

HB

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HOUSE BILL NO. 922

IN THE LEGISLATURE OF THE STATE OF ALASKA

ELEVENTH LEGISLATURE - SECOND SESSION

A BILL

For an Act entitled: "An Act relating to state payment for child care costs for foster homes."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 47.40.040(a) is amended to read:

(a) In this chapter, "full cost" of services shall be determined by the per person, per day cost in the preceding fiscal year plus a proportionate share of anticipated cost of living and staff salary increment increases for the fiscal year for which the full cost of services, determined to be necessary by the department, is being determined. Child care costs for foster homes shall be computed in the same manner as for child care and nursing home institutions except that no salary costs may be considered[.] for nonspecialized foster homes. Salaries may be paid for specialized foster homes as defined by regulations promulgated by the department.

* Sec. 2. AS 47.40.080 is amended by adding a new subsection to read:

(4) "Specialized foster homes" means a foster home for the placement of children who would otherwise be classified for placement in institutional care. The foster parents shall meet particular requirements defined by regulations promulgated by the department for education, therapeutic skills, ~~and~~ experience and

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successfully complete^d training as specified by the department for
this purpose.

* Sec. 3. This Act takes effect immediately in accordance with
AS 01.10.070(c).

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POSITION PAPER
HOUSE BILL NO. 922

"An Act relating to state payment for child care cost for foster homes."

This Bill would provide the Department with the authority to pay foster parents a salary for services provided to "special-needs" children in foster homes. Many times, the placement of these youths out of institutions is of benefit to the child and represents a substantial cost saving to the state. However, it is extremely difficult to recruit foster parents willing and able to take on added burden imposed by "special-needs" youth. This Bill would allow the Department to compensate those foster parents who are willing to assume the burden of care for these youths, through a salary, mandatory training prior to placement and follow-up training and support services throughout the placement. In this way, the Department will have the means of developing alternative specialized foster homes to provide the type of care these youths need in a home environment. Without this authority, these youths will continue to require institutional care resulting in higher costs to the state and removal of these individuals from the mainstreams of normal adolescent development.

The Department is committed to, wherever possible, supporting those intrinsic values found in family structure as this is believed to represent the best means of providing for the care of those youths who are in its custody. In addition, the Department is committed to the deinstitutionalization of youth. Therefore, this Bill is consistent with departmental program objectives and should be enacted.

RECOMMENDED BY: John Pugh DATE: 4/8/80
John Pugh, Acting Director
Division of Social Services

RECOMMENDED BY: Roger C. Lange DATE: April 8, 1980
for Charles F. Campbell, Director
Division of Corrections

APPROVED BY: Helen D. Beirne DATE: 4-8-80
Helen D. Beirne, Commissioner
Department of Health and Social Services

FISCAL NOTE

I. REQUEST

Bill/Resolution 1 House Bill No. 922
 Title "An Act relating to state payment for child care costs for foster homes"
 Requested by Finance Committee Date 2/29/80

II. FISCAL DETAIL

Agency Affected Department of Health and Social Services
 Program Category Affected Administration of Justice
 BRU, Program, or Subprogram(s) Affected Youth Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.		(181.4)	(197.7)	(215.5)	(234.9)	(256.1)
TOTAL		(181.4)	(197.7)	(215.5)	(234.9)	(256.1)

FUNDING (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
GENERAL FUND		(181.4)	(197.7)	(215.5)	(234.9)	(256.1)
FEDERAL FUNDS						
OTHER (Specify Fund Source)						

POSITIONS

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
FULL TIME		-0-	-0-	-0-	-0-	-0-
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

A. Assumptions

- Ten (10) juveniles would be placed in specialized foster care, transferred from private juvenile institutions. This represents 11% of the projected institutional caseload for FY'81.
- The specialized foster care rate would include \$700.00 per month for salaries in addition of the regular foster care rate. The estimated foster care rate for teenagers during FY'81 is \$423.70 per month. Therefore, the estimated cost for specialized foster care would be \$1123.70 per month.

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Prepared by: Roger C. Lange Date: March 24, 1980
 Division/Office: Corrections PH: 465-3376
 Department of Health & Social Services

3. The average costs per month for private institutional care in facilities utilized by the Division of Corrections is \$86.65 per child care day or \$2635.60 per month.

B. Costs Savings with Specialized Foster Care

1. Cost of Specialized Foster Care:

10 juveniles x \$1123.70 per month x 12 months = \$134,844.00

2. Costs of Private Institutional Care:

10 juveniles x \$2635.60 per month x 12 months = \$316,272

3. Estimated Savings:

\$316,272	Institutional Care
<u>134,844</u>	Specialized Foster Care
\$181,428	Net Savings

- C. Savings for subsequent fiscal years is based on an inflation rate of 9%.

- D. There is a potential for expanding the specialized foster care program, although it will not meet the appropriate program needs of all juveniles. Until such a program is tested, no estimate can be made as to the optimum number of specialized foster care placements which could reasonably be expected.

FISCAL NOTE

I. REQUEST

Bill/Resolution No. HOUSE BILL NO. 922
 Title "An Act relating to State payment for child care costs for foster homes."
 Requested by Finance Committee Date April 8, 1980

II. FISCAL DETAIL

Department of Health and Social Services
 Agency Affected
 Program Category Affected Social Services
 BRU, Program, or Subprogram(s) Affected Social Services
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)
EXPENDITURES (Thousands of Dollars)

	FY 80	FY 81	FY 82	FY 83	FY 84	FY 85
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL						
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						
TOTAL	-0-	-0-	-0-	-0-	-0-	-0-

FUNDING (Thousands of Dollars)

GENERAL FUND	-0-	-0-	-0-	-0-	-0-	-0-
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Fund Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instructions, Section III)

This Bill has no fiscal impact for the Division of Social Services since cost figures for Institutional Care have been reduced in the FY 81 budget to reflect the anticipated savings which would result from the Specialized Foster Care Program and the costs for the program have been budgeted in the Foster Care component.

Original: Legislative Finance
 cc: Budget and Management
 Prime Sponsor (First Legislator Named)

Prepared by: [Signature] Date: 4/8/80
 Division/Office: Social Services PH: 465-3170
 Department of Health & Social Services

REPORT
ON
SPECIALIZED FOSTER CARE

The original plan for FY80 was to recruit, train, and use for placement, 20 specialized foster homes, by September 1, 1979. Since a statutory amendment is necessary in order to include salary costs for specialized foster homes, the placement phase of this program has not been implemented.

The initial recruitment phase was completed, and between September 1, 1979 and March 1, 1980, a specific training program was developed for specialized foster care and twenty-two parents have completed the training program. Another training session scheduled for June, 1980 will prepare 20 additional parents for specialized foster care providing enough homes to allow for the "best possible placement" for every child.

Specialized foster parents (one parent in a home will be identified as the specialized parent) will receive a salary of \$700/month, which will be in addition to the foster home maintenance rate. The average FY 1980 average institutional group home cost rate is \$60/day. The daily cost of specialized foster care would be \$35/day, (including both salary and foster home maintenance).

Requirements of Specialized Foster Parents

- 1) One parent must not work outside of the home in order to be available to provide appropriate intensive specialized care to the child.
- 2) The parent who will not work outside of the home must have five years experience in working with children. This experience can include:
 - a) experience as a foster parent
 - b) experience as a social worker
 - c) experience in a child oriented work setting.

(Experience as a biological parent of an adolescent may be counted for one year of experience. A Bachelor's degree with specific course work in counseling, clinical psychology, or child development, or a graduate degree in social work or a related field may be counted for two years of required experience).

- 3) Specialized foster parents must also have:
 - a) the ability to work with children in a therapeutic way.
 - b) the ability to work with the biological parent of a child in a therapeutic way.
 - c) the ability to accept and work with a child with emotional and behavioral problems.

- d) the ability to work with an older child
- e) the ability to accept a child who has been raised in a different philosophical environment.
- f) a stable family life.
- g) must meet all of requirements for regular foster home licensing
- h) may have to provide additional references beyond the number required for regular foster home licensing.

Criteria for Selection of Children:

- 1) The child should be one, who without this program, would require institutional or group home placement due to emotional or behavioral problems.
- 2) The child should be within the age range of 8-18 years.
- 3) The child, with intensive supervision, should be able to function and have his/her needs met in a community setting.

<u>FY 80 Est.</u>					<u>CONT \$</u>	<u>ADDITION</u>	<u>FOR FY1 USE</u>
In-State	162,060	444	1,993,338.00	12.30			
Out-of-State	<u>6,935</u>	<u>19</u>	<u>48,055.55</u>	<u>6.93</u>			
Subtotal	168,995	463	2,041,393.55	12.09			
Specialized Foster Care *for 6 mos.	<u>5,650*</u>	<u>20</u>	<u>120,000.00</u>	<u>32.87</u>			
Total	172,645	483	\$2,161,393.55	12.52			
<p>Estimates for FY 81 include a 14% COLA increase and an additional 10 children in specialized foster care from institutional care:</p>							
<u>FY 81</u>							
In-State	162,060	444	\$2,272,081.20	14.02			
Out-of-State	<u>6,935</u>	<u>19</u>	<u>54,786.50</u>	<u>7.90</u>			
Subtotal	168,995	463	\$2,526,867.70	13.77			
Specialized Foster Care	<u>10,950</u>	<u>30</u>	<u>410,406.00</u>	<u>37.48</u>			
Total	159,945	493	\$2,737,273.70	17.11	2,737.3		
<p>The request for FY 81 will, of course, be revised in the Department's report to the legislature following the full-cost-of-care rate hearings.</p>							

AGENCY Department of Health & Social Services PROGRAM AREA General Population

BRU Program Services

FY 81

23 18 CONTINUED

COMPONENT Foster Care

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REVISED DATE _____

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					<u>CONT S</u>	<u>ADDITION</u>	<u>FOR 86M USE</u>
<u>FY 81</u>							
In-State	53,290	146	4,281,318.60	80.34			
Out-of-State	<u>11,315</u>	<u>31</u>	<u>673,695.10</u>	<u>59.54</u>			
Subtotal	64,605	177	\$4,955,013.70	76.72			
To Specialized Foster Care	<u>(3,650)</u>	<u>(10)</u>	<u>(217,321.00)</u>	<u>(59.54)</u>			
Total	60,955	167	\$4,737,692.70	\$77.72	4,737.7		
<p>The FY 81 request will, of course, be revised in the Department's report to the legislature following the full-cost-of-care rate hearings.</p>							

AGENCY Department of Health & Social Services PROGRAM AREA General Population

BRU Program Services

COMPONENT Institutional Care

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REVISED DATE _____

23 18 **CONTINUED**

FY 81

000495

STATE OF ALASKA

JAY S. HAMMOND, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF SOCIAL SERVICES

POUCH H-05
JUNEAU, ALASKA, 99811

APR 16 1979

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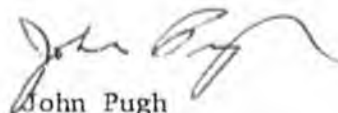
The Honorable Thelma Buchholdt
House of Representatives
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Ms. Buchholdt:

This is written in response to your inquiry regarding Alaska foster parent liability insurance coverage. The State of Alaska has broad liability protection which includes liability coverage for foster parents who are providing care for children in state custody. The liability insurance coverage is in excess of a million dollars. The policy is administered by the Division of Risk Management in the Department of Administration. John Haywood at 465-2180, is available to answer any further questions you may have.

I hope this information is helpful. Please let me know if any further information regarding our foster care and licensing program is required.

Sincerely,



John Pugh
Acting Director

JP/?M/ed:gc

cc: John Haywood

Name	Address and Phone	Organization/Self	For/Against or Observing
1/	<u>Dr. McFerrin</u>	<u>HHS</u>	
2/	<u>John Pugh (if needed)</u>		
3/			
4/			
5/			
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