

August 2003

## CHILDREN'S SERVICES COORDINATING COMMITTEE REPORTS

Section 5 of 2003 House Bill No. 1014 provides that the Children's Services Coordinating Committee report to an interim Legislative Council committee at least twice during the 2003-04 interim on the amount of "refinancing" funds generated and the uses of the funds for the 2003-05 biennium. The Budget Committee on Human Services has been assigned this responsibility.

### REFINANCING FUNDS APPROPRIATED

The 2003 Legislative Assembly appropriated \$2,794,000 of funds generated by "refinancing." The schedule below lists the estimated amounts allocated for various purposes:

|   | Estimated Amount |
|---|------------------|
| Department of Human Services  | \$279,400        |
| Children's Services Coordinating Committee - Administration                   | 139,700          |
| Grants to regional and tribal committees for collaboration and administration | 977,900          |
| Grants to participating entities  | 1,397,000        |
| Total   | \$2,794,000      |

### REFINANCING SYSTEM

"Refinancing" is a system administered through the Department of Human Services where federal reimbursement of eligible administrative costs of local schools, juvenile courts, and public health organizations is claimed under the federal IV-E foster care and Medicaid programs. The local organizations participating in the system complete time studies to document the amount of time spent with children eligible for the federal reimbursement. These time studies are submitted to the regional or tribal children's services coordinating committee, reviewed by the state Children's Services Coordinating Committee, and submitted for federal administrative cost reimbursement by the Department of Human Services. The federal reimbursements are received by the Department of Human Services. For the 2003-05 biennium the department retains its percentage allocation (10 percent) and transfers the remaining funds to the state Children's Services Coordinating Committee, which retains its percentage (5 percent) and distributes the remaining funds to the Children's Services Coordinating Committee of the region or tribe that generated the funds. Each regional or tribal committee distributes the percentage allocation of funds to each of

the organizations that generated the federal reimbursements (50 percent) and uses the remaining funds (35 percent) for its administrative and operating costs and for other purposes based on the allocations approved by the Legislative Assembly. The percentage allocation of these funds for the 2003-05 biennium compared to the 2001-03 biennium are listed below:

|  | 2001-03<br>Biennium | 2003-05<br>Biennium |
|--|---------------------|---------------------|
| Department of Human Services   | 10.0%               | 10.0%               |
| Children's Services Coordinating Committee - Administration  | 1.7%                | 5.0%                |
| Children's Services Coordinating Committee - Grants  |                     |                     |
| Participating entities generating federal funds  | 20.0%               | 50.0%               |
| Statewide grants   | 10.2%               | 0.0%                |
| Regional and tribal children's services coordinating committees for administrative costs                           | 16.2%               | 0.0%                |
| Regional and tribal children's services coordinating committees for collaboration efforts                          | 1.8%                | 0.0%                |
| Regional and tribal children's services coordinating committees for administrative costs and collaboration efforts | 0.0%                | 35.0%               |
| Regional and tribal children's services coordinating committees for grants to providers                            | 40.1%               | 0.0%                |
| Total  | 100.0%              | 100.0%              |

The estimated funding to be available from "refinancing" for the 2003-05 biennium compared to the 2001-03 biennium is substantially reduced due to a federal policy change relating to the allowable uses of federal IV-E foster care funds. The change became effective on July 1, 2002, and only allows federal IV-E foster care funding to be claimed if the child being served is in foster care or is a "candidate" for foster care. Previously, these funds could be claimed for a child in foster care or for a child who was "at risk" of being placed in foster care. The 2001 Legislative Assembly anticipated "refinancing" would generate \$8.3 million for the 2001-03 biennium while the 2003 Legislative Assembly anticipates "refinancing" to generate only \$2.8 million for the 2003-05 biennium.

### STUDY PLAN

The committee may wish to proceed with this responsibility by receiving reports from the Children's Services Coordinating Committee at meetings after January 1, 2004.