

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
FY17 - Increment Status Report**

Item #	Approp/ Allocation	Description	Amount/ Fund Source	Comment	GF Dec?	LFD Questions/ Comments	Agency Comments
1	Children's Services/ Subsidized Adoptions & Guardianship	Add Funding to Reflect a Growing Caseload and Increased Rates	\$9,650.0 Total  \$4,825.0 Fed Rcpts \$4,825.0 G/F Match (UGF)	Per AS 25.23.190, a "hard-to-place child in the permanent custody of the department in a foster home for not less than one year may not be denied the opportunity for a permanent home if the achievement of this depends on continued subsidy by the state." Based on numbers provided by the Department, annual caseloads have grown by 4.5% while annual costs have increased by 7.7% since 2012 (and 7% to 9% since FY14). Contributing factors for increased costs are that the: <ul style="list-style-type: none"> <li>• special needs of many children are increasingly complex,</li> <li>• cost of treatment services has increased, and the</li> <li>• Office of Children's Services (OCS) increased foster care rates twice in recent years--in July 2008 and, as a result of a lawsuit (Mulgrew vs. State of Alaska), again in July 2013.</li> </ul>	Not likely.	In FY16, a \$6.67 million supplemental was approved (\$3.3 million UGF).	The growth in caseloads is expected to continue, but at a slower rate.
2	Public Assistance/ Tribal Assistance Programs	Use Excess UGF from Work Services to Satisfy TANF MOE Requirements for Tribal Assistance Grants	\$500.0 UGF	Alaska receives about \$44.6 million of federal funding for the Temporary Assistance to Needy Families (TANF) program. The State is required to expend \$36.6 million of "State" Maintenance of Effort (MOE) on TANF eligible activities. Although a portion of the federal funding goes directly to Native organizations, the State's MOE requirement must still be met. Because recent budget reductions have made it more difficult to expend the needed \$36.6 million of MOE, the legislature approved the Governor's request for an additional \$500.0 of UGF.  <b>Penalty of the State reducing its MOE below \$36.6 million.</b> If the State does not meet its required \$36.6 million MOE requirement, a penalty equal to the amount of MOE that is not met AND a reduction in the federal award in the following fiscal year will be incurred.	Potential decrement.	A report on efforts to identify state expenditures that can be used to meet the state's MOE will be submitted to the legislature during the 2017 session.	No response needed.

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3	Public Assistance/ Public Assistance Field Services	Use Excess UGF from Work Services to PA Field Services to Maintain Staffing Levels	\$500.0 UGF	The Governor's FY17 proposed budget requested a transfer of \$500.0 UGF from the Work Services component to the Field Services component for the Division of Public Assistance to maintain needed staffing levels. Over the past few years, Public Assistance has internally made this transfer through a revised program approved through OMB. This transfer was needed to reflect actual expenditures.  According to the Department, if this funding had not been approved, DPA would have needed to delete at least 10 positions (with the corresponding loss of federal funds), which would have hampered eligibility determinations and could have led to federal non-compliance and a corrective action plan.	No.	Because this addition was reflecting transfers that had occurred in previous years, a decrement will reduce services.	No response needed.
4	Alaska Pioneer Homes/ Pioneer Homes	Replace UGF with GF/Program Receipts to be collected from a \$100/year annual waitlist fee	\$532.5 GF/Prgm (DGF)	Based on waitlist information provided by the Pioneer Homes, there is an inactive waitlist of 5,000 and an active waitlist of 325 individuals. If each of these individuals paid \$100/year to remain on the waitlist \$532,500 of new revenue could be raised.  The legislature added \$532.5 of GF/Program Receipts so that the Pioneer Homes could collect and expend waitlist fees.	No	Has any progress been made on charging individuals an annual fee to remain on the waitlist? If so, what is the result?	Pursuant to AS37.10.050(a), there must be a statutory basis for providing a state service. If that basis exists, then it is best to have a regulation that establishes the fee, as well. Currently there is no statutory authority for APH to charge an application or waitlist fee, and even if a regulation were adopted to that effect, it would not be based in statute as required.
5	Children's Services/ Family Preservation	Increase for Family Reunification and Retention Grants	\$1,725.0 UGF  <i>Governor's Veto</i>	While the legislature added \$2.3 million of funding for Family Reunification and Retention grants, to " <b>preserve state savings,</b> " the <b>Governor vetoed \$575.0 (leaving \$1,725.0).</b>  Although this is a language appropriation (sec. 32(h), HB 256), the legislature intends to include this funding in the FY18 base budget.		Impact of a reduction?	The funds were used to enhance our family reunification activities. Here is a sampling of allocations for services: \$450,000 for the Family Finding Contract \$100,000 for the Parents as Partners (Parent Navigation for Fairbanks area) \$150,000 to Wasilla grantee for expanded family contact \$100,000 to Anchorage grantee for expanded family contact \$390,000 to Rural Child Welfare Grantees \$500,000 to in home services grant (circles of support)

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6	Departmental Support Services/ Commissioner's Office	Create a Tribal Federal Liaison Section to Implement New CMS Travel Policies	\$551.8 Total \$275.9 UGF \$275.9 Fed Rcpts  <b>4 PFT Positions</b>	To aggressively move forward on the new Centers for Medicare and Medicaid Services (CMS) policy regarding reimbursement for transportation and accommodation services for Alaska Natives and American Indians (AN/AI), the legislature approved the addition of four new positions and associated funding. These positions are expected to reduce about \$27 million of UGF because a portion of Medicaid travel costs will be shifted to the federal government in FY17. The travel (and other) savings are included in Medicaid Services.		Have the 4 new positions been hired? If not, when is it anticipated the positions will be filled?  What would the impact of reducing these positions be?	Three of the four have been hired. The Juneau position is currently with Classification.

**FY17 Fiscal Notes**

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7	SB 91 (Chapter 36, SLA 2016)	Omnibus Criminal Law & Procedure; Corrections	\$1,000.0 RecidReduc Fund (DGF)	<u>Behavioral Health/Behavioral Health Treatment and Recovery Grants</u> The bill creates a new Recidivism Reduction Fund which will consist of 50% of the \$12 million Marijuana Tax revenue expected to be received in FY17. The legislature may use the annual estimated balance for recidivism reduction programs in Corrections, DHSS and DPS. Because this is a new tax, the total appropriated in the fiscal notes is very conservative--\$3 million of the anticipated \$6 million. This fiscal note appropriates 1/3 of that (or \$1 million) to DHSS.  NOTE: In FY18, the planned appropriations from the Recidivism Reduction Fund for DHSS is \$2 million. In FY19, \$375.0 of the \$2 million will be transferred from BH Treatment and Recovery Grants to BH Medicaid Services because DHSS expects that a portion of reentry center services will be billable to Medicaid (and will be able to match \$1,125.0 of Federal Receipts).	No.	The funding was received in a fiscal note for FY17 and is used as outlined in statute.	For FY17, DBH awarded a total of six (6) Recidivism Reduction grants in the following categories: four (4) expansion grants to existing reentry coalitions in Anchorage, Mat-Su, Fairbanks and Juneau; one developing grant to Kenai/Soldotna; and one emerging grant to Nome. Funds for expansion will focus on developing a system of individualized case management services for inmates leaving DOC institutions; funds for the developing coalition will support assessment and development of a comprehensive community reentry coalition plan and assessment of community resources/services; and funds for the emerging coalition will assist in the initial community engagement and development of a community reentry coalition. In addition, a portion of these funds were used to increase/expand contract services to the one established reentry center, located in Anchorage.

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**FY17 Fiscal Notes (Continued)**

Item #	Approp/ Allocation	Description	Amount/ Fund Source	Comment	GF Dec?	LFD Questions/ Comments	Agency Comments
8	SB 91 (Chapter 36, SLA 2016)	Omnibus Criminal Law & Procedure; Corrections	\$30.3 UGF	<p><b>Behavioral Health/Alcohol Safety Action Program (ASAP)</b> The bill changes the criteria used for the courts and the Division of Motor Vehicles (DMV) to refer offenders to an ASAP provider. While there is an expectation in the number of referrals to ASAP providers, the Department will be expected to ensure that screenings are conducted to assess the level of risk of reoffense and that, based on the risk assessment, both public and private ASAP program providers monitor participants in a manner that is appropriate.</p> <p>Another \$30.3 is needed in FY17 for anticipated costs of the screening tools and training.</p>	No.	\$1.1 of one-time funding was removed in the FY18 Governor's Request.	FY2017 costs included interview guides, quickscore forms, training and a one time cost for manuals for each ASAP office. Removing the costs for the manuals leaves \$29.2 for the recurring costs of interview guides, quickscore forms, and staff training in the subsequent years.

**FY16 Supplemental Appropriations**

Item #	Approp/ Allocation	Description	Amount/ Fund Source	Comment	GF Dec?	LFD Questions/ Comments	Agency Comments
9	Behavioral Health/ Behavioral Health Treatment and Recovery Grants	Multi-Year Pilot Program to Develop Additional Substance Use Disorder Services	\$6,000.0 UGF  <i>Legislative Addition &amp; Governor's Veto</i>	Although the legislature added \$11 million of UGF to expand substance use disorder services, <b>the Governor vetoed \$5 million of the appropriation (leaving \$6 million)</b> . This is a multi-year appropriation and the funding may be expended at any time between FY16 and FY19.	No	Impact of repealing this appropriation?	DBH solicited for (at least) two multi-year grants up to \$1 Million per year for 3 years in order to expand community-based Sobering Centers, Withdrawal Management, or Residential Substance Use Disorder (SUD) Treatment Services. These FY17 grants will be awarded in January .