

## Department of Family and Community Services

### FY23 - Summary of Significant Budget Issues

(\$ thousands)

Item	Appropriation / Allocation	Description	Governor Request	Amount Enacted	Comment
1	Various	Executive Order 121	<b>Total: \$1,592.9</b>  \$470.2 Fed Rcpts (Fed) \$668.7 GF/Match (UGF) \$454.0 I/A Rcpts (Other) <b>7 PFT Positions</b> <b>3 TMP Positions</b>	<b>Total: \$1,592.9</b>  \$470.2 Fed Rcpts (Fed) \$668.7 GF/Match (UGF) \$454.0 I/A Rcpts (Other) <b>7 PFT Positions</b> <b>3 TMP Positions</b>	<p>Through Executive Order 121, the Department of Health and Social Services (DHSS) has been divided into two distinct departments. The new Department of Family and Community Services (DFCS) includes:</p> <ol style="list-style-type: none"> <li>1. Division of Juvenile Justice;</li> <li>2. Alaska Psychiatric Institute;</li> <li>3. Alaska Pioneer Homes; and</li> <li>4. Office of Children's Services.</li> </ol> <p>The new Department of Health (DOH) includes:</p> <ol style="list-style-type: none"> <li>1. Division of Public Health;</li> <li>2. Division of Public Assistance;</li> <li>3. Division of Behavioral Health;</li> <li>4. Division of Health Care Services; and</li> <li>5. Division of Senior and Disabilities Services.</li> </ol> <p>In addition to reclassing and extending existing positions in the DFCS/Departmental Services Appropriation, for a total of \$397.9 (\$158.1 GF/Match, \$110.0 I/A, 129.8 Federal Receipts), the following funding and positions are being added:</p> <p><b>Commissioner's Office</b> (\$276.2 GF/Match and \$184.1 Federal Receipts)</p> <ol style="list-style-type: none"> <li>1. Full-time Commissioner, Juneau</li> <li>2. Full-time Executive Secretary 3, range 16, Juneau</li> <li>3. Full-time Project Coordinator, range 22, Juneau</li> </ol> <p><b>Information Technology</b> (\$344.0 Inter-agency Receipts)</p> <ol style="list-style-type: none"> <li>1. Full-time Data Processing Manager 1, range 22, Juneau</li> <li>2. Full-time Systems Programmer 1/2, range 20/22, Juneau</li> <li>3. Three non-permanent, on-call Microcomputer/Network Technician 1 positions, range 14, Anchorage/Fairbanks/Juneau.</li> </ol> <p><b>RSAs with Dept. of Administration and Office of Management and Budget</b> (\$234.4 GF/Match and \$156.3 Federal Receipts)</p>

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2	Various	Multi-Year Language Appropriations Moving from DHSS to DFCS in FY23  <b>Multi-year Language</b>	<b>Net Zero</b>	<b>Net Zero</b>	Language included in Executive Order 121, splitting DHSS into DOH and DFCS, covered the majority of all funding authority transitioning to the two new departments. However, some of the multi-year language appropriations were handled with an additional step. For these items, funding was appropriated from DHSS to the Alaska Housing Capital Corporation (AHCC), as a "holding tank", effective June 30, 2022, then reappropriated from AHCC to DOH or DFCS (which did not exist on June 30, 2022), effective July 1, 2022.
3	Alaska Pioneer Homes / Alaska Pioneer Homes Payment Assistance	Align Alaska Pioneer Homes Payment Assistance with Need	(\$3,000.0) Gen Fund (UGF)	(\$3,000.0) Gen Fund (UGF)	<p>In FY21, the Pioneer Homes Payment Assistance allocation received \$6.1 million UGF through Ch. 23, SLA 2020 (HB 96) to align payment assistance with inflation and Social Security cost of living adjustments. Around the same time, COVID-19 began to spread, which reduced occupancy rates. The Department notes this \$3 million decrement is associated with lapsing approximately \$7 million UGF in FY21. Although it is not certain how occupancy rates will trend going forward, at this time the reduction appears to be sustainable.</p> <p>The total number of elders served includes 592 in FY19, 594 in FY20, 607 in FY21, and 601 in FY22. Increased turnover may increase the number of elders served, but it also leaves beds vacant for longer, since the process for a new resident to move in is about six weeks.</p>

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3	Alaska Pioneer Homes / Alaska Pioneer Homes Payment Assistance	Align Alaska Pioneer Homes Payment Assistance with Need	(\$3,000.0) Gen Fund (UGF)	(\$3,000.0) Gen Fund (UGF)	(continued) <b>Fiscal Analyst Comment:</b> At the time of publication, the Department projects \$7.5 million UGF will lapse in FY22.
4	Alaska Pioneer Homes / Pioneer Homes	Federal Reimbursement from the Veteran's Administration	\$800.0 Fed Rcpts (Fed)	\$800.0 Fed Rcpts (Fed)	In FY19, a \$525.0 increase in federal authority was approved to support the Veterans and Pioneer Home in Palmer upgrading its certification to be reimbursed for a higher Nursing Home level of care than Domiciliary Care, for up to 14 residents. This FY23 increment provides authority to further expand the reimbursement rate for those 14 higher-need beds to a 'Nursing Home Service Connected' (NHSC) rate.  <b>Items 4 and 5 are related.</b>
5	Alaska Pioneer Homes / Pioneer Homes	Support Federal Reimbursement from the Veteran's Administration  <b>Supplemental</b>	\$800.0 Fed Rcpts (Fed)	\$800.0 Fed Rcpts (Fed)	This supplemental increase for federal receipt authority associated with higher reimbursement rates is related to the above item.  <b>Item 4 and 5 are related.</b>
6	Inpatient Mental Health / Designated Evaluation and Treatment	Disability Law Center Settlement	<b>Total: \$10,875.0</b> \$4,500.0 GF/ Match (UGF) \$1,875.0 Gen Fund (UGF) \$4,500.0 I/A Rcpts (Other)	<b>Total: \$10,875.0</b> \$4,500.0 GF/ Match (UGF) \$4,500.0 I/A Rcpts (Other) \$1,875.0 GF/MH (UGF)	Initial funding for this settlement was appropriated during SLA 2021 through a supplemental in the Judgments, Claims, and Settlements appropriation (\$7.4 million UGF and \$4.5 million Federal Receipts). This request increases base funding in the Designated Evaluation & Treatment (DET) allocation (previously housed in the DHSS / Behavioral Health appropriation) to satisfy settlement terms entered into between the State and the plaintiffs in The Disability Law Center of Alaska, Inc. v. State of Alaska, Department of Health and Social Services, 3AN-18-09814CI, to fund the programs described in the court-ordered plan. The case involved how the Department handles individuals who are under civil court orders to receive psychiatric evaluations or treatment in jail instead of a health facility.  The \$4.5 million I/A is supported with federal receipts in the Medicaid appropriation.

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7	Inpatient Mental Health / Alaska Psychiatric Institute	Disability Law Center Settlement	\$678.0 Gen Fund (UGF)	\$678.0 GF/MH (UGF)	<p>The terms of the Disability Law Center Settlement under Case No. 3AN-18-9814 CI require the department to seek an appropriation for crisis placement provider agreements to increase capacity for individuals requiring timely evaluations and treatment in the least restrictive settings. This funding request in Alaska Psychiatric Institute's budget will satisfy the crisis stabilization component of the settlement to divert individuals experiencing a behavioral health emergency to API and away from law enforcement, emergency medical services, and hospital emergency rooms.</p> <p>Funding included in the DET allocation supports Designated Evaluation, Stabilization &amp; Treatment, non-Institutional Mental Disorder Disproportionate Share Hospital, and Secure Transport. Funding included in the API allocation supports crisis placement.</p> <p><b>Fiscal Analyst Comment:</b> The legislature converted this increment to GF/MH (fund code 1037) to more closely track mental health funding.</p> <p><b>Items 6 and 7 are related.</b></p>

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8	Children's Services / Front Line Social Workers	Expand Support Positions to Broaden Centralized Services and Field Support Services	<b>Total: \$2,851.0</b> \$1,017.0 Fed Rcpts (Fed) \$1,834.0 Gen Fund (UGF) <b>26 PFT Positions</b>	<b>Total: \$2,851.0</b> \$1,017.0 Fed Rcpts (Fed) \$1,834.0 Gen Fund (UGF) <b>26 PFT Positions</b>	<p>Families, tribal partners, and frontline workers have expressed concerns about limited support staff as well as a desire for more centralized services. In response, twenty-six positions are being added to ensure appropriate ratios between Social Services Associate and administrative staff to caseworkers, along with staff to support and train co-signers of the Alaska Tribal Child Welfare Compact. These new positions will transport children in custody, provide centralized administrative services, and assist with training and implementation of the Alaska Tribal Child Welfare Compact.</p> <p>Positions will be added in the following areas:</p> <ol style="list-style-type: none"> <li>1. Social Services Associates, 16 positions to ensure required family contact visits, transportation, service alignment per the family case plan, legal documentation, and general support to case carrying Protective Services Specialists;</li> <li>2. Centralization Services, 7 positions to perform statewide centralization functions and remove administrative duties from frontline caseworkers;</li> <li>3. Tribal Compact Services Support Unit, 3 positions dedicated to providing oversight and continuous quality improvement of processes and service delivery necessary to meet desired outcomes.</li> </ol>
9	Children's Services / Front Line Social Workers	Add Four Long-Term Non-Permanent Protective Services Specialist 4	<b>Total: \$912.0</b> \$292.0 Fed Rcpts (Fed) \$620.0 Gen Fund (UGF) <b>4 TMP Positions</b>	<b>Total: \$912.0</b> \$292.0 Fed Rcpts (Fed) \$620.0 Gen Fund (UGF) <b>4 TMP Positions</b>	Feedback provided through OCS staff surveys indicates improved and consistent supervision is needed to support new and tenured frontline social worker staff. This new long-term, non-permanent, supervisory unit will provide consistent supervision to help staff navigate caseloads and manage competing priorities.

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10	Children's Services / Front Line Social Workers	Workforce Stabilization Bonuses for New and Existing Staff	<b>Total: \$3,480.1</b> \$1,252.8 Fed Repts (Fed) \$2,227.3 Gen Fund (UGF)	<b>Total: \$3,480.1</b> \$1,252.8 Fed Repts (Fed) \$2,227.3 Gen Fund (UGF)	During this session, the legislature focused attention on how employee bonuses are handled. The closer examination raised concerns that some union member bonuses have not been included in the monetary terms of the collective bargaining agreements and have been paid out using existing funds in accordance with a subsequent <i>letter of agreement</i> (between the bargaining unit and the State). To improve legislative visibility, language was added to the operating bill approving the payment of bonuses for union members and requiring the administration to provide all letters of agreement to the legislature.  Bonus funding for union OCS staff is intended to address the high turnover rates faced by OCS in recent years; the turnover rate for case-carrying workers has consistently hovered around 60% since April of 2020. Retention bonuses will reflect ten percent of the employee's annual salary, with 40 percent awarded at the end of year one and 60 percent at the end of year two. Employees receiving bonuses must be in good standing.
11	Children's Services / Front Line Social Workers	Manage Secondary Traumatic Stress for Child Welfare Workers Initiative	\$169.7 Gen Fund (UGF) <b>1 PFT Position</b>	\$169.7 Gen Fund (UGF) <b>1 PFT Position</b>	Over time, frequent traumatic exposure experienced by caseworkers during their day-to-day work can make them susceptible to post traumatic stress disorder. To mitigate this stress, a Mental Health Clinician 3, range 21, located in Anchorage, will build a critical incident debriefing program aimed to reduce distress and restore workforce performance.
12	Children's Services / Family Preservation	Alaska Impact Alliance - Support and Evidenced Based Program Development	\$200.0 Gen Fund (UGF)	\$200.0 Gen Fund (UGF)	The Alaska Impact Alliance promotes community-based action planning to include evidence based, culturally relevant programs and services with an emphasis on supporting diverse populations and reducing child maltreatment.
13	Children's Services / Family Preservation	Vocational Opportunities for Older Youth	\$100.0 Gen Fund (UGF)	\$100.0 Gen Fund (UGF)	Increased funding is allocated for older youth seeking vocational opportunities through accredited and non-accredited programs as well as housing support.
14	Children's Services / Foster Care Special Need	Youth with Complex Trauma Placement Support	\$700.0 Gen Fund (UGF)	\$700.0 Gen Fund (UGF)	Additional funding is intended to reduce the number of youth with complex trauma being placed in high-cost out-of-state facilities. With appropriate compensation and support to foster care providers, many children with complex trauma will likely be able to remain in Alaska in a traditional foster home setting.

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14	Children's Services / Foster Care Special Need	Youth with Complex Trauma Placement Support	\$700.0 Gen Fund (UGF)	\$700.0 Gen Fund (UGF)	(continued)  Youth with complex trauma histories experience significantly higher rates of internalizing problems, post-traumatic stress, and clinical diagnoses,
15	Children's Services / Foster Care Special Need	Support for Foster Youth Aged 18-21	\$1,000.0 Gen Fund (UGF)	\$1,000.0 Gen Fund (UGF)	Increased funding will support youth ages 18-21 who are currently or have been in the foster care program as they transition into adulthood. A capped annual amount will be provided for allowable expenses such as housing, household goods, employment support, transportation, utilities, financial management, or other identified needs.
16	Children's Services / Tribal Child Welfare Compact	Support for the Tribal Child Welfare Compact	\$1,400.0 Gen Fund (UGF)	\$3,300.0 Gen Fund (UGF)	The goal of the Compact is to improve life outcomes of Alaska Native children in State custody by helping OCS perform its function more "efficiently at a lower cost and higher quality." Increased funding is intended to enhance provisions of prevention activities by the Tribes, build capacity, and focus efforts on secondary prevention for identified at-risk children and families. The following changes were approved by the legislature:  1. Create a distinct Tribal Child Welfare Compact allocation within the OCS appropriation; 2. Accept the Governor's request to increase funding by \$1.4 million UGF; and 3. Add an additional \$1.9 million UGF to bring total funding up to \$5 million UGF, the amount the Tribal Co-Signers indicate is needed to fully implement the agreement.  The program cost has been provided with existing OCS resources as follows: FY18 - \$1.3 million FY19 - \$1.5 million FY20 - \$1.5 million FY21 - \$1.5 million. FY22 - \$1.8 million FY23 - \$5 million (includes \$3.3 million of new funding)
17	Juvenile Justice / McLaughlin Youth Center	\$336.4 UGF to Restore Vetoed Juvenile Justice Officers Step-Up Program	n/a	n/a	<b>Vetoed Legislative Restoration</b> - During development of the FY22 budget, the Governor proposed deleting \$336.4 and 3 PFT positions from the Division of Juvenile Justice (DJJ) that supported the Step-Up program in partnership with

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17	Juvenile Justice / McLaughlin Youth Center	\$336.4 UGF to Restore Vetoed Juvenile Justice Officers Step-Up Program	n/a	n/a	<p>(continued)</p> <p>the Anchorage School District (ASD). The program is an academic option for students who are long-term suspended or expelled from the ASD for aggressive behaviors such as fighting, assault and weapons offenses. The legislature rejected the deletion; however, the Governor vetoed the funding in FY22.</p> <p>To supplement the loss of the DJJ staff, the ASD elected to hire security staff to continue the program for the FY21-22 school year, using an existing grant, which expired in FY22. The legislature restored the vetoed funding in FY23 to keep the program stable. The Governor vetoed funding for this effort a second time.</p>
18	Various	Cross-appropriation Transfer Authority up to \$10 million	<b>Net Zero</b>	<b>Net Zero</b>	\$10 million of the requested \$20 million in cross-appropriation transfer authority was approved for DFCS (up to \$15 million was approved for DOH).

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