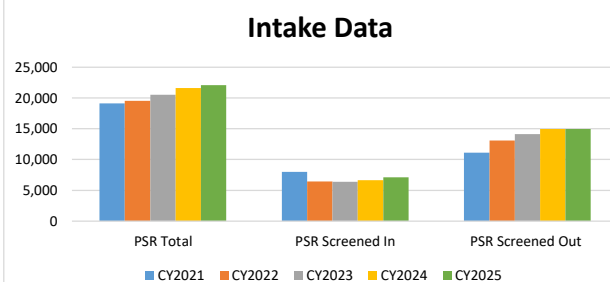




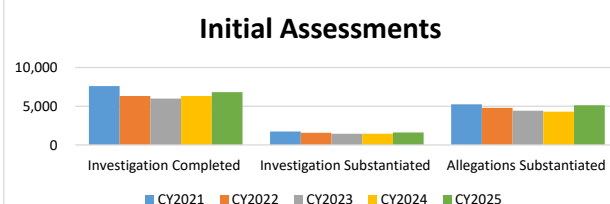
OFFICE OF CHILDREN'S SERVICES

OCS 5 Year Data Trends by Calendar Year

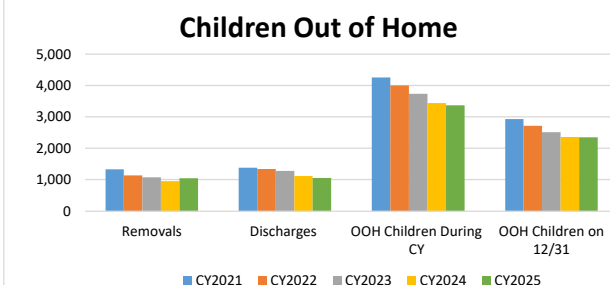
Intake	CY2021	CY2022	CY2023	CY2024	CY2025
PSR Total	19,096	19,518	20,496	21,599	22,070
PSR Screened In	7,985	6,425	6,371	6,627	7,102
PSR Screened Out	11,111	13,093	14,125	14,972	14,968



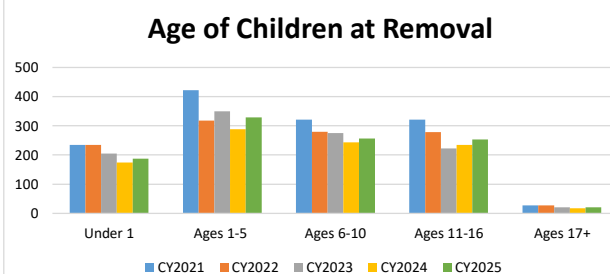
Initial Assessments	CY2021	CY2022	CY2023	CY2024	CY2025
Investigation Completed	7,594	6,333	6,009	6,323	6,814
Investigation Substantiated	1,727	1,571	1,454	1,457	1,592
Allegations Substantiated	5,267	4,811	4,408	4,318	5,124



Out of Home	CY2021	CY2022	CY2023	CY2024	CY2025
Removals	1,325	1,133	1,073	956	1,046
Discharges	1,379	1,338	1,278	1,113	1,050
OOH Children During CY	4,253	3,998	3,731	3,431	3,365
OOH Children on 12/31	2,923	2,716	2,510	2,355	2,350
Avg Month OOH at Year End	21.3	22.5	23.5	24.0	24.3



Age at Removal	CY2021	CY2022	CY2023	CY2024	CY2025
Under 1	234	234	205	174	187
Ages 1-5	422	318	350	288	329
Ages 6-10	321	279	275	243	256
Ages 11-16	321	278	222	234	253
Ages 17+	27	27	21	17	21



Notes

Due to administrative processing, there may be a significant lag for entry of discharge data into ORCA, which may affect reporting accuracy for recent periods. All data will be refreshed in subsequent reports. Future documentation of discharges may increase reporting for discharges while decreasing reporting for out-of-home.

Source: ORCA 2/20/26

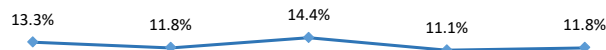


OFFICE OF CHILDREN'S SERVICES

OCS Statewide Data Indicators

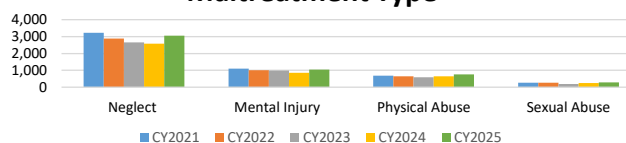
Safety	CY2021	CY2022	CY2023	CY2024	CY2025
Victims	2,784	2,486	2,270	2,290	2,480
Rate per 1,000 Children	15.3	13.7	12.8	13.0	14.0
Repeat Maltreatment	369	293	326	255	314
	13.3%	11.8%	14.4%	11.1%	11.8%

Repeat Maltreatment



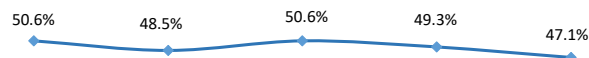
Substantiated Allegations	CY2021	CY2022	CY2023	CY2024	CY2025
Neglect	3,226	2,888	2,652	2,582	3,046
Mental Injury	1,091	1,008	984	850	1,036
Physical Abuse	679	652	586	636	765
Sexual Abuse	272	263	186	250	277

Substantiated Allegations by Maltreatment Type



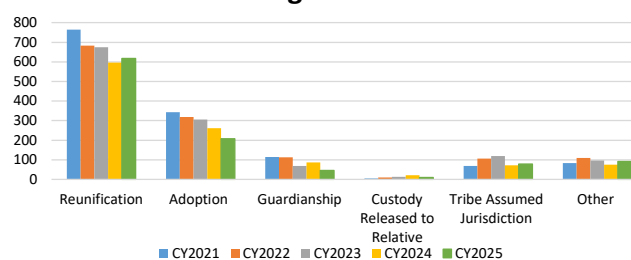
Placement on 12/31	CY2021	CY2022	CY2023	CY2024	CY2025
Relative Placements	1,280	1,131	1,113	1,002	966
	50.6%	48.5%	50.6%	49.3%	47.1%

Relative Placements on 12/31



Discharge Outcomes	CY2021	CY2022	CY2023	CY2024	CY2025
Reunification	765	683	675	596	617
Adoption	343	318	306	262	207
Guardianship	115	113	69	87	45
Custody Released to Relative	4	9	13	21	10
Tribe Assumed Jurisdiction	69	106	119	72	79
Other	83	109	96	75	92

Discharge Outcomes



Notes:

Due to administrative processing, there may be a significant lag for entry of discharge data into ORCA, which may affect reporting accuracy for recent periods. All data will be refreshed in subsequent reports. Future documentation of discharges may increase reporting for discharges while decreasing reporting for out-of-home.

Maltreatment: Count of children with substantiated maltreatment investigations completed during the reporting period.

Rate per 1000: Calculated using population estimates.

Repeat Maltreatment: Repeat victims are those with a previous substantiated allegation within the prior 12 months.

Substantiated Victims: Victims may have more than one type of alleged maltreatment. The total for each year does not add up to 100%.

Placement data is point in time on 12/31

Discharge Outcomes: The "Other" Category includes Death of Child, Runaway, Transfer to Another Agency, Transfer to DJJ, and Self Emancipation.

Source: ORCA 2/20/26

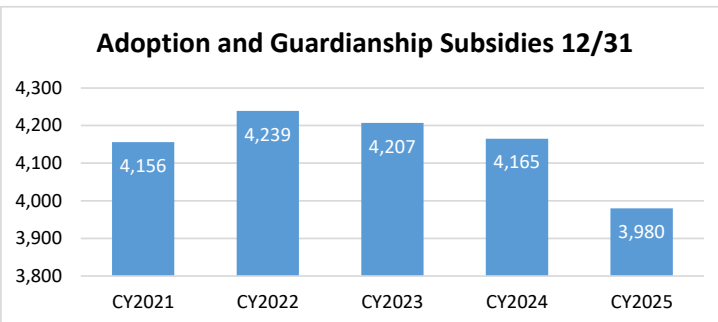


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SERVICES

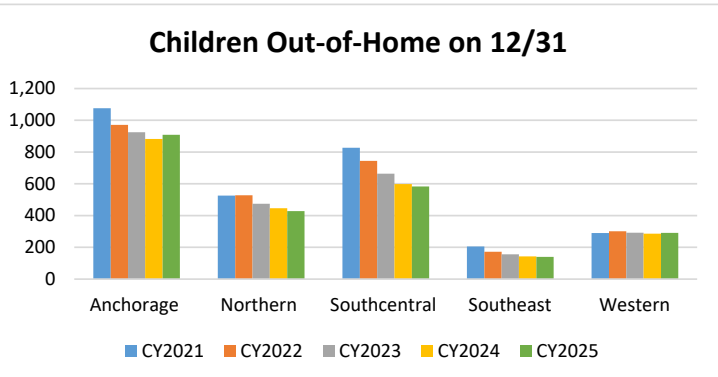
OCS Statewide Data Indicators

Adoption and Guardianship Subsidies on 12/31

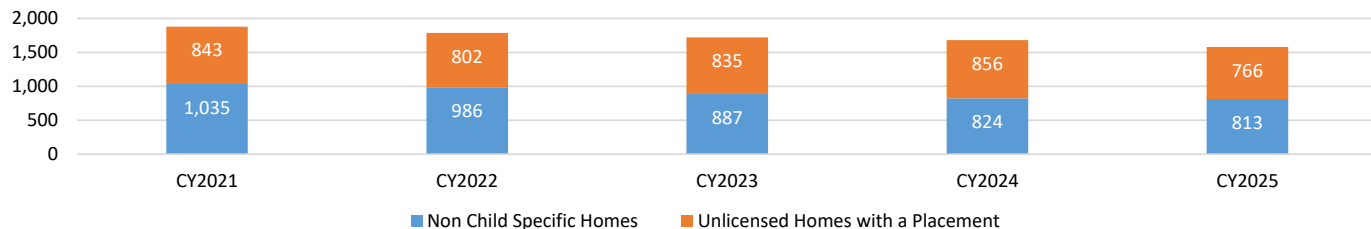
	CY2021	CY2022	CY2023	CY2024	CY2025
Adoption	3,755	3,770	3,736	3,665	3,486
Guardianship	401	469	471	500	494
Total	4,156	4,239	4,207	4,165	3,980



	CY2021	CY2022	CY2023	CY2024	CY2025
Anchorage	1,075	971	924	882	908
Northern	526	528	474	446	428
Southcentral	827	744	664	598	583
Southeast	205	172	156	143	140
Western	290	301	292	286	291
Statewide	2,923	2,716	2,510	2,355	2,350



Foster Home Trends During Calendar Year



Notes:

Due to administrative processing, there may be a significant lag for entry of discharge data into ORCA, which may affect reporting accuracy for recent periods. All data will be refreshed in subsequent reports. Future documentation of discharges may increase reporting for discharges while decreasing reporting for out-of-home.

SAG data is point in time on 12/31

Source: ORCA 2/20/26

HB 151 Caseload Standard Gap Analysis

This report uses the number of workers available for assignment in each of the HB151 longevity categories to calculate OCS's current case carrying capacity. It then contrasts this capacity with the actual number of open cases to illustrate the additional number of PCNs that would have to be available for assignment to achieve compliance with the HB151 caseload standards.

Regional display - QE 12/31/2025 Point in Time

Region	Case Carrying PCNs*	Total Cases*	No Caseload (Vacant)	6 Caseload (Months 1-3)	12 Caseload (Months 4-6)	Full Caseload (13) (>=7 Months)	Total FTEs Available for Assignment **	% of FTEs Available for Assignment	Total Case Carrying Capacity	FTEs Short	Actual Caseload
Anchorage	66	1062	29	23	3	11	24	37%	317	57	44
Northern	45	469	27	5	4	9	15	33%	195	21	31
Southcentral	57	452	23	10	8	16	28	49%	364	7	16
Southeast	22	147	13	4	2	3	7	30%	87	5	22
Western	21	333	7	9	1	4	9	43%	118	17	37
Statewide	211	2463	99	51	18	43	83	39%	1081	106	30

Statewide	Quarter End 03/31/2025	Quarter End 06/30/2025	Quarter End 09/30/2025	Quarter End 12/31/2025	Difference 12/25 to 09/25
Case Carrying PCNs*	209	207	207	211	4
Total Cases	2580	2251	2251	2463	212
No Caseload (Vacant)	68	53	53	99	46
6 Caseload (Months 1-3)	25	31	31	51	20
12 Caseload (Months 4-6)	25	11	11	18	7
Full Caseload (13) (<7 Months)	114	112	112	43	-69
Total FTEs Available for Assignment**	145	136	136	83	-53
% of FTEs Available for Assignment	65%	66%	66%	39%	0
Total Case Carrying Capacity	1890	1774	1774	1081	-693
FTEs Short	53	37	37	106	69
Actual Caseload	15.0	16.5	16.5	29.6	13.1

*Case Carrying PCN's = PSS 1/2 including any PSS 1/2/3s and advanced PSS 3s
*Total Cases includes **302** cases being carried as primary case by Supervisors and Managers, however, these PCNs are **not** included in the Case Carrying PCN count
** FTE's available for assignment based on an average caseload of 13 cases per front line social worker
*** Permanent Full Time Employees only

*** Leavers during the prior 4 quarters, combined

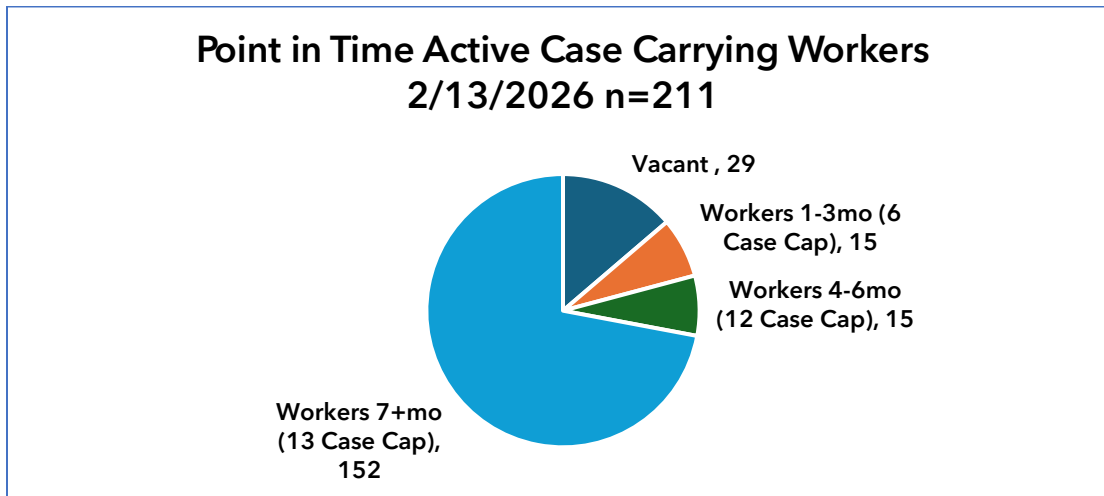
* Excludes oncall and non-perm but Includes Promotions

Prior Four Quarter Turnover (01/01/25 - 12/31/25)				
Region	Case Carrying PCNs*	Total Turnover ***	Turnover Rate	
Anchorage	66	24	36.4%	
Northern	45	19	42.2%	
Southcentral	57	28	49.1%	
Southeast	22	8	36.4%	
Western	21	5	23.8%	
Statewide	211	84	39.8%	

Prior Four Quarter Turnover (01/01/25 - 12/31/25)			
Region	ALL PCNs*	Total Turnover ***	Turnover Rate
Anchorage	154	51	33.1%
Northern	94	34	36.2%
Southcentral	129	46	35.7%
Southeast	49	14	28.6%
SO	139	32	23.0%
Western	43	15	34.9%
Statewide	608	192	31.6%

Prior Four Quarter Turnover (01/01/25 - 12/31/25)			
Region	Non-Case Carrying PCNs*	Total Turnover ***	Turnover Rate
Anchorage	88	27	30.7%
Northern	49	15	30.6%
Southcentral	72	18	25.0%
Southeast	27	6	22.2%
SO	139	32	23.0%
Western	22	10	45.5%
Statewide	397	108	27.2%

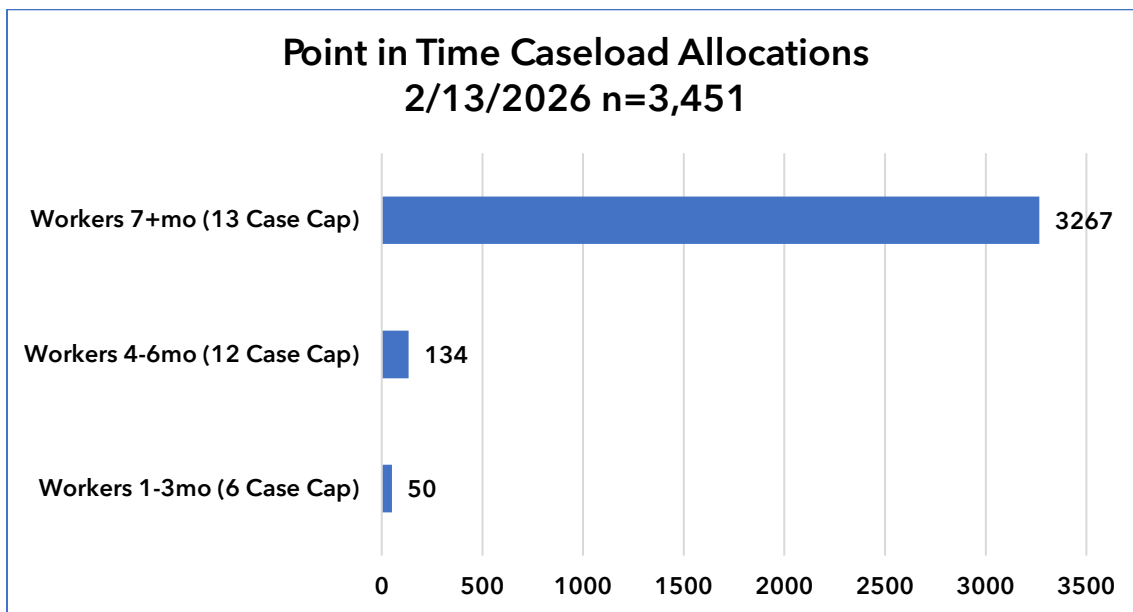
Caseload data on February 13, 2026



This graph shows a point in time data (February 13, 2026) of how many case carrying workers, in total, OCS has. Additionally, it shows the breakdown caseworkers and where they stand from date of hire.

There are a total of 211 case carrying positions:

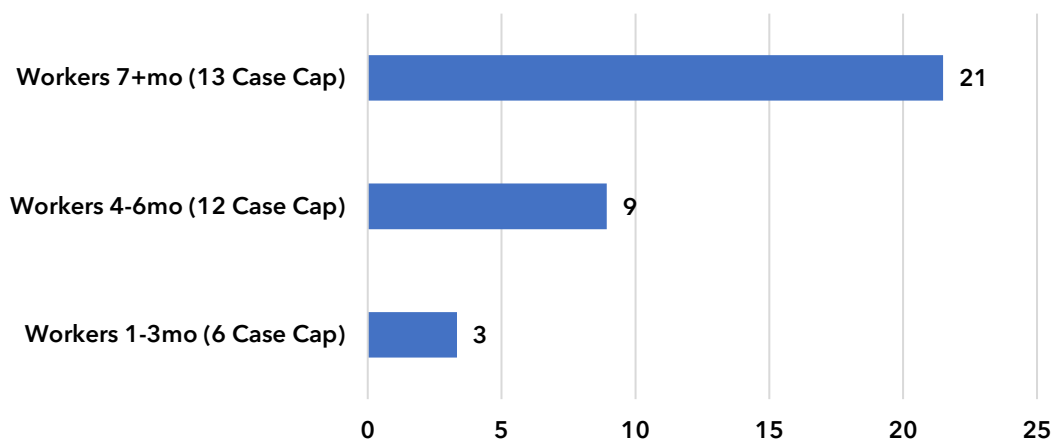
- 29 positions are vacant
- 15 workers are currently within their first 3 months of employment
- 15 workers are between their first 4 to 6 months of employment
- 152 workers are either at 7 months and beyond in their employment



This chart demonstrates total cases assigned to these cohorts:

- There are 50 total cases assigned to workers who are within their first 3 months of employment
- There are 134 total cases assigned to workers who are between their first 4 to 6 months of employment
- There are 3267 total cases assigned to workers who are at 7 months and beyond in their employment

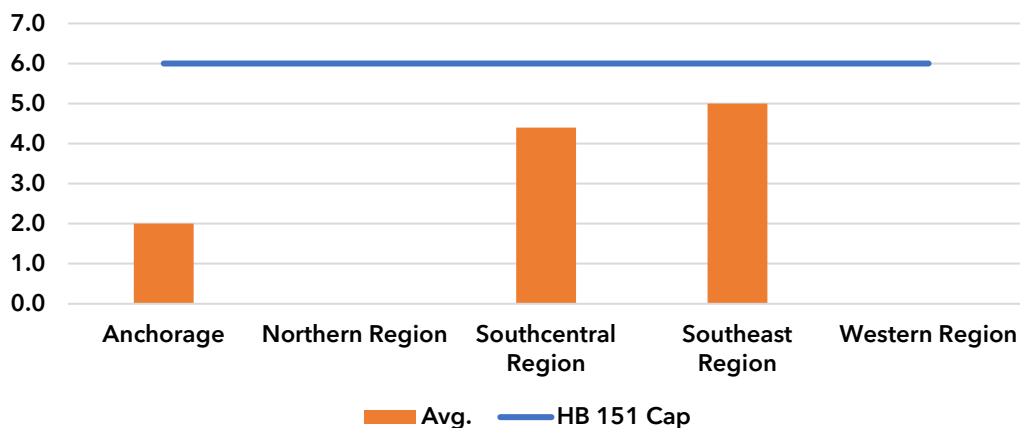
Point in Time Caseload Averages (2/13/2026)



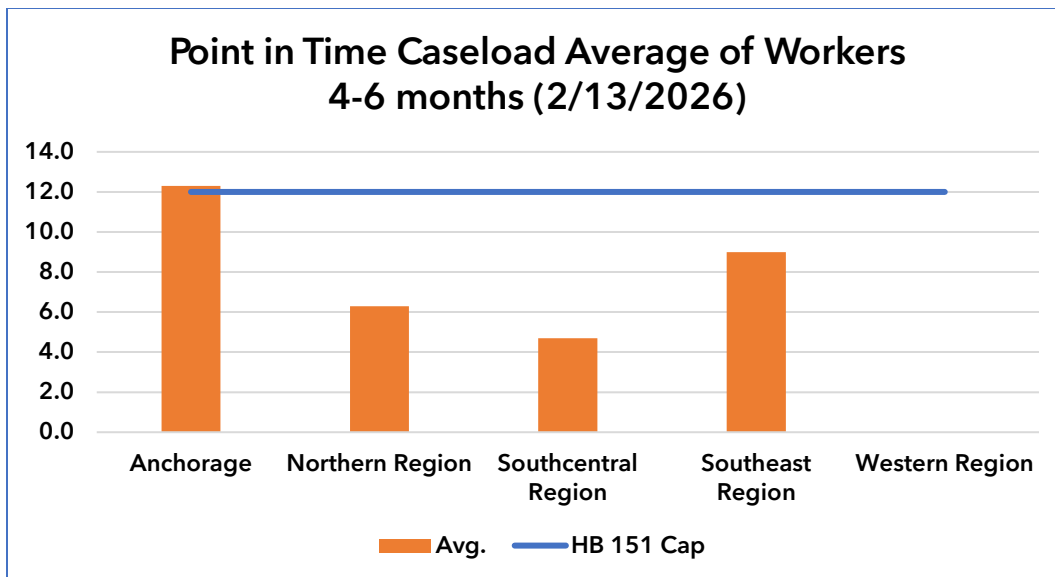
Workers within these cohorts have an average caseload of:

- There is an average caseload of 3 cases per worker who are within their first 3 months of employment
- There is an average caseload of 9 cases per worker who are between 4 to 6 months of employment
- There is an average caseload of 21 cases per worker who are beyond 7 months of employment
 - o This can be attributed to turnover and lack of filled positions as the cases must be allocated somewhere

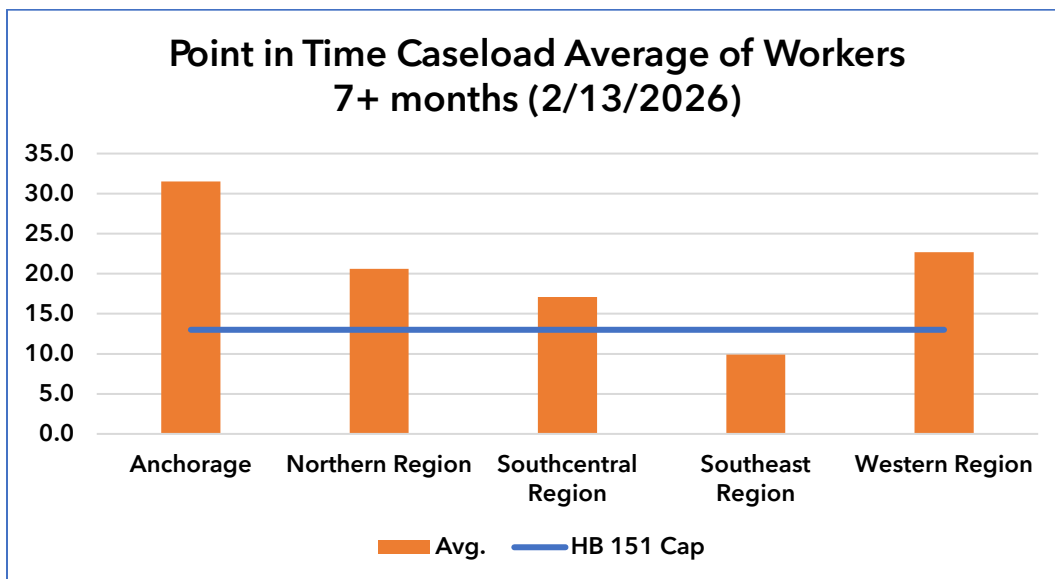
Point in Time Caseload Average of Workers 1-3 months (2/13/2026)



Currently Western Region does not have a case carrying worker who is within their first 3 months of employment. The Northern Region does have a worker who is within their first 3 months however they do not have a case assigned to them.



Currently Western Region does not have a case carrying worker who is between 4 to 6 months of employment.



For workers in each region, the Southeast Regional office is under the prescribed case cap while all other areas are above.

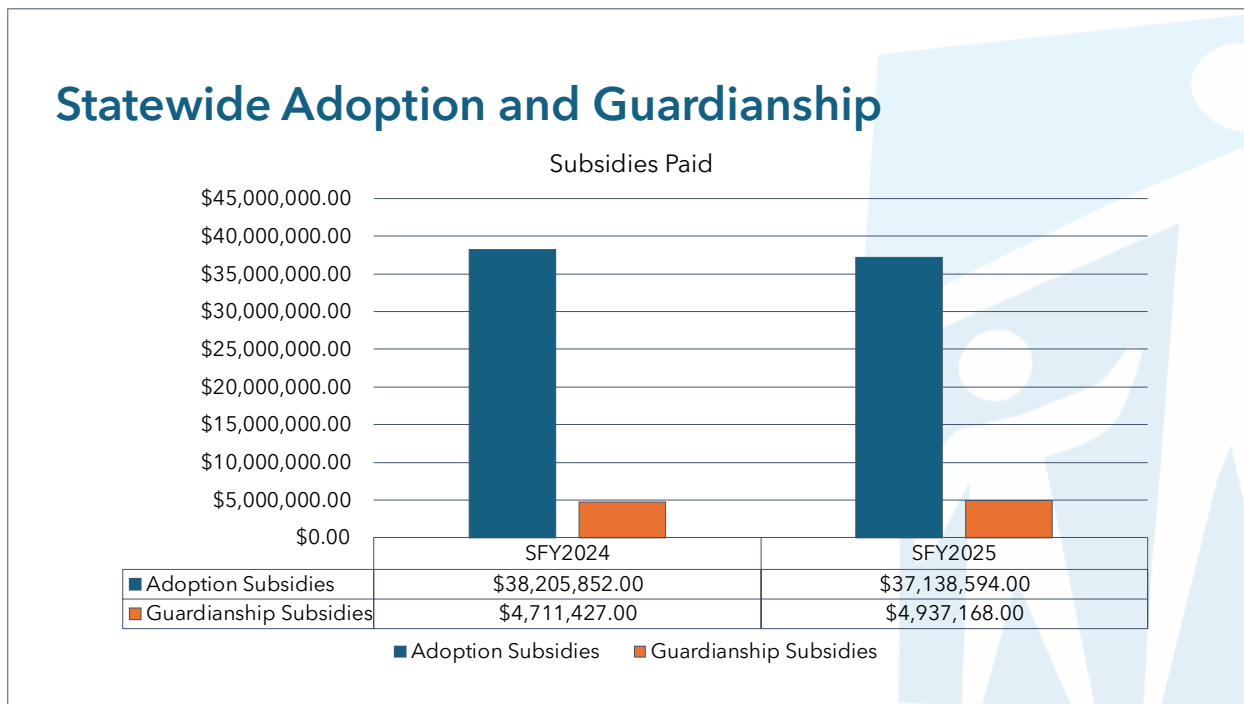
Office of Children's Services 5-Year Recruitment and Retention Plan

U.S. Surgeon General (U.S.S.G) Essential Domain	U.S.S.G. Components	OCS Progress on Retention Strategies 2023-2025	Retention Goals 2025-2031
Protection from Harm ▪ Safety ▪ Security	• Prioritize workplace physical and psychological safety • Enable adequate rest • Normalize and support mental health	1. Built a safety and wellness unit to establish a comprehensive safety and wellness framework that proactively supports staff, strengthens resilience, and ensures effective response to critical incidents. 2. Created and delivered regional wellness assessments. Assessments are being created and delivered regionally. 3. Create a Critical Incident Debriefs/Restoring Resilience Response (RRR) program. Framework for debriefs and sustaining widespread use is under development.	1. Strengthen Safety Training and Communication a. Integrate comprehensive safety training into new staff onboarding. b. Ensure the Safety Officer presents quarterly at Regional All Staff meeting on relevant safety topics. 2. Develop a Regional Wellness Framework a. Standardize an assessment tool for consistency across regions. b. Collect and analyze data to identify trends and gaps. c. Collaborate with Regional Management to develop and implement a regional wellness plan that includes clear monitoring and evaluation processes. d. Build feedback loops to refine assessments over time. 3. Rebrand and Promote Restoring Resilience Response (RRR) Sessions a. Refresh the branding and communication around RRR sessions. b. Increase staff awareness and engagement by clearly highlighting the purpose, availability, and benefits of the resource. c. Scale implementation organization-wide with ongoing evaluation.
Connection & Community ▪ Social Support ▪ Belonging	• Foster environments of community • Cultivate trusted relationships • Foster collaboration and teamwork	1. Developed a Supervisor Core Curriculum to standardize supervisory practices and integrated Supervisor Facilitated Attuned Interaction (FAN) training into the supervisor training series along with Coaching Supervisors to Best Practice (CSBP). 2. Established initiatives to promote respect, collaboration, and wellness within the court environment.	1. Strengthen Onboarding and Orientation a. Develop and implement a comprehensive onboarding and orientation process to support new staff integration from day one. b. Implement phased rollout across departments and regions. c. Establish evaluation metrics. 2. Sustain Supervisor FAN Implementation Enhance the long-term sustainability of Supervisor FAN practices through Community of Practice sessions, clear program instructions, and opportunities for shadowing supervision. 3. Increase Leadership Presence Across Offices

U.S. Surgeon General (U.S.S.G) Essential Domain	U.S.S.G. Components	OCS Progress on Retention Strategies 2023-2025	Retention Goals 2025-2031
		3. Development of a structured onboarding program is underway. Orientation materials and E-learning are being designed to align new staff with organizational missions and values.	Foster trust and connection by increasing the visibility and presence of management and leadership in the field and in offices, with a particular focus on rural locations. 4. Promote Cross-Divisional Collaboration Encourage teamwork and collaboration among units by creating opportunities for cross-functional initiatives, shared projects, and joint problem-solving. 5. Promote and Support Building Office Connections through Events. Promote regular social gatherings, professional development events, wellness & community activities, recognition & engagement, and cross-office connection.
Work-Life Harmony ▪ Autonomy ▪ Flexibility	• Provide more autonomy over how work is done • Make schedules as flexible and predictable as possible • Increase access to paid leave • Respect boundaries between work and non-work time	1. Minimize after-hours responsibilities to include on-call. Implement fair rotations schedules to distribute after-hours duties evenly. Define what qualifies as “urgent” after-hours work and established guidelines for response times to reduce unnecessary stress. 2. Flexible scheduling options implemented (e.g. hybrid work, alternative work weeks, staggered shifts).	1. Reimagine the On-Call Process a. Provide targeted training to improve efficiency and reduce burnout. b. Provide compensatory time off for after-hours work. c. Explore a Letter of Agreement to allow supervisors to receive overtime compensation with assigned on-call duties. 3. Enhance Autonomy Through Creative Work Schedules a. Increase flexibility by designing innovative work schedule options in alignment with the SU and GGU contract. b. Track retention rates, productivity, exit and employee satisfaction surveys.
Mattering at Work ▪ Dignity ▪ Meaning	• Provide a living wage • Engage workers in workplace decisions • Build a culture of gratitude and recognition • Connect individual work with organizational mission	1. Implemented financial bonuses to recognize the demanding nature of fieldwork which reinforced organization commitment to valuing frontline contributions. Explored additional incentive models. 2. Development of flexible and standalone PSS 3 position is in	1. Establish Career Flexibility for Case-Carrying Roles Convert all case-carrying PSS 1 and 2 positions into flexibility PSS 1/2/3 classifications to support professional growth and career progression. 2. Implement a Statewide Recognition Program Develop and launch a formal, consistent recognition process to acknowledge outstanding contributions across the state.

U.S. Surgeon General (U.S.S.G) Essential Domain	U.S.S.G. Components	OCS Progress on Retention Strategies 2023-2025	Retention Goals 2025-2031
		progress which is designed to create clear pathways for professional growth and advancement. 3. Celebrate the annual Child Welfare Professional Appreciation Week across the state. Planning and coordination of appreciation events are in progress.	3. Celebrate Child Welfare Professional Appreciation Week a. Organize and promote annual appreciation events and activities to recognize and honor the essential work of child welfare professionals. b. Partner with leadership to highlight staff contributions and develop communication materials to amplify appreciation across Alaskan communities.
Opportunity for Growth ▪ Learning ▪ Accomplishment	• Offer quality training, education, and mentoring • Foster clear, equitable pathways for career advancement • Ensure relevant, reciprocal feedback	1. Collaborated with the local University to deliver educational opportunities, specifically the Child Welfare Occupational Endorsement Certificate (OEC) to interested staff. 2. Allocated annual budgets to Regional Managers for opportunities for staff to attend professional conference/training opportunities. 3. Partnered with the local University to offer Paid internships targeting students in social work, psychology, and related fields.	1. Sustain the Child Welfare Occupational Endorsement Certificate a. Continue offering the CWOEC to provide educational development for staff. b. Recognize CWOEC graduates through internal announcements and possible career advancement opportunities. 2. Maintain the Paid Internship Program a. Provide ongoing opportunities for students and emerging professionals to gain real-world experience in child welfare by targeting students in social work, psychology, and related fields. b. Create pathways for interns to transition into full-time roles. 3. Reimagine SKILS/Foundation training and the Mentorship Program Redesign both programs to enhance skill development, strengthen peer support, and foster long-term career growth. 4. Introduce Professional Development Stipend for Managers Propose a stipend to support managers in pursuing job-related professional courses and conferences. 5. Develop a Succession Planning Framework Create a structured process to identify and prepare future leaders across all levels of leadership positions.

Budget Supplemental Information

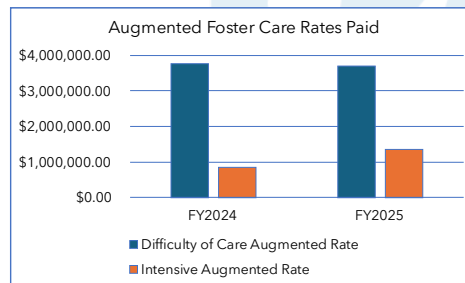
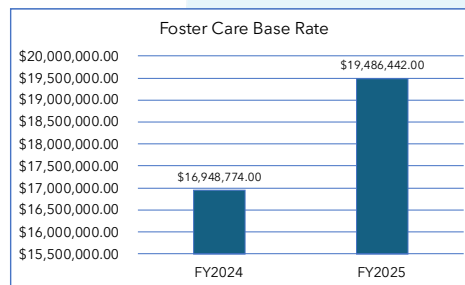


The Office of Children’s Services provides continued support to families after permanency is achieved by offering adoption and guardianship subsidies that help offset the cost of caring for children with significant and ongoing needs. These subsidies ensure that families have the resources necessary to maintain stable, nurturing homes long after the adoption or guardianship is finalized. To further reduce financial barriers, OCS also covers up to \$2,000 in legal fees for each adoption or guardianship.

Foster Care Associated Costs

Foster Care Special Needs Expenses total in SFY2025
\$6,902,682.00

Item	Costs for SFY2025
Travel (children, parents, foster parents, case specific travel)	\$1,743,023
Emergency Relief Support	\$767,804
Youth with Complex Trauma Placement *****	\$709,420
Out of State Residential Treatment*****	\$773,967
Case Plan-Required Goods/Services	\$533,595
Child Care	\$518,884
Clothing	\$359,458
Mental Health Assess - Parent/Guardian	\$153,877
Independent Living Housing - Out of Custody (Young Adults 18-21)	\$127,114
Personal Incidentals	\$115,060
Mental Health Counseling - Children	\$114,828



On July 1, 2024, the foster care base rate increased 30% over the previous rate.

Foster Care Special Needs funds are utilized for pre-approved essential expenditures not covered by the foster care base rate and are assessed on a case-by-case basis. Due to Federal requirements to provide family contact, Alaska has increased travel costs. These are defined to cover services and support for families. OCS is also responsible for medical and clinical expenses not covered under Indian Health Services, Medicaid, or private health insurers.

Augmented rates are additional payments on top of standard daily foster care reimbursements. These are provided when a child requires care that exceeds basic foster care levels. The daily rate is typically increased for a specified period, based on a formal assessment by OCS. The assessment is conducted by OCS and must be re-evaluated every six months or upon each placement change. Rates may be reduced if the child no longer meets the criteria.

Alaska Tribal Child Welfare Compact

December 15, 2017:

Alaska Tribal Child Welfare Compact signed between Alaska Native Tribes, Tribal Organizations and the State of Alaska.

FY2023 - FY2025:

Funded \$5,000,000 annually (100% UGF)
Creation of Centralized Compact Referral Unit within OCS. (FY23)

Scopes of Work:

- Initial diligent relative & ongoing placement searches
- Licensing Assist services
- Family contact services
- Safety evaluation of relative homes
- Primary prevention
- Secondary prevention

SFY2025 Tribal Child Welfare Compact Data

Diligent Relative Searches • Initial searches • 408 referred with 194 accepted, 78% completed • Ongoing searches • 207 referred with 114 accepted, 49% completed	Family Contact • 121 referred, 76 accepted • 1985 hours of family contact paid	Safety Evaluation Walk Through • 45 referred, 33 accepted • 21 resulted in placement of a child	Licensing Assist • 568 referrals, 374 accepted, 51% completed • 74 applications completed resulting in 19 licenses being issued
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The Alaska Tribal Child Welfare Compact is an innovative government-to-government agreement between the State of Alaska and federally recognized Alaska Native tribes and tribal organizations. The core goals of this collaborative agreement are:

- Empower tribes to oversee placement and welfare services.
- Embed Native traditions and local community approaches into child welfare practice
- Prevent Alaska Native Youth from entering the OCS system

Agency Response from the Department of Family and Community Services



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Family and Community Services

OFFICE OF THE COMMISSIONER

P.O. Box 112650
240 Main Street, Sixth Floor
Juneau, Alaska 99811-2650
Main: 907.465.3082

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JAN 05 2024

LEGISLATIVE AUDIT

January 5, 2024

Kris Curtis
Legislative Auditor
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

RE: Department of Family and Community Services, Office of Children's Services Compliance with Foster Care Reform Laws, Part 2, November 10, 2023

Dear Mr. Curtis,

The Department of Family and Community Services (DFCS) appreciates the opportunity to review and provide feedback to the associated findings and recommendations as shared in your preliminary audit report.

OCS offered license assistance to relatives in a prompt manner, but 80 percent did not obtain a license. DFCS agrees with this conclusion. There are a large variety of reasons why a relative chooses to decline licensure.

Application dates were not tracked accurately in ORCA. DFCS agrees with this conclusion. Please see response to Recommendation #2.

Auditors could not verify OCS' compliance with the 45-day timeline to approve or deny foster care home license. DFCS agrees with this conclusion. Please see response to Recommendation #2.

Foster home license applications were processed an average of 77 days from application receipt date. DFCS disagrees with this conclusion. As the report noted in the prior conclusion, due to staff having differing interpretations of the requirements that constitutes a complete application the average length of time to process an application could not be accurately determined.

Children were placed at risk by OCS staff not following procedures for background checks. DFCS agrees that relative homes were identified that did not have timely background checks. Please see response to Recommendation #1.

OCS workers made efforts to keep siblings in contact when separated.

DFCS agrees with this conclusion. The department recognizes and values the importance of maintaining sibling connections.

OCS staff did not adequately document whether individuals 16 years of age or older obtained birth certificates and other important documents.

DFCS does not agree with this conclusion. Please see response to Recommendation #4.

OCS implemented a longer training program.

DFCS agrees with this conclusion.

Recommendation 1: OCS’s director should improve training to ensure OCS staff follow procedures for background checks and address safety risks identified by auditors.

DFCS agrees with this recommendation. Safety is of utmost importance to the department. Plans for training all managers, supervisors and caseworkers with placement authority are in process. DFCS further intends to develop management reports that will assist in identifying provider homes that lack background check documentation in ORCA.

Recommendation 2: OCS’s director should strengthen training and implement procedures to ensure application dates are entered accurately and consistently in ORCA.

DFCS agrees with this recommendation. 7 AAC 67.030(a) clearly defines the criteria that constitutes a completed application. Licensing management has issued guidance to all licensing staff of this criteria and has scheduled follow-up training. Additionally, the Community Care Licensing Manual will be updated to identify more clearly what constitutes a completed license.

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.

DFCS agrees with this recommendation. Staffing shortages are not unique to the department and unfortunately high-turnover rates have plagued the nationwide child welfare workforce for many years. Recruitment and retention have been and remains a high priority to the department. We are actively working to transition hiring to the Alaska’s Talent Acquisition team who specialize in recruitment and talent acquisition.

Recommendation 4: OCS’s director should implement procedures for documenting efforts made to assist individuals with obtaining important documents.

DFCS does not agree with this recommendation. HB 151 requires the agency to “provide the individual or assist the individual” with obtaining some identification documents. The law does not require a specified form of documentation. Youth in foster care receive several methods of assistance regarding obtaining their documents such as but not limited to the Foster Children and Youth’s Rights, quarterly retreats, contacts with their Independent Living worker, and Independent Living courses. It is important to note that although this law sounds ideal on paper, execution requires many things that are unequivocally outside of the departments’ control.

Birth Certificates: The department has over 96% of original birth certificates for children in foster care uploaded and documented in ORCA.

Social Security Cards: The Social Security Administration will not release a social security card to the department without a stamped certified court order showing that we have custody. The department has to

rely on the Court System to provide these orders which can be timely. Further complicating this process is that although a custody order may exist and legally establish custody in Alaska, the Social Security Administration will not accept many of these orders preventing the department from obtaining the social security card. It should further be taken into consideration that the Social Security Administration limits the number of SSN cards in a person's lifetime so we should not be unnecessarily utilizing a person's lifetime benefit if there is not a current need for the card. Social Security numbers are uploaded and documented in ORCA.

Health Insurance Information: When a child exits foster care, their Medicaid case is updated to their new address, documented in EIS, and a new Medicaid card is mailed that includes their health insurance information. This occurs for all children exiting foster care.

Certificate of Degree of Indian Blood: As referenced in the report a parent's birth certificate is often required to obtain the CDIB and OCS does not have legal authority to obtain them. Additionally, these cards require proof of blood quantum. While it is known that the card can provide access to certain benefits, for some native people they come with great controversy.

While not all parents and Tribes are opposed to the CDIB cards, they still have rights and can refuse to cooperate with this process.

The department does provide several methods of information to assist youth with where and how to obtain these documents.

Recommendation 5: OCS's director should continue efforts to address staffing shortages and ensure supervisors certify in writing whether OCS staff has searched for an appropriate placement with a relative or family friend as required by law.

DFCS partially agrees with this recommendation. Please see response to recommendation number 3 regarding staffing shortages. DFCS agrees that supervisory certifications are not complete in all cases however DFCS disagrees that lack of written documentation increases risk that an adult family member or family friend will not be identified. Despite the lack of supervisory certifications, as of today's date less than 2% of children in out-of-home placements do not have a relative documented in ORCA.

The critical work and priority related to this topic is the act of performing relative searches, identifying relatives for placement, and increasing the number of children placed with relatives.

While it is always the goal to successfully achieve every single case-related and administrative task, DFCS fundamentally must prioritize the work that impacts safety and positive outcomes for children and families.

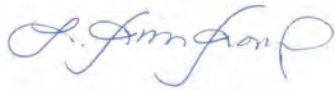
Recommendation 6: OCS's director should improve security over access to ORCA.

DFCS agrees with this recommendation. The following remedy has been implemented: OCS has obtained and verified that all current ORCA users, except one, have a completed form on file. The remaining staff has been on extended leave and will be resolved upon their return. Staff that have been deactivated from the State of Alaska system cannot access ORCA. Additionally, the ORCA team will run monthly queries

to ensure former staff are deactivated in ORCA.

Please contact Nancy Miller at 907-465-6891 if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink, appearing to read "K. Kovel", is positioned above the printed name.

Kim Kovel
Commissioner

CC:
Marian Sweet, DFCS Assistant Commissioner
Nancy Miller, DFCS Finance Officer

Agency Response from the Department of Family and Community Services



THE STATE
of ALASKA
GOVERNOR MIKE DUNLEAVY

Department of Family and Community Services

OFFICE OF THE COMMISSIONER

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March 17, 2025

Christine Lumba
Legislative Auditor
Division of Legislative Audit
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Juneau, AK 99811-3300

RECEIVED

MAR 17 2025

LEGISLATIVE AUDIT

RE: Department of Family and Community Services (DFCS), Office of Children's Services (OCS) Implementation of Foster Care Reform Laws Part 3 Preliminary Report

Dear Ms. Lumba:

The Department of Family and Community Services (DFCS) appreciates the opportunity to review and provide feedback to the associated conclusions, findings, and recommendations as shared in your preliminary audit report. Upon review of the report, DFCS submits the following response.

Conclusion 1

Implementation of HB151, along with other legislative efforts did not resolve OCS's labor challenges and excess authorization was used in part for other purposes.

DFCS partially agrees with this conclusion. DFCS agrees that HB151 did not resolve OCS's labor challenges. Although OCS supports the caseload standards and strives to achieve them, a law does not increase the available workforce in Alaska nor the retention challenges that have plagued the nation's child protection workforce for decades. Those challenges were only exacerbated by the pandemic.

This field is incredibly complex. There is an extreme emotional toll from the trauma exposure. Workers frequently experience a plethora of emotionally challenging and traumatic situations and making life altering decisions that can cause stress, frustration, and exhaustion. Alaska's vast geography and unpredictable weather make the work even more difficult when compared to child welfare systems in the lower-48. Workers report that they are underpaid for the high demands of the job, particularly given the dangerous and volatile situations they encounter.

DFCS disagrees that excess HB151 authorization was used in part for other purposes. Movement of funding between components throughout a fiscal year is a standard operating process. The transfers referenced in this report are unrelated to HB151.

Conclusion 2

OCS work measures have generally declined since 2015.

DFCS does not agree with this conclusion. Exhibit 4 on page 13 shows some general data points that are not work measures, and without additional context could be misleading. Data points are extremely valuable, but they do not tell the whole story; they are only one indicator of a much larger picture. Though numbers on the exhibit may show a decline, they are not an adequate indicator of work measures. They do not demonstrate the increases in workload due to the heightened complexity of needs our clients face. Parents, children, youth, and families experience a myriad of social issues that are difficult to serve. The data points in the exhibit do not capture the complexity of cases coming to the attention of OCS. Another factor not captured is the continual imposition of additional administrative requirements imposed through federal and state law. It is important to note that this audit period was during a global pandemic that caused extreme challenges to serve families, both in Alaska and across the country. Communities did not permit outside visitors, service providers closed their doors, many permanently, and there was unprecedented turnover and vacancies. Youth behavioral health suffered nationwide. These factors should be taken into consideration when looking at any data during this period.

Conclusion 3

Increased training was not tied to improved retention or increased competencies.

DFCS disagrees with this conclusion. The narrative inaccurately implies that OCS's training is a virtual platform and minimized the volume of training provided. As noted in the auditor's report, in 2020 training transitioned to a virtual platform. This was *temporary*, and solely due to the global pandemic. As soon as it was safe to do so, OCS resumed its comprehensive training program which includes online training, virtual training, in-person training, on-the-job training, shadowing, and mentorship. Given the demands in service delivery and the workforce, OCS's training program is under continuous evaluation and adjusts to meet the needs of its workforce and an ever-challenging child welfare landscape.

While the consultant hired by the legislative auditors identified hiring for core competencies as a concern, their opinions were based on short interviews with a variety of staff and indicated minimal understanding of the full training array offered by OCS. While Alaska has a population of applicants with a variety of educational, health, social services, and work-related experiences to fill positions, we have not received a large quantity of applicants. Ongoing assessment of OCS's training program takes into consideration the experience of hired staff and modifications are made to better meet their additional training needs. In the past few years, OCS has updated the frontline worker training, added pre and post testing, and makes ongoing modifications based on employee feedback. OCS has redesigned leadership training, Supervisor Core, added reflective supervision training, and improved Coaching Supervisors to Best Practices. OCS is committed to continuous quality improvement of its training programs.

Conclusion 4

OCS management has been unable to implement caseload caps.

DFCS partially agrees with this conclusion. DFCS does not agree with the data or conclusions in this section of the narrative. The methodology used by the auditors is not clear and may not account for critical factors that are unique to ORCA and the child protection system, such as:

- Not all open cases in ORCA require case management services.
- All open cases in ORCA require a primary assignment so case carrying staff may be assigned to a case as primary, but only for administrative services.
- Case carrying PCNs may change.
- Caseload counts are fluid and change daily.

Determining caseload counts requires extensive knowledge of these factors and how to determine which cases are countable. Due to the fluidity of the data, it cannot be replicated. The existing database system, ORCA, is a legacy system, and there are factors that need to be taken into account when using it to track data, including those set forth above. Further, it is a very time intensive task.

DFCS agrees that offices at times, due to staffing and certain geographical locations, have been unable to assign cases under gradual caseload numbers. This does not support the conclusion that management is unable to implement caseload caps. DFCS and OCS strive to meet the requirements of HB 151. At the same time, it is important to note that OCS is mandated to serve families. No one family is the same. Every family has individualized complexity, and one family could present highly intricate, challenging, and acute needs. This fact is not accounted for in caseload averages or caps. It should be highlighted that despite vacancies OCS maintained a high percentage of compliance with caseload caps and that is a data point to celebrate.

DFCS agrees that the support for the OCS report was not properly maintained and has already remedied this by preparing written steps on how to prepare the report to support consistent data.

Conclusion 5

The annual recruitment and retention report understates OCS workload.

DFCS disagrees with this conclusion. OCS is required to serve families in need and each case must be assigned. In some situations, to alleviate burnout for staff and align with HB151 caseload caps, cases are assigned to supervisors as primaries. This assignment ensures that oversight of the family is occurring while waiting for a front-line worker to be assigned or hired. Supervisory assignments were not part of HB151 and therefore should not be included here. Supervisory assignments may occur as part of regular business practice due to complexity or continuity for the family.

In many situations, cases are assigned to supervisors to ensure oversight of the family. Often this is done to ensure assignments to new staff were within the caseload cap. Workload is not understated by not reporting secondary assignments. Secondary assignments are not counted towards a caseload count. Secondary workers may have limited responsibilities for a case, and they do not resemble primary assignments as assumed by the auditor. Counting secondary assignments as equivalent to a primary assignment invalidates true caseload counts. The ORCA system is a legacy system and has limitations impacting data collection, including those discussed above. It is important to note that OCS will need an updated case management system to stay in compliance with federal requirements and ensure access to federal revenue.

Conclusion 6

The annual staffing report could be enhanced to better align with best practices.

DFCS disagrees with this conclusion. As noted in the consultant's report, OCS's staffing report did an effective job at tracking the number and location of vacancies, turnover, and exit reasons for case carrying staff and complied with the requirements of the law.

Conclusion 7

OCS's 2023 staffing report understated vacancies at the statewide and regional levels.

DFCS disagrees with this conclusion. The methodology utilized here is not in alignment with industry practice. The auditor independently obtained position data from the state's payroll system and recalculated rates to compare with OCS's staffing report. Calculating this way may not consider staff moving between PCNs, promotions, how a case-carrying PCN is determined, changes to a PCN, or the need to omit cases opened for administrative purposes. Therefore, the small variance of 12 is attributable to the differing methodology and fluidity of this data as opposed to an understatement of vacancies.

Conclusion 8

OCS's 2023 annual employee recruitment and retention report did not fully comply with statutory requirements, regional turnover statics were not fully accurate, and supporting data was not consistently maintained by OCS staff.

DFCS partially agrees with this conclusion. DFCS agrees that the supporting data was not consistently maintained by OCS staff. OCS now has written guidance on the process, which remedied that finding.

DFCS disagrees that the recruitment and retention report did not fully comply with statutory requirements. HB151 does not require a "forward-looking plan"; HB 151 requires a five-year plan. The term "forward-looking plan" is a term created by the auditor and inserted into the report; DFCS repeatedly requested for this term and conclusion to be removed. OCS has met and continues to meet the law's five-year requirement by operating a fluid recruitment and retention plan that has no end date and provides for regular and ongoing modifications to meet the current demands of the workforce. OCS has implemented several successful programs that have contributed to a decreased turnover rate, from 59% to 37%. While OCS continues to fill positions and still has vacancies in some offices, turnover in the positions filled has slowed. This is evidence of efforts made to retain staff. OCS has continued to look for creative ways to fill vacancies but is challenged by the workforce shortage the rest of Alaska faces.

It should be noted that OCS' calculation of the average turnover was 47.6 and the auditors found 47.4 which only differed by 0.2. This is not statistically significant enough to warrant a finding.

Conclusion 9

Improvements to OCS's hiring process may help address labor challenges.

DFCS partially agrees with this conclusion. In its response to the Analysis of Management Structure, OCS stated its disagreement with many of the report's recommendations, primarily due to the practices already in place. The consultants that prepared the management report detail gathered their information from brief interviews with staff with minimal additional supportive information. Many interviews were large groups that impeded staff's ability to offer feedback or only consisted of a couple of questions. This methodology resulted in notable gaps of information represented, leaving a vast number of existing practices omitted in the report. The Management Structure report recommended the following:

- **Streamline the hiring process:**
Prior to this review, OCS has partnered with DFCS's Talent Acquisition Team to streamline the hiring process. Many aspects of hiring are governed by the State of Alaska Department of Administration and outside the control of OCS.
- **Be more intentional about recruiting:**
Prior to this review, OCS had been actively working to identify creative ways to recruit qualified staff and this will be an ongoing effort. OCS has implemented student stipends, partnered with DFCS's Talent Acquisition Team, and is consistently present at job fairs across the state. Exploration of creative recruitment options already is, and will continue to be, an ongoing effort of OCS.
- **Expand the use of creative models to fill vacancies in rural offices:**
OCS already uses Letters of Agreements, but it is limited on flexibility due to state-determined restrictions that are outside of OCS's authority. OCS has traveling caseworkers, flexible scheduling, and housing in two regions. Additional housing in remote areas would require a budget increment to address this challenge. OCS is subject to limitations set by the state.
- **Accurately describe the nature of the job:**
It is important to note that a portion of the hiring process is required by the state and out of the control of OCS. Many aspects of hiring for some positions have been transferred to the Talent Acquisition Team, and OCS continues to partner with them on recruitment. Realistic job preview videos already exist and are posted on OCS's webpage. These were completed in partnership with our Staff Advisory Board as a direct request of frontline staff. A large portion of job descriptions have been updated in the last two years and others remain in process.

Conclusion 10

Performance measures for children in Alaska compared to national data were worse in some categories and better in other categories.

DFCS partially agrees with this conclusion. DFCS partially agrees with some of the general statements in this narrative, but not with the context in which it is being used. Data, while valuable, is one piece of a very complex system. Alaska, like all other states, performs better on some national averages and less on others. The narrative states that Alaska is lower than the national average on timely permanency; however, it does not reflect that Alaska reunifies families *more* than the national average. While every case is different, in many cases, reunifying a family is a preferable outcome over quick permanency. Additionally, child welfare work in Alaska is undeniably more challenging than the other states. No other state handles child welfare work in the remote conditions, hazardous weather, sheer size Alaska's geography, and many other unique challenges that Alaska alone experiences. Alaska continually addresses with the federal government that using national averages is an inequitable measurement due to the vast differences

in the ways child welfare work must be performed which includes collaborating closely with 229 Tribes, Tribal stakeholders, and adhering to the Indian Child Welfare Act (ICWA).

OCS offers the following response to the report recommendations:

Recommendation 1

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

DFCS agrees with this recommendation. OCS's Administrative Operations Manager has completed written steps on how to prepare the report to support consistent data.

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.

DFCS agrees with this recommendation. OCS's Administrative Operations Manager has completed written steps on how to prepare the report to support consistent data.

Recommendation 3

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

DFCS disagrees with this recommendation. OCS's training program is constantly evaluated, and modifications are implemented as necessary due to the changing demands of service delivery and workforce. This has been OCS's customary practice prior to the enactment of HB151 and will continue into the foreseeable future. Additionally, several courses have recently been modified and the comprehensive training program encompasses online training, in-person training, on the job training, shadowing, and mentorship.

Recommendation 4

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

DFCS partially agrees with this recommendation. In its response to the Analysis of Management Structure, OCS stated its disagreement with many of the report's recommendations, primarily due to the practices already being in place. The consultants that prepared the management report detail gathered their information from brief interviews with staff with minimal additional supportive information. Many interviews were large groups that impeded staff's ability to offer feedback or only consisted of a couple of questions. This methodology resulted in notable gaps of information represented, leaving a vast number of existing practices omitted in the report. The Management Structure report recommended the following:

- **Streamline the hiring process:**

DFCS partially agrees with this recommendation. Prior to this review, OCS has already partnered with DFCS's Talent Acquisition Team to streamline the hiring process. Many aspects of hiring are governed by the State of Alaska Department of Administration and outside

the control of OCS.

- **Be more intentional about recruiting:**

DFCS partially agrees with this recommendation. Prior to this review, OCS had been actively working to identify creative ways to recruit qualified staff, and this will be an ongoing effort. OCS has implemented student stipends, partnered with DFCS's Talent Acquisition Team, and is consistently present at job fairs across the state. Exploration of creative recruitment options is and will continue to be an ongoing effort of OCS.

- **Expand the use of creative models to fill vacancies in rural offices:**

DFCS partially agrees with this recommendation. OCS uses Letters of Agreements, but it is limited on flexibility due to state-determined restrictions that are outside of OCS's authority. OCS has traveling caseworkers, flexible scheduling, and housing in two locations. Additional housing in rural areas would require a budget increment to address this challenge. OCS is subject to limitations set by the state.

- **Accurately describe the nature of the job:**

DFCS partially agrees with this recommendation. It is important to note that a portion of the hiring process is required by the state and out of the control of OCS. Many aspects of hiring for some positions have been transferred to the Talent Acquisition Team and OCS continues to partner with them on recruitment. Realistic job preview videos already exist and are posted on the webpage. These were completed in partnership with our Staff Advisory Board as a direct request of frontline staff. A large percentage of job descriptions have been updated in the last two years and others remain in process.

Recommendation 5

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

DFCS disagrees with this recommendation. Enhancing data to align with best practices is not a requirement of HB151, and the recommended best practices do not align with the unique situation in Alaska. The consultants that prepared the management report detail gathered this information from brief interviews with staff with minimal additional supportive information. OCS has an extensive recruitment and retention plan that is frequently reviewed and updated to align with the current needs of the workforce. Staffing shortages are not unique to the Office of Children's Services and unfortunately high-turnover rates have plagued the nationwide child welfare workforce for many years. The number of applicants for all jobs in state government greatly decreased since the pandemic and have not yet rebounded. Recruitment and retention are and continue to be a very high priority to the agency and department.

While the department does not agree with this finding as it pertains to HB151, DFCS is continually looking at efficiencies in agency processes including recruitment and retention. Through a Governor's initiative, the Talent Acquisition Team was established to create efficiencies in recruitment, increase candidates experience, and provide a streamlined hiring process for the department. DFCS is the first department to implement a recruitment strategy of this caliber and is doing so in a phased approach; OCS is the first division to begin using this new candidate centric streamlined process.

- **Time to fill vacancies:** - The TA process includes multiple tracking elements with Key

Performance Indicators (KPI's) established. Tracking includes, but is not limited to; vacancy date, request to recruit submission date, submission to post, candidate referral counts and dates, dates to interview, reference dates, candidate dispositions, onboarding, post hire survey dates and results.

These allow the department to adjust the process, job postings, position descriptions, pre-interview criteria, interview questions and our KPI's to ensure we are continuously developing a candidate centric process that reduces redundancy and allows unbiased hires in a quick and efficient manner while maintaining compliance with state and federal requirements.

- **Offer acceptance rate** - The TA process includes multiple tracking elements each with KPI's established. Tracking includes but is not limited to; vacancy date, request to recruit submission date, submission to post, candidate referral counts and dates, dates to interview, reference dates, candidate dispositions, onboarding, post hire survey dates and results.

These allow the department to adjust the process, job postings, position descriptions, pre-interview criteria, interview questions or even our KPI's to ensure we are continuously developing a candidate centric process that reduces redundancy and allows unbiased hires in a quick and efficient manner while maintaining compliance with state and federal requirements.

- **Supervisor to staff ratio** – Data on the number of supervisors over the frontline workers (Protective Services Specialist 1-3) is available in monthly reports provided by the Employee Planning & Information Center (EPIC) within the Department of Administration and on the DFCS SharePoint site. Current data shows the average ratio of supervisor to Protective Services Specialist 1-3 frontline staff is 4:6.
- **Tenure in key positions** – The department's Human Resource Unit began developing a Succession Planning Policy and Training using Society for Human Resource Management (SHRM) best practices as a foundation and adjusting to the State of Alaska's Personnel Rules. This paired with the annual evaluation process which includes a Learning and Development Plan will position the agency to successfully ensure operations continue without interruption as staff transition out of DFCS.

Recommendation 6

OCS's director should include a forward-looking plan for addressing recruitment and retention challenges over the next five years in the annual recruitment and retention report.

DFCS disagrees with this recommendation. HB151 does not require a "forward-looking plan"; HB 151 requires a five-year plan. OCS has met and continues to meet the five-year requirement by operating a recruitment and retention plan that has no end date and providing annual updates. Successful recruitment and retention plans are fluid and must allow for regular and ongoing modifications to meet the current demands of the workforce. The OCS recruitment and retention plan is indefinite, regularly assessed, and updated to meet current and foreseen needs. It has consistently housed multi-year efforts which are reported on annually. The plan is updated to address challenges and successes.

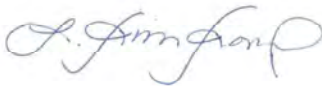
Recommendation 7

Department of Health's Assistant Commissioner of Finance and Management Services should liquidate an unsupported \$10 million encumbrance.

DFCS disagrees with this recommendation. The recommendation is for another state agency; it is not appropriate for DFCS to respond.

Please contact Nancy Miller at 907-465-6891 if you have any questions or concerns.

Sincerely,



Kim Kovel
Commissioner

CC:

Marian Sweet, DFCS Assistant Commissioner
Nancy Miller, DFCS Finance Officer
Kim Guay, OCS Director

Agency Response from the Department of Health



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Health

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March 19, 2025

Ms. Kris Curtis, CPA, CISA
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RECEIVED

MAR 19 2025

LEGISLATIVE AUDIT

RE: Confidential Management Letter, Department of Health (DOH), for Department of Family and Community Services Office of Children's Services Implementation of Foster Care Reform Laws Part 3

Dear Ms. Curtis,

The Department of Health (DOH) appreciates the opportunity to review and provide feedback to the recommendation shared in the preliminary audit letter dated February 27, 2025.

Recommendation No. 7

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

DOH does not concur with the recommendation or the finding. The \$10 million encumbrance is using the Departmental Support Services Information Technology budget. The Department of Health and Social Services (DHSS) transferred authority from numerous budgets subject to lapse at fiscal year-end, as authorized by the legislature, which involved the reduction of one budget authority and the increase of another. Once a budget transfer occurs, the budget authority of the reduced budget is relinquished and is not attributed as still existing under another budget elsewhere. Further, DHSS complied with the statewide Alaska Administrative Manual 30 Encumbrance requirements for establishment, management, and review. The DOH maintains this encumbrance's establishment and current active status is allowable as a contingent liability and shall remain active until the ending of FY2025 unless either department is contacted by the Office of Civil Rights in the meantime. This audit opinion is placing additional restrictions on the department than are present in established budget permissions and statewide guidance.

Thank you for giving the Department of Health the opportunity to provide additional insight into this topic. Please contact Terra Serpette at 907-465-6333 if you have any questions or concerns.

Ms. Kris Curtis, CPA, CISA
March 19, 2025
Page 2 of 2

Sincerely,



Heidi Hedberg
Commissioner

cc: Pam Halloran, DOH Assistant Commissioner
Raquel Solomon-Gross, DOH FMS Deputy Director
Micah Jones, DOH Finance Officer
Terra Serpette, DOH FMS Division Operations Manager

