

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: _____
 () Publish Date: _____
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction):
 Title CONSTITUTIONAL AMENDMENT ON
PERMANENT FUND

RDU Children's Services
 Component Foster Care Special Need

Sponsor HOLM
 Requester HOUSE (STA)

Component No. 2238

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

| OPERATING EXPENDITURES | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 |
|------------------------|------------|---------------|------------|------------|------------|------------|
| Personal Services | | | | | | |
| Travel | | | | | | |
| Contractual | | | | | | |
| Supplies | | | | | | |
| Equipment | | | | | | |
| Land & Structures | | | | | | |
| Grants & Claims | 9.4 | (9.4) | | | | |
| Miscellaneous | | | | | | |
| TOTAL OPERATING | 9.4 | (9.4) | 0.0 | 0.0 | 0.0 | 0.0 |

| | | | | | | |
|-----------------------------|--|--|--|--|--|--|
| CAPITAL EXPENDITURES | | | | | | |
|-----------------------------|--|--|--|--|--|--|

| | | | | | | |
|-------------------------------|--|--|--|--|--|--|
| CHANGE IN REVENUES (0) | | | | | | |
|-------------------------------|--|--|--|--|--|--|

FUND SOURCE (Thousands of Dollars)

| | | | | | | |
|---------------------------------------|------------|---------------|------------|------------|------------|------------|
| 1002 Federal Receipts | | | | | | |
| 1003 GF Match | | | | | | |
| 1004 GF | 9.4 | (9.4) | | | | |
| 1037 GF/Mental Health | | | | | | |
| Other(Specify Type-do not abbreviate) | | | | | | |
| Other(Specify Type-do not abbreviate) | | | | | | |
| TOTAL | 9.4 | (9.4) | 0.0 | 0.0 | 0.0 | 0.0 |

Estimate of any current year (FY2004) cost: _____

Mark this box (X) if funding for this bill is included in the Governor's FY 2004 budget proposal:

POSITIONS

| | | | | | | |
|-----------|--|--|--|--|--|--|
| Full-time | | | | | | |
| Part-time | | | | | | |
| Temporary | | | | | | |

ANALYSIS: (Attach a separate page if necessary)

The proposed changes to the PFD distribution in this bill would cause the payment to be counted as income and could impact the amount of Title IV-E federal receipts received by the Office of Children's Services for Foster Care.

This resolution can be viewed two ways in regards to Foster Care programs:

- 1) Children in OCS custody and in out-of-home care - If the monies go into their trust account the children will not lose benefits because the trust accounts are not accessible without court action.

Continued on next page ---

Prepared by: Janet Clarke, Assistant Commissioner
 Division Administrative Services
 Approved by: Joel S. Gilbertson, Commissioner
 Agency Department of Health and Social Services

Phone 465-1630
 Date/Time 03/18/2004
 Date 03/18/2004

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ANALYSIS CONTINUATION

This would include the benefits of Title IV -E; Medicaid, and SSI/OASDI eligibility. Based on this we don't see any impact for the kids that are already in custody and placed out of the home **prior** to the 2004 PFD release.

2) There is a potential impact for those children that come into custody and are placed out of their homes during the month of the 2004 PFD distribution.

OCS data shows that 76 children were removed from their homes between 10/10/03 and 11/9/03. This would represent a good sampling of children that fell into category #2 during the time of the PFD release in 2003. These 76 kids would not have been Title IV -E eligible.

Foster Care Special Needs Assumption:

The average monthly amount spent for special needs per child in foster care during the first seven months of FY04 was \$228.36. Multiplying the monthly amount times the 76 children results in \$17,355 in special needs costs.

With the federal reimbursement rate of 53.99%, that would mean a loss of federally reimbursed funds equating to approximately \$9,370 for one month of the 76 children being Title IV-E ineligible. This loss in federal revenue would have to be replaced by state general funds in FY05 only. In FY06 the children would once again be eligible for Title IV -E federal reimbursement.

The fiscal note financial summary on page 1 shows the projected one-time cost in FY2005. FY2006 reflects that this funding can then be deleted. This would bring the program back to the base funding with no further changes to the funding level in FY2007-2010.

Note: This fiscal note reflects costs to the Foster Care Special Needs component only. Fiscal impacts to the Foster Care Augmented and Foster Care Base Rate components are detailed in separate fiscal notes.