

Office of Children's Services FY2026 Items

FY2026 Enacted:

	Amount	Fund Source
New Budget Change – Add General Funds to Support Grants to Child Advocacy Centers Statewide	\$5,500.0	UGF
Technical Adjustment – Reverse MH Trust: Foster Care Youth Transition Coordinator (FY2024-FY2027)	(\$135.0)	MHTAAR
Technical Adjustment – Reverse MH Trust: Foster Care Health Record Linkage (FY2024-FY2027)	(\$100.0)	MHTAAR
Technical Adjustment – Reverse MH Trust: Flex Funds for Transition Aged Foster Youth (FY2024-FY2027)	(\$100.0)	MHTAAR
Technical Adjustment – Reverse MH Trust: Flex Funds for Transition Aged Foster Youth (FY2024-FY2027)	(\$150.0)	MHTAAR

Office of Children's Services FY2027 Budget Summary

Governor's Proposed Budget:

	Amount	Fund Source
Technical Adjustment – Reduce uncollectible receipt authority to align with projected need. The department reviewed historical revenue collection trends and this decrement aligns receipt authority with actual needs	(\$4,415.0)	I/A (\$1,557.0) Fed (\$1,218.0) GFPR (\$1,640.0)
New Budget Change – Information Technology Classification Study Implementation	\$41.2	UGF - \$25.1 Fed - \$16.1

\$ in thousands

Timeline of Foster Care Reform Laws Implementation



Implementation of Foster Care Reform Laws

Audit - Part 1

Recommendations and Implementation

Released November 10, 2020

Recommendation #1:

OCS's director should implement supervisor certification procedures for relative and family friend searches.

- Statewide implementation began in 2018 with training
- Procedures were created and implemented
- Made changes to the ORCA system and developed report to track cases with relatives entered

Recommendation #2:

OCS's director should improve procedures to ensure foster parents and caregivers in residential childcare facilities are provided reasonable and prudent parent standard training.

- Procedures and training were created
- Training implemented by OCS staff and community partners
- Foster parents sign their understanding of the standard
- Partnered with Health Care Services and Residential Psychiatric Treatment Centers to create training and a tracking system

Implementation of Foster Care Reform Laws

Audit - Part 1

Recommendations and Implementation

Released November 10, 2020

Recommendation #3:

OCS's director should consider amending regulations to require written training plans.

- Updated regulation 7 AAC 67.130

Recommendation #4:

OCS's director should improve security over access to the Online Resource for Children of Alaska (ORCA) system.

- Security changes were made
- In early 2021 ORCA login forms saved indefinitely
- ORCA team created a quarterly audit and deactivated those who no longer have a business need for access

OCS Efforts between Audit 1 and Audit 2

Governor's People First Initiative

Retention bonuses started in 2021 and was last paid out in 2025

Social Services Associate to Protective Services Specialist 1/2/3 (PSS) promotional pathway

Interprofessional Occupational Endorsement Certificate in Child Welfare

Created the Wellness and Resiliency Officer

Implementation of critical incident debriefing

Implementation of reflective supervision

Implementation of Foster Care Reform Laws

Audit - Part 2

Recommendations and Implementation

Released November 21, 2023

Recommendation #1:

OCS's director should improve training to ensure OCS staff follow procedures for background checks and address the safety risks identified by auditors.

- Created field specific training about importance of Alaska Public Safety Information Network (APSIN) checks and fingerprinting
- Expanded compacted Tribes to assist with fingerprinting and licensing relative foster families
- Dedicated staff to track past due background checks and fingerprinting

Recommendation #2:

OCS's director should strengthen training and implement procedures to ensure application dates are entered accurately and consistently in ORCA.

- Defined what a completed application is and created a tracking system for meeting the 45-day processing timeframe
- Improved training and clarified expectations
- Built in management and supervisory accountability and oversight

Implementation of Foster Care Reform Laws

Audit - Part 2

Recommendations and Implementation

Released November 21, 2023

Recommendation #3:

OCS's director should continue efforts to address staffing shortages to ensure foster home applications are processed and approved in a timely manner.

- Decreased size of the foster care application to improve processing time
- Set supervisor and management approval expectations

Recommendation #4:

OCS's director should implement procedures for documenting efforts made to assist individuals with obtaining important documents.

- Independent Living Case Worker continues navigation with youth
- Several methods of assistance available to obtain documents
- Foster Children and Youth's Rights
- Independent Living classes

Implementation of Foster Care Reform Laws

Audit - Part 2

Recommendations and Implementation

Released November 21, 2023

Recommendation #5:

OCS's director should continue efforts to address staffing shortages and ensure supervisors certify in writing whether OCS staff have searched for an appropriate placement with a relative or family friend as required by law.

- Provided ongoing training for supervisory staff regarding the importance of relative search and placement with relatives
- Lack of a specific case note does not result in an increased risk a family member or family friend will not be identified
- Less than 2% of children in out-of-home placements lack a relative documented in ORCA

Recommendation #6:

OCS's director should improve security over access to ORCA.

- ORCA Team now conducts monthly audits and deactivates users who have not logged in within 30 days. In March 2026, this will be automated
- Deactivation of Tribal partners who have not utilized accounts every 30 days which causes additional administrative burden to Tribal Compact work
- ORCA users have a completed access form on file indefinitely

OCS Efforts between Audit 2 and Audit 3

Retention Efforts

- Promotional pathways for staff
- Established a Safety Officer
- Established the Wellness and Resiliency Officer
- Crisis debriefing
- Reflective supervision
- University of Alaska Anchorage (UAA) child welfare certificate for staff
- Director engagement through all agency fireside chats
- Statewide Executive Team field engagement increased

Recruitment Efforts

- Updated job descriptions
- New staff recruitment videos
- Partnership with University of Denver's Quality Improvement Center on Workforce Development to create competency and value based interviewing process
- Relocation reimbursements
- Recruiting events at universities and in communities
- Paid internships
- UAA child welfare certificate for prospective employees
- Employee Referral Program

Implementation of Foster Care Reform Laws

Audit - Part 3

Recommendations and Implementation

Published June 2025

Recommendation #1:

OCS's director should implement procedures to ensure the annual staffing report is accurate.

- OCS corrected vacancy and turnover report
- OCS implemented a new tracking system with new technology

Recommendation #2:

OCS's director should implement procedures to ensure the annual recruitment and retention report is accurate and prepared in compliance with state law.

- OCS clarified the separate reporting timeframes and requirements written in the law
- OCS created a new annual recruitment and retention report template with the correct report dates

Implementation of Foster Care Reform Laws

Audit - Part 3

Recommendations and Implementation

Published June 2025

Recommendation #3:

OCS's director should consider implementing a more comprehensive training program that is grounded in practical applications.

- OCS is routinely evaluating and improving our training curriculum
- Latest updates to our training program include an in-person skill-based week in addition to the 6 weeks of classroom and mentor guided transfer of learning model

Recommendation #4:

OCS's director should continue to implement hiring best practices.

- Hiring best practices will be addressed later in this presentation

Implementation of Foster Care Reform Laws

Audit - Part 3

Recommendations and Implementation

Published June 2025

Recommendation #5:

OCS's director should consider enhancing data to align with best practices and make recruitment and retention efforts more meaningful.

- The Talent Acquisition (TA) Team tracks data to inform the hiring and recruitment process

Recommendation #6:

OCS's director should develop a forward-looking plan for addressing recruitment and retention challenges.

- OCS has updated our 5-year forward-looking recruitment and retention plan

Implementation of Foster Care Reform Laws

Audit - Part 3

Recommendations and Implementation

Published June 2025

Recommendation #7:

Department of Health's assistant commissioner of finance and management services should liquidate an unsupported \$10 million encumbrance.

- This is a recommendation for Department of Health (DOH). Please see DOH letter in audit and supplemental packet

Implementation of Foster Care Reform Laws

Audit - Part 3

Hiring Best Practice Recommendations

Public Consulting Group (PCG) Interviewed staff in October and November of 2023

The Final Report was completed March 12, 2024

PCG Recommended 4 Hiring Best Practices	1. Job descriptions lay out required competencies and credentials. The agency has posted a Realistic Job Profile (RJP) that candidates can review and comprehend. *
	2. Hiring process is streamlined to the minimum required steps so that candidates can progress quickly through the process.
	3. Hiring committee evaluates candidates using a consistent process based on a standard set of job competencies. *
	4. The agency has a standard recruitment strategy.

* Items completed by OCS

Implementation of Foster Care Reform Laws

Audit - Part 3

Hiring Best Practice Recommendations

PCG Interviewed staff in October and November of 2023

The Final Report was completed March 12, 2024

<p>To recruit the right people who have the "unique combination of core skills and mindset" that child welfare needs, PCG recommended the following:</p>	Increase pay
	Reconsider Tier 4 retirement and defined benefit retirement
	Review equity between unions
	Improve technology for frontline workers
	Expand the use of Letters of Agreement (LOAs) *
	Use more traveling workers *
	Secure State provided housing in rural areas *
	Provide promotional opportunities for support staff *
	Offer more flexible hiring and conditional hiring
	Offer flexible schedules and telework *
	Dramatically decrease the steps to process recruitments and the hiring process
	Decrease burden to applicants by streamlining the application process

* item within OCS control

What does OCS need?



We need our current staff to stay



We need qualified applicants to fill vacancies



We need an expedited hiring process



We need a targeted recruitment strategy developed by people who specialize in child welfare recruitment



We need better technology



We need a strong continuum of care to prevent children and families from coming into the OCS system



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Thank you

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