
MEMORANDUM

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To: Human Services Subcommittee

From: Laurie Byerly, Legislative Fiscal Office
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Date: June 3, 2013

Subject: Department of Human Services (DHS) – SB 5529
Child Welfare
Work Session Recommendations

DHS – Child Welfare (Program Totals)

| | 2009-11 Actual | 2011-13 Legislatively Approved | 2013-15 Current Service Level | 2013-15 LFO Recommended |
|--------------------|----------------------|--------------------------------------|-------------------------------------|-------------------------------|
| General Fund | 271,386,116 | 393,526,597 | 429,229,748 | 446,625,835 |
| Other Funds | 28,221,778 | 23,378,065 | 20,175,569 | 24,194,093 |
| Federal Funds | 405,713,174 | 386,982,115 | 411,084,530 | 436,083,248 |
| Total Funds | \$705,321,068 | \$803,886,777 | \$860,489,847 | \$906,903,176 |
| Positions | 2,378 | 2,376 | 2,380 | 2,499 |
| FTE | 2,316.10 | 2,326.09 | 2,332.40 | 2,420.82 |

Attached are the recommendations from the Legislative Fiscal Office for the Child Welfare (CW) program. The LFO recommended budget is 13.5% General Fund (GF) and 12.8% Total Funds (TF) more than the 2011-13 Legislatively Approved Budget. It contains the following:

- Standard adjustments for PERS policy changes.
- Budget changes related to 2012 Emergency Board actions.
- Funding to support core services and allow the filling of positions held vacant due to budget constraints.
- Built in adjustments for caseload and cost per case changes, culminating with final reshoot adjustments based on the Spring 2013 forecast.
- Adjustments tied to federal actions, including the addition of \$11.3 million GF to comply with an eligibility rate methodology change that allows the state to retain \$11 million in Title IV-E federal funding for foster care.

- Funding to support post adoption services (crisis response, consultation) and client care (survey visits) for children in residential care facilities.
- Repurposing of \$4.2 million GF (\$8.6 million TF) budgeted for inflation to fund other program needs.
- Several targeted program investments, including:
 - \$11.2 million GF (\$23.7 TF) for statewide implementation of SB 964 (2011); the program focuses on providing services to allow children to remain safely with their families and avoid foster care.
 - \$750,000 GF for the Homeless and Runaway Youth program, which supports local programs providing services such as street outreach, day drop-in, and overnight shelter.
 - Just under \$1 million General Fund and nine positions to improve state compliance with the federal Indian Child Welfare Act.
 - \$10.7 million GF and 113 positions to improve workload model staffing; investment will also increase agency’s ability to continue implementation of differential response practices.
 - \$2.8 million GF to restore 48 residential beds; lower utilization due to budget reductions artificially suppressed projected need within the forecast model.

Adjustments to Current Service Level:

See attached “SB 5529 Work Session” spreadsheet 5/31/13.

LFO recommends the Subcommittee approve a 2013-15 DHS Child Welfare preliminary budget as follows:

| | |
|----------------|---------------|
| \$ 446,625,835 | General Fund |
| \$ 24,194,093 | Other Funds |
| \$ 436,083,248 | Federal Funds |
| 2,499 | Positions |
| 2,420.82 | FTE |

Accept LFO Recommendation

Move the LFO recommendation for Child Welfare.

Performance Measures

See attached “Legislatively Proposed 2013-15 Key Performance Measures” form for measures tied to this specific program. An agency-wide report will be presented for review and approval as part of the final action on the DHS budget.

Accept LFO Recommendation

Move the LFO recommendation on Key Performance Measures for Child Welfare.

Budget Notes

“The Department of Human Services shall report to the Interim Joint Committee on Ways and Means in September 2013 on its plan to allocate or reallocate new and vacant Child Welfare positions to target activities that have been understaffed in recent biennia while continuing to protect children to the fullest extent possible. Focus areas should include implementation of the differential response model, family finding efforts and efforts to ensure that children move from foster care to permanency as quickly as is possible. The report should be by DHS Child Welfare district, display both current and augmented positions by role, and describe how the positions will help the agency meet desired outcomes. The Department will also report to the Joint Committee on Ways and Means during the 2015 Legislative Session regarding progress toward program outcomes.”

Accept LFO Recommendation

Move approval of the budget note.

Recommended Changes to Appropriation Bill

The Child Welfare budget is part of SB 5529, which is the budget bill for the entire Department of Human Services. The recommended amendments to SB 5529 will be presented after work sessions are completed on all parts of the budget.

DEPARTMENT OF HUMAN SERVICES: CHILD WELFARE PROGRAM
SB 5529 WORK SESSION

| | GEN FUND | LOTTERY | OTHER | FEDERAL | NL Other Funds | NL Fed Funds | Total Funds | POS | FTE | Comments |
|--|-------------|---------|------------|-------------|----------------|--------------|-------------|-------|----------|----------|
| 2011-13 Legislatively Approved Budget (As of December 2012) | 393,526,597 | - | 23,378,065 | 386,982,115 | - | - | 803,886,777 | 2,376 | 2,326.09 | |
| 2013-15 Current Service Level Estimate (at Governor's Budget) | 429,229,748 | - | 20,175,569 | 411,084,530 | - | - | 860,489,847 | 2,380 | 2,332.40 | |
| 2013-15 Governor's Budget | 457,961,859 | - | 22,355,547 | 420,178,214 | - | - | 900,495,620 | 2,684 | 2,554.27 | |
| 2013-15 LFO RECOMMENDED BUDGET | 446,625,835 | - | 24,194,093 | 436,083,248 | - | - | 906,903,176 | 2,499 | 2,420.82 | |

1 2013-15 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL

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3 **2013-15 Current Service Level Estimate** 429,229,748 - 20,175,569 411,084,530 - - 860,489,847 2,380 2,332.40

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5 **LFO Recommendations for Existing Packages**

| | | | | | | | | | | |
|--|-------------------|----------|------------------|-------------------|----------|----------|-------------------|------------|--------------|-------------------------------------|
| 6 Pkg 081: May 2012 E-Board | (768,771) | - | (805) | (760,590) | - | - | (1,530,166) | (8) | (7.71) | Span of control roll-up |
| 7 Pkg 090: Analyst Adjustments (DAS-CFO) | 750,000 | - | - | - | - | - | 750,000 | - | - | Homeless & runaway youth |
| 8 Pkg 092: PERS Taxation Policy | (528,128) | - | (9,629) | (440,149) | - | - | (977,906) | - | - | |
| 9 Pkg 093: Other PERS Adjustments | (4,219,991) | - | (76,940) | (3,516,999) | - | - | (7,813,930) | - | - | |
| 10 Pkg 094: December 2012 Rebalance | 291,667 | - | - | 12,986,340 | - | - | 13,278,007 | 2 | 1.26 | DHSP (\$11.6 M FF) and Grants |
| 11 Pkg 106: CW - Safety | | | | | | | | | | |
| 12 Remove inflation | (4,186,523) | - | (381,087) | (4,071,607) | - | - | (8,639,217) | - | - | Gov's funding strategy |
| 13 Post Adoption Program Buy Back | 108,480 | - | - | 325,439 | - | - | 433,919 | - | - | Stabilize adoption placements |
| 14 IV-E Foster Care Eligibility Rate | 11,302,586 | - | 3,063 | 232,479 | - | - | 11,538,128 | 3 | 3.00 | Chg in federal methodology |
| 15 Licensing | 90,793 | - | - | 90,230 | - | - | 181,023 | 1 | 0.88 | Client care for children in RCFs |
| 16 Indian Child Welfare Act Compliance | 978,948 | - | - | 445,326 | - | - | 1,424,274 | 9 | 6.75 | 1 pos per tribe; shift differential |
| 17 Workload/Differential Response | 10,737,641 | - | 2,087,768 | 7,562,739 | - | - | 20,388,148 | 113 | 85.24 | Buys 1st wave of pos in Jan-14 |
| 18 Subtotal recommended existing packages | 14,556,702 | - | 1,622,370 | 12,853,208 | - | - | 29,032,280 | 120 | 89.42 | |

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20 **Other LFO Recommended Adjustments**

| | | | | | | | | | | |
|--|------------------|----------|------------------|-------------------|----------|----------|-------------------|------------|---------------|-----------------------------------|
| 21 Pkg 810: LFO Analyst Adjustments | | | | | | | | | | |
| 22 First Quarter Sequestration Impact | 405,125 | - | - | (405,125) | - | - | - | - | - | Remaining risk = \$1.8 M |
| 23 FMAP Change (Federal percentage increase) | (369,291) | - | - | 369,291 | - | - | - | - | - | From 62.86% to 63.06% |
| 24 Foster Care Caseload/Cost per Case | 3,384,290 | - | 452,863 | 1,998,080 | - | - | 5,835,233 | - | - | Shift between paid and non-paid |
| 25 Adoptions Caseload/Cost per Case | (758,463) | - | 41,696 | (457,314) | - | - | (1,174,081) | - | - | Avg caseload 11,435 |
| 26 Residential Care Cost per Case | (5,240,134) | - | 1,910,211 | 3,160,083 | - | - | (169,840) | - | - | Counts/pricing chg by svc types |
| 27 Increase Residential Capacity by 48 Beds | 2,746,956 | - | 25,717 | 2,821,012 | - | - | 5,593,685 | - | - | Forecast artificially constrained |
| 28 Technical adjustments and transfers | 2,670,902 | - | (34,333) | 4,659,483 | - | - | 7,296,052 | (1) | (1.00) | \$9 M TF AG realignment |
| 29 Subtotal other LFO recommended adjustments | 2,839,385 | - | 2,396,154 | 12,145,510 | - | - | 17,381,049 | (1) | (1.00) | |

**DEPARTMENT OF HUMAN SERVICES: CHILD WELFARE PROGRAM
SB 5529 WORK SESSION**

| | GEN FUND | LOTTERY | OTHER | FEDERAL | NL Other Funds | NL Fed Funds | Total Funds | POS | FTE | Comments |
|----|--------------------|----------|-------------------|--------------------|----------------|--------------|--------------------|--------------|-----------------|----------|
| 30 | | | | | | | | | | |
| 31 | 17,396,087 | - | 4,018,524 | 24,998,718 | - | - | 46,413,329 | 119 | 88.42 | |
| 32 | | | | | | | | | | |
| 33 | 446,625,835 | - | 24,194,093 | 436,083,248 | - | - | 906,903,176 | 2,499 | 2,420.82 | |
| 34 | | | | | | | | | | |
| 35 | 13.49% | 0.00% | 3.49% | 12.69% | 0.00% | 0.00% | 12.81% | 5.18% | 4.07% | |
| 36 | 4.05% | 0.00% | 19.92% | 6.08% | 0.00% | 0.00% | 5.39% | 5.00% | 3.79% | |
| 37 | -2.48% | 0.00% | 8.22% | 3.79% | 0.00% | 0.00% | 0.71% | -6.89% | -5.22% | |

Legislatively Proposed 2013-15 Key Performance Measures

Agency: HUMAN SERVICES, DEPARTMENT of

Mission: Assisting people to become independent, healthy and safe.

| Current KPM # | Proposed KPM # | Legislatively Proposed KPMs | PGM | Agency Request | Most Current Result | Target 2014 | Target 2015 |
|------------------|-------------------|---|-----|----------------|------------------------|----------------|----------------|
| 7 | 7 | ABSENCE OF REPEAT MALTREATMENT - The percentage of abused/neglected children who were not subsequently victimized within 6 months of prior victimization. | CW | Approved KPM | 95.00 | 96.00 | 96.00 |
| 8 | 8 | TIMELINESS and PERMANENCY OF REUNIFICATION OF CHILDREN. | CW | Approved KPM | 116.80 | 125.00 | 125.00 |
| 9 | 9 | TIMELINESS OF FOSTER CARE RELATED ADOPTIONS. | CW | Approved KPM | 97.90 | 104.40 | 104.40 |

LFO Recommendation:

Approve the measures with targets as shown.