

**Department of Family and Community Services**

**FY26 Midyear Status Report**

<b>Item No.</b>	<b>Appropriation / Allocation</b>	<b>Description</b>	<b>Amount / Fund Source</b>	<b>LFD Questions</b>
<b>1</b>	Alaska Pioneer Homes / Pioneer Homes	Move Alaska Pioneer Home Pharmacy Operations to Language Lang	\$4,000.0 Stat Desig (Other) Inc	While a Supplemental will not be necessary like in recent years, does the Department still anticipate that approximately \$4,000.0 of authority is sufficient to fully collect receipts from pharmacy billings?
<b>Agency Response</b>				
Yes.				
<b>2</b>	Alaska Psychiatric Institute / Alaska Psychiatric Institute	Add Funding to Replace Lost Revenue From Reduced Federal Allocations and Medicaid Redeterminations	\$2,184.4 Gen Fund (UGF) Inc	<p>Federal changes to the Disproportionate Share Hospital funding allocations, as well as post-pandemic Medicaid redeterminations, have resulted in a significant loss of federal revenue to support operations. The Governor had requested \$4,368.7 in unrestricted general funds (UGF) to replace the lost revenue but the legislature appropriated only half the amount. The Department initially projected FY26 shortfalls as follows:</p> <ul style="list-style-type: none"> <li>- Reduction in DSH allocations (\$596.4)</li> <li>- Reduction in Medicaid claims (\$3,772.3)</li> </ul> <p>Now that FY26 is well underway, what are the Department's current projections for these reduced revenues?</p> <p>As current law schedules these reductions for federal fiscal years 2025 through 2027, does the Department anticipate that additional state funds will be necessary to maintain operations?</p> <p>Is the Division expecting additional negative revenue impacts to its Medicaid reimbursements as new program requirements from the July 2025 federal reconciliation bill begin to take shape?</p>
<b>Agency Response</b>				
API anticipates collecting approximately \$24 million in FY2026 (roughly \$20 million from DSH, another \$4 million in SDPR). At this time, the department does not anticipate additional funding will be necessary to maintain operations. The department is still analyzing the potential impacts to Medicaid reimbursements as a result of the recent federal reconciliation package.				

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3	Various	Realignment of Funding And Authority Within the Department to Support the Talent Acquisition Unit	Net Zero	Please provide an update on the Talent Acquisition Unit (TAU), including the total number of positions (and how many are filled) within the unit, the classification of the positions, and how many positions the TAU has processed for recruitment versus hired since its inception.
<b>Agency Response</b>				
<p>The TA Team consists of 5 HR Consultants (all filled), 2 HR Techs (all filled), 1 HR Business Partner (filled), 1 Assistant HR Business Partner (in recruitment), 7 non-permanent HR Tech 2s, and 1 non-permanent HR Consultant 1.</p> <p>Since inception, the TA Team has completed 184 recruitments, reviewed 1207 applicants, resulting in 168 hires.</p>				
4	Alaska Psychiatric Institute / Alaska Psychiatric Institute	MH Trust: Extend Support for the Strengthening Healthcare Access Recruitment Program for One Year	N/A	<p>The legislature denied the request for \$200.0 of General Funds - Mental Health to support the employer costs of the Strengthening Healthcare Access Recruitment Program (SHARP-3) student loan repayment contracts for qualified health professionals at the Alaska Psychiatric Institute (API).</p> <p>Has API been unable to recruit or retain qualified health professionals due to this loss of funding?</p>
<b>Agency Response</b>				
<p>API continues to encounter challenges in recruiting qualified staff. While these challenges cannot be directly attributed to the absence of this funding, additional incentives could reasonably enhance API's ability to attract and retain qualified candidates.</p>				

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5	Children's Services / Family Preservation	Add General Funds to Support Grants to Child Advocacy Centers Statewide	\$5,500.0 Gen Fund (UGF) <b>Inc</b>	<p>The legislature approved a base increment in support of Child Advocacy Centers (CACs) around the state that had lost significant financial support due to expiring federal grants. The legislature included intent language that directed the Department, in concert with the Department of Public Safety, to consider alternative solutions to maintain funding in the future.</p> <p>Have the two departments had any discussion regarding alternatives to State funds that could support CACs?</p> <p>Has the Department distributed the full funding amount to CACs to prevent a lapse in operations?</p>
<b>Agency Response</b>				
<p>Yes, both departments have been actively engaged in conversation regarding the future of CAC funding support. To date, alternative funding for the CACs has not been identified.</p> <p>To date, funding is allocated to the grantees proportionately to the number of clients they serve (five year average). \$200.0 has been reserved to provide technical assistance to the grantees.</p>				
6	Juvenile Justice/ Juvenile Justice Health Care	MH Trust: Occupational Therapist Services in DJJ Youth Facilities (FY26-FY27)	\$100.0 MHTAAR (Other) <b>IncT</b>	<p>In partnership with the Alaska Mental Health Trust, the Division created two neurobehavioral treatment units (located in Bethel and Fairbanks) in response to growing complexity in the health of the youth it serves.</p> <p>Has the Division been able to successfully contract for these services? How frequently is a therapist available in each facility, and how many youth are receiving these services in each location?</p>

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<b>Agency Response</b>  The division is close to finalizing an agreement with a highly qualified occupational therapist (OT) contractor for the remainder of FY26 through FY27.  The services at Bethel and Fairbanks will mirror the services provided to youth at DJJ's Juneau and Anchorage treatment facilities. In-person and telehealth services will include screenings/evaluations, individual treatment plans for youth for OT programming, OT groups depending on what services are needed (i.e., sensory group, life skills groups, coping skills groups, healthy relationships, etc.), providing education and training to staff as needed for behavior management, and assisting with youth referrals for continued OT services upon release.  These services are targeted for youth receiving long-term institutional treatment orders under AS 47.12.120(b)(1). The Bethel Youth Facility treatment program is currently serving 8 youth with a capacity of 10. The Fairbanks Youth Facility treatment program is currently serving 4 youth with a limit capacity of 5 until the completion of the major renovation project.				
7	Departmental Support Services / Coordinated Health and Complex Care	MH Trust: Complex Care Program (FY26-FY27)	\$400.0 MHTAAR (Other) IncT	<p>In partnership with the Alaska Mental Health Trust, the Division was appropriated Trust funds to hire two full-time Complex Care Coordinators who would facilitate provider agreements and placements for complex cases.</p> <p>Has the Division been able to successfully recruit for these positions? If so, please provide the hire date for a filled position.</p> <p>While the positions were recently authorized, please provide any available information or data that pertains to work performed by these positions, such as timeliness of placement or the establishment of provider agreements.</p>

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	<p><b>Agency Response</b></p> <p>The Coordinated Health and Complex Care Unit (CHCCU) was established in December 2022 and initially consisted of one Project Coordinator position, which was filled at that time. In spring 2024, the Unit was authorized to recruit for a second Project Coordinator position, which was successfully filled on June 17, 2024. In spring 2025, the original Project Coordinator was promoted into the role of Deputy Director for the Unit. The resulting vacancy was subsequently filled on November 24, 2025. As of that date, both Project Coordinator positions are fully staffed.</p> <p>The Project Coordinators function in roles supporting complex, high-need cases across Department divisions. Their work includes facilitating coordination and problem-solving for complex placements, convening and participating in weekly, bi-weekly, or monthly staffing meetings with divisions based on case acuity and division needs, and assisting divisions in navigating placement barriers within the scope of the Unit's authority. Between January 2025 and December 2025 (calendar year 2025), CHCCU supported a total of 92 youth and adults across Department divisions. During this period, 62 cases were closed, and 30 cases remain open and active. This work reflects ongoing, hands-on coordination between divisions and state entities to support timely and appropriate placements and service continuity for individuals with complex needs.</p> <p>The Unit operates with a limited budget and, as such, directly manages a small number of provider agreements. Provider agreements funded through the Enhanced Residential Placement Demonstration Project are administered by a separate position within CHCCU rather than by the Project Coordinators referenced above.</p> <p>Should additional or more detailed data be requested, the Unit will make every effort to provide it, as data collection mechanisms are now in place for these positions.</p>			