



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

**Department of Family
and Community Services**

FINANCE AND MANAGEMENT SERVICES

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February 22, 2024

The Honorable Will Stapp
House Health & Social Services Finance Subcommittee Chair
Alaska State Legislature
State Capitol, Room 513
Juneau, AK 99801

Dear Chair Stapp,

Thank you for the opportunity to present an in-depth review of the FY2025 proposed budget for the Department of Family and Community Services on February 13th, 2024. Several questions received during the presentation required follow-up to better inform the subcommittee. Those answers are below.

1. Representative Stapp asked for more information about the Office of Children's Services Independent Living Program and program statistics that are available.

In fiscal year 2024 there have been 43 Education and Training Vouchers (ETV) awarded so far (listed by school below).

- Three additional students are currently in the queue completing admissions to start programs this spring.
- Six additional students are projected to begin programs this summer.
- One Fall UAF grad and one Academy of Hair Design grad so far this year.

There may be students in Job Corps and other programs not tied to ETV funds.

31	University of Alaska
1	APU
1	AVTEC
1	Northern Industrial Training
1	Alaska CNA Program
1	AK Phlebotomy Training Program
1	University of Arkansas
1	Trendsetters Beauty School
2	Academy of Hair Design
1	State Fair Community College
1	Western Governors University
1	Seattle Divers Institute of Tech.

2. Representative Fields requested more information about the Office of Children's Services utilization of children's Social Security benefits.

Social security benefits are an income based monthly cash payment intended to provide individuals with a guaranteed minimum income to meet basic needs such as food and shelter. If the Social Security Administration chooses to appoint the Office of Children's Services (OCS) as the representative payee of a minor's social security benefits, the agency is required to manage the child's benefits and to use the benefits for that child's current needs such as food, clothing, shelter, medical care, or personal items. OCS under federal guidelines may use the funds to pay for the daily living needs as part of the foster care stipend. Unutilized benefits are placed in a savings account. Because this is an income based, needy-persons program, the beneficiary cannot exceed \$2,000 in resources or their social security benefit will be suspended.

Representative payees are prohibited from transferring benefit cash to a third party. All unspent funds are returned to the Social Security Administration as required for distribution to the next representative payee.

It's important to note that social security revenue is a part of OCS's allocated operating budget so changes to the current federally approved process would require general funds to offset the cost.

3. Representative Stapp asked for information on the impact of the previous foster care base rate increases on foster home recruitment and retention.

There is no specific data available on how previous rate increases impacted foster home recruitment and retention. What is important to note is that when the State takes children into foster care there is a fiduciary responsibility to care for those children. One of the primary methods in doing so is through a foster care stipend to licensed foster homes to cover their day-to-day needs such as room, food, clothing, personal items, transportation, etc. The current rates coupled with inflation are not sufficient to cover those basic needs which is forcing the foster parents to assume the fiduciary responsibility instead of the state. It is difficult to recruit foster parents when it is known the current foster care rates aren't enough to cover basic needs. Increasing rates assists in remedying that issue which in turn helps retain and recruit homes.

4. Representative Ruffridge asked how the department determined the amount of funding in the FY2025 budget request to support the foster care base rate increase.

The department determined the final number put forth based on a percentage increase over last year's expenditures. In the prior fiscal year, expenditures were around \$17 million dollars. The new base rates represent a 30% increase (approximately five million dollars).