

Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Summary**

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## **1.0 Department of Human Services**

### **Summary**

The Department of Human Services is established and functions under authority of Title 62A of the Utah Code. In addition to the Executive Director Operations budget, there are seven divisions within the Department of Human Services. These include the Divisions of Substance Abuse and Mental Health, Services for People with Disabilities, Aging and Adult Services, Office of Recovery Services, Child and Family Services, and Youth Corrections. The Youth Corrections budget is heard in the Executive Offices and Criminal Justice appropriations subcommittee and its budget is not part of the figures in this report. The Legislature combined the two formerly separate divisions of Mental Health and Substance Abuse into one Division of Substance Abuse and Mental Health in 2002.

### **1.1 Department Budget Summary**

The following table summarizes the Analyst's FY 2004 base budget, recommended changes, and the Analyst's FY 2004 recommended budget. The Analyst's recommended FY 2004 budget of \$449.7 million (\$198.8 General Fund) includes a reduction of \$362,600 (General Fund) from the information technology budget cut from State Administrative Services. It also includes an increase of \$277,000 (General Fund) due to a transfer of base budget General Funds from the Department of Health to the Division of Services for People with Disabilities for the Portability program. This program allows residents of ICFs/MR (Intermediate Care Facilities for People with Mental Retardation) to transfer to community-based services. This table also reflects the effects of combining the Division of Substance Abuse with the Division of Mental Health.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
General Fund	198,910,900	(85,600)	198,825,300
General Fund Restricted	4,047,200		4,047,200
Federal Funds	114,213,700		114,213,700
Dedicated Credits	8,593,000		8,593,000
Transfers	123,675,100		123,675,100
Beginning Balance	376,300		376,300
<b>Total</b>	<b>\$449,816,200</b>	<b>(\$85,600)</b>	<b>\$449,730,600</b>
<b>Programs</b>			
Executive Director Operations	18,952,800	(76,700)	18,876,100
Drug Courts/Board	1,647,200		1,647,200
Substance Abuse & Mental Health	72,064,300	31,161,900	103,226,200
Substance Abuse	31,183,900	(31,183,900)	
Svcs for People w/Disabilities	141,649,500	253,000	141,902,500
Office of Recovery Services	41,172,900	(146,100)	41,026,800
Child and Family Services	123,018,100	(90,900)	122,927,200
Aging and Adult Services	20,127,500	(2,900)	20,124,600
<b>Total</b>	<b>\$449,816,200</b>	<b>(\$85,600)</b>	<b>\$449,730,600</b>
<b>FTE/Other</b>			
Total FTE	3,663.8	0.0	3,663.8
Vehicles	343.0	0.0	343.0

**2.0 Issues: Department of Human Services**

**2.1 The Analyst’s FY 2004 General Fund Base Budget**

The Analyst’s starting point for the FY 2004 recommended budget is the “Analyst FY 2004 Base” budget of \$198,910,900, as shown in the table below. The original FY 2003 appropriations are adjusted by changes made during the 5<sup>th</sup> Special Session in H.B. 5009. The original FY 2003 appropriation contained a one-time funding switch of \$1.8 million of FY 2002 carry-forward funds for General Funds. This one-time action has been reversed for the FY 2004 base budget. In addition, one-time funds of \$42,600 appropriated to the Division of Child and Family Services (FY 2003) for costs associated with S.B.17 (“DCFS Management Information System Amendments”) passed by the 2002 Legislature, which deals with the child abuse perpetrator list, does not carry forward to FY 2004.

In December 2002, during the 6<sup>th</sup> Special Session, the Legislature replaced \$3,714,800 of base General Funds in the FY 2003 budget with one-time General Fund sources. For FY 2004, these funds have not been replaced.

<b>DEPARTMENT OF HUMAN SERVICES</b>	
<b>FY 2004 General Fund Base Budget</b>	
Original FY 2003 Appropriation (S.B.1)	\$ 208,447,300
Supplemental (H.B.3)	330,100
5th Special Session (H.B. 5009)	<u>(7,909,100)</u>
Net Authorized FY 2003	\$ 200,868,300
Replace One-time Use of Carry-forward funds in DCFS	1,800,000
One-time funds for S.B.17 DCFS Prepetrator List	(42,600)
6th Special Session: Inpact on FY 2004 Due to One-time Funds	<u>(3,714,800)</u>
FY 2004 General Fund Base Budget	\$ 198,910,900
Human Services Part of IT Services Reduction	(362,600)
Transfer from Health (Portability - DSPD)	<u>277,000</u>
FY 2004 Recommended General Fund Budget	\$ 198,825,300

**2.2 The Analyst’s FY 2004 General Fund Recommended Budget**

The Analyst’s FY 2004 recommended General Fund budget totals \$198,825,300, as shown in the above table. There are two recommended adjustments to the base FY 2004 budget to arrive at this figure. One is the reduction for State Information Technology of \$362,600. The other is the recommended transfer of \$277,000 from the Department of Health.

### **2.3 Information Technology Savings**

The 2002 Appropriations Act directs the state's Chief Information Officer (CIO) to identify \$2 million in information technology savings statewide. The CIO and Cabinet were unsuccessful in identifying such savings. Instead, the CIO and Governor's Office of Planning and Budget (GOPB) allocated the \$2 million budget cut to programs throughout state government. The Analyst recommends reducing the Department of Human Services budget by \$362,600 as recommended by the Executive Branch. The Analyst further recommends that the subcommittee hear testimony on the programmatic impacts of the executive branch's inability to identify IT savings or productivity increases.

### **2.4 Portability Funding – Transfer from Health Department**

Approximately 80 people since FY 2000 have moved from the ICF/MR (Intermediate Care Facility for People with Mental Retardation) to services in the community. Under the portability policy, it was agreed that state funds would be transferred from the Department of Health, which funds the ICF/MR program, to DSPD. Under contract, \$277,000 of General Funds was transferred in FY 2001 and FY 2002, which represent the equivalent ICF/MR costs for the individuals who moved out in the first year, FY 2000. DSPD has absorbed the costs of people moved since then. Instead of moving these funds annually by contract, the Fiscal Analyst recommends the Legislature consider a base budget shift of \$277,000 General Fund from the Health Department to the DSPD. If funds become available, the Analyst also recommends the Legislature consider an appropriation \$326,500 (General Fund) to DSPD for the 25 expected transfers in FY 2004.

### **2.5 Division of Child and Family Services - Court Oversight**

When the four-year David C. settlement agreement expired in 1998, the federal district court decided to continue its oversight of the Division by requiring the creation and monitoring of a "Performance Milestone Plan." The State unsuccessfully appealed the court's decision to the 10<sup>th</sup> Circuit Court of Appeals in Denver, and later appealed to the U.S. Supreme Court, which denied a hearing.

For FY 2003, the Legislature reduced funding for the monitoring contract by \$200,000. However, the court so far has not reduced the services required of the Monitor. The Division petitioned the Court to be released from court oversight and requirements of the Milestone Plan. The Division argued that it should be held instead to the same recently enacted Federal child welfare standards as other states. In November 2002, the Court, recognizing limitations of the State, ordered the parties involved to renegotiate a new "trimmed-down" child welfare plan and to provide the Court with a list of resourced needed to assurance compliance.

## **2.6 DCFS Staff Increases – David C. compliance**

Child Protective Services (CPS) referrals are increasing about five percent annually, or about 1,000 per year. It is estimated to reach nearly 20,000 in FY 2003. The Legislative Auditor has recommended a caseload of 12 foster care cases per worker. The current average caseload in the Division is 14.6 cases. Training and mentoring of new child welfare workers is hampered by excessive caseloads of new workers. The annual turnover rate of DCFS caseworkers has been running about 18 percent (over 34 percent in child protective services). DCFS is proposing a revised Milestone Plan to the Court that would require 51 additional caseworkers and trainers, at a cost of \$2.9 million (\$1,882,700 General Fund).

## **2.7 Services for People with Disabilities – Waiting List and Emergency Services**

The State has made significant efforts in recent years to provide services for people with disabilities waiting for services. Yet there is still a large number of people waiting for services, ranging from community group home placements to less costly services such as daily living assistance in the person's home, caregivers' assistance, and day training. The Division of Services for People with Disabilities (DSPD) currently estimates the number of people on the waiting list in need of immediate services at about 1,577. Under current service policies, it would take about \$6.7 million in State funds to fully fund the current waiting list of individuals with immediate needs. On December 19, 2002, the Disability Law Center, on behalf of the ARC of Utah and a number of individuals who have been waiting for community services, filed a class-action lawsuit in the U.S. District Court. The suit claims the State has been negligent in providing services to individuals on the waiting list in violation of the Americans With Disabilities Act and the recent U.S. Supreme Court Olmstead decision.

If funds become available, the Analyst recommends the Legislature consider funding \$400,000 (General Fund) for services for people on the waiting list. Furthermore, the Legislature needs to consider providing about \$665,000 (General Fund) for emergency services for cases when a caregiver dies or becomes unable to continue care, and cases where the Court orders the Division to provide care.

## **2.8 State Hospital Rampton II Addition**

The second, and final wing of the Rampton complex at the State Hospital will be ready for occupancy in July 2003. It replaces the old Hyde building. In addition to staff currently working in the Hyde building, it is estimated just to open the new facility with no change in service patterns will require an additional 15 FTEs, at a cost of \$570,200 (\$218,900 General Fund).

**2.9 TANF Funds Replacement**

During the last four sessions, the Legislature has approved transfers of Temporary Assistance to Needy Families (TANF) funds to the Social Services Block Grant (SSBG) to fund a variety of human services needs. The 2000 Legislature increased the transfer amount by \$1.8 million for FY 2001 to a total transfer amount of \$4,737,000. The 2002 Legislature included intent language directing the Legislative Fiscal Analyst, in the FY 2004 budget recommendations, to consider replacing this \$1.8 million increase in TANF transfers with sufficient General Funds to provide the equivalent amount of service. Congress has yet to reauthorize TANF, which expired on September 30, 2002. It is currently functioning by “continuing resolutions.” It is expected that the State will be able to transfer at least the same amount in FY 2004 as it currently can transfer.

**2.10 Federal Medical Assistance Payments Match Rate Change**

The Federal Medical Assistance Payments (FMAP) match rate changes from 70.93 percent to 71.60 percent effectively for State Fiscal Year 2004. This is the second year in a row that the Federal share of Medicaid costs has increased. For FY 2004, this rate change will realize a projected savings to the department estimated at \$1,208,100 in General Funds.

**2.11 Reallocation of General Funds Within Department of Human Services**

The Department of Human Services is not requesting any General Fund reallocations between divisions (line items) affecting the reductions enacted by the Legislature during the 6<sup>th</sup> Special Session in December. However, the Department is proposing to move General Funds between programs within each division. This proposal will be presented during a regular subcommittee meeting.

The Department is, however, proposing some General Fund reallocations between its divisions to enhance its ability to draw down matching federal funds. The proposal, which would affect both the FY 2003 and the FY 2004 budgets, would swap General Funds with federal Social Services Block Grant (SSBG) funds as follows:

<b>PROPOSED REALLOCATION OF GENERAL FUNDS</b>		
<b>For FY 2003 and FY 2004</b>		
<b>Division / Program</b>	<b>General Fund</b>	<b>Federal (SSBG)</b>
DSPD Non-waiver Svc	656,600	(3,316,200)
DD/MR Waiver Svc	2,469,600	-
DCFS Service Delivery	(2,566,200)	2,566,200
DSAMH Administration	(150,000)	150,000
DAAS Adult Protective Services	(600,000)	600,000
EDO Legal Affairs (Office of Public Guardian)	190,000	-
<b>NET REALLOCATION</b>	<b>\$0</b>	<b>\$0</b>

The Fiscal Analyst recommends that the subcommittee review these requests. The proposed reallocations are not yet part of the Analyst's FY 2004 budget recommendations. If the subcommittee approves these proposals, the subcommittee's recommendations to the Executive Appropriations Committee would reflect these changes. The second proposal would also become part of a subcommittee recommended supplemental appropriation for FY 2003.

**4.0 Additional Information: Department of Human Services Summary**

**4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
General Fund	193,430,900	202,792,800	206,669,780	198,910,900	198,825,300
General Fund, One-time			655,200	1,957,400	
General Fund Restricted	1,850,000	3,597,200	3,897,200	4,047,200	4,047,200
Federal Funds	103,940,412	103,601,347	106,068,669	115,360,300	114,213,700
Dedicated Credits	8,088,622	8,321,815	7,644,992	8,693,700	8,593,000
Federal Mineral Lease	0				
Transfers	117,465,996	121,730,404	134,129,509	125,748,000	123,675,100
Beginning Balance	523,349	5,089	1,450,694	2,176,300	376,300
Closing Balance	(5,089)	(1,450,210)	(2,167,550)		
Lapsing Balance	(88,205)	(5,459,052)	(1,930,194)		
<b>Total</b>	<b>\$425,205,985</b>	<b>\$433,139,393</b>	<b>\$456,418,300</b>	<b>\$456,893,800</b>	<b>\$449,730,600</b>
<b>Programs</b>					
Executive Director Operations	19,147,314	19,555,080	19,665,200	19,367,900	18,876,100
Drug Courts/Board		1,421,027	1,647,200	1,647,200	1,647,200
Substance Abuse & Mental Health	67,632,873	73,790,336	73,720,300	72,501,000	103,226,200
Substance Abuse	26,704,463	27,818,127	30,038,300	32,403,500	
Svcs for People w/Disabilities	125,507,992	134,164,100	143,874,300	144,323,700	141,902,500
Office of Recovery Services	42,225,362	41,978,131	42,808,900	42,687,900	41,026,800
Child and Family Services	125,918,996	115,995,331	124,678,100	123,379,000	122,927,200
Aging and Adult Services	18,068,985	18,417,261	19,986,000	20,583,600	20,124,600
<b>Total</b>	<b>\$425,205,985</b>	<b>\$433,139,393</b>	<b>\$456,418,300</b>	<b>\$456,893,800</b>	<b>\$449,730,600</b>
<b>Expenditures</b>					
Personal Services	153,007,844	161,475,260	166,913,232	167,675,900	165,220,700
In-State Travel	1,313,523	1,092,140	1,148,115	1,180,900	1,177,900
Out of State Travel	361,375	309,981	140,222	197,000	197,000
Current Expense	40,997,405	41,723,477	44,950,043	42,731,000	42,194,600
DP Current Expense	16,316,612	14,565,930	13,655,988	13,226,700	12,616,400
DP Capital Outlay	987,208	191,377	284,815	58,100	339,800
Capital Outlay	362,211	363,642	372,725	106,200	106,200
Other Charges/Pass Thru	211,859,807	213,417,586	228,953,160	231,718,000	227,878,000
<b>Total</b>	<b>\$425,205,985</b>	<b>\$433,139,393</b>	<b>\$456,418,300</b>	<b>\$456,893,800</b>	<b>\$449,730,600</b>
<b>FTE/Other</b>					
Total FTE	3,645.7	3,658.8	3,704.5	3,697.9	3,663.8
Vehicles					343.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.





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## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Executive Director Operations**

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**1.0 Summary: Executive Director Operations**

The Executive Director Operations (EDO) division includes the Department Director's Office and various bureaus that serve other divisions in the department such as Fiscal Operations, Human Resource Management, and the Office of Technology. It also includes programs that are independent of the other department divisions such as the Governor's Council for People with Disabilities, Foster Care Citizens' Review Boards, and the Office of Children's Ombudsman. EDO also oversees the distribution of funds appropriated in the Drug Court / Drug Board line item.

**Financial Summary**

The Fiscal Analyst recommends an FY 2004 appropriation for EDO totaling approximately \$18.9 million, including just under \$7 million from the General Fund. The Analyst's FY 2004 base budget reflects reductions made by the Legislature in appropriating the FY 2003 budget during the 2002 General Session. It also reflects legislative adjustments made during the 5<sup>th</sup> and 6<sup>th</sup> Special Sessions last year. The reduction of \$76,700 shown in the following table is the impact on EDO of the statewide \$2 million information technology cuts.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
General Fund	7,076,000	(76,700)	6,999,300
Federal Funds	9,122,200		9,122,200
Dedicated Credits Revenue	20,800		20,800
Transfers - H - Medical Assistance	659,700		659,700
Transfers - Other Agencies	2,013,000		2,013,000
Beginning Nonlapsing	61,100		61,100
<b>Total</b>	<b>\$18,952,800</b>	<b>(\$76,700)</b>	<b>\$18,876,100</b>
<b>Programs</b>			
Executive Director's Office	1,944,500	(1,000)	1,943,500
Legal Affairs	959,200	(400)	958,800
Information Technology	4,076,800	(63,900)	4,012,900
Administrative Support	3,280,500	(2,800)	3,277,700
Fiscal Operations	2,656,700	(5,100)	2,651,600
Human Resources	1,252,100	(700)	1,251,400
Local Discretionary	1,492,000		1,492,000
Special Projects	102,200		102,200
Services Review	1,142,600	(200)	1,142,400
Developmental Disabilities Council	716,900	(100)	716,800
Foster Care Citizens Review Boards	1,329,300	(2,500)	1,326,800
<b>Total</b>	<b>\$18,952,800</b>	<b>(\$76,700)</b>	<b>\$18,876,100</b>
<b>FTE/Other</b>			
Total FTE	211.7	0.0	211.7
Vehicles	12.0	0.0	12.0

## **2.0 Issues: Executive Director Operations (EDO)**

### **2.1 FACT Funding:**

The 2002 Legislature in General Session approved a total of \$2 million General Fund for all FACT (Families, Agencies, Communities Together) budgets for FY 2003, about 40 percent of the base budget of \$5.1 million. Instead of appropriating various portions to applicable departments, as in prior years, the Legislature appropriated the entire \$2 million budget to the EDO budget in Human Services, with directions on how to allocate the funds among other departments. However, in the 5<sup>th</sup> Special Session in July 2002, due to further budget constraints, the entire \$2 million appropriation was eliminated.

### **2.2 Previous Budget Reductions:**

During the FY 2003 budget deliberations, the Legislature made across-the-board cuts in the EDO budget of \$1,578,700 (\$963,800 General Fund). It also eliminated the \$67,800 budget (\$43,800 General Fund) of the “Consumer Hearing Panel” which was one of several means available to citizens to resolve complaints with services provided by the Division of Child and Family Services. During the 5<sup>th</sup> Special Session, it eliminated the \$2 million FACT appropriation and made another \$22,400 reduction in various EDO budgets.

### **2.3 December 2002 Special Session:**

During the 6<sup>th</sup> Special Session in December 2002, the Legislature reduced the EDO FY 2003 budget by an additional \$256,900 General Funds (\$415,100 all funds). For FY 2003, these reductions were restored with one-time General Fund sources. However, the FY 2004 base budget reflects the base reductions and does not include replacement funds.

### **2.4 Legislative Intent Language:**

The 2002 Legislature included the following intent language in the FY 2003 EDO appropriation for the Department of Human Services:

#### *Outcome Measures*

*“It is the intent of the Legislature that the Department of Human Services present to the Office of Legislative Fiscal Analyst detailed outcome measures for each budget area in each division within the Department. These outcome measures shall be, wherever possible, reported in terms of outcomes achieved with the population served in addition to the report of total numbers served. The report shall include those who are statistically eligible but did not need or accept state-funded services. The Office of Legislative Fiscal Analyst shall include the department’s report including outcome measures within their budget presentation on an item-by-item basis.”*

The Department has provided the Fiscal Analyst with a publication entitled "Utah Department of Human Services: Outcomes – Results Oriented Information." Data from this publication and from other sources have been included in the Analyst's reports on the division level. The Department will report in greater detail during subcommittee hearings.

*Administrative and Services Cost Report*

*"It is the intent of the Legislature that the budget analysis for the Department of Human Services be presented with a breakdown between costs of administration and services delivered and the number of citizens served and categorized by cost and type of service."*

This information will be presented to the subcommittee during one of its early committee meetings during the 2003 session.

*Federal Medicaid match rate changes*

*"It is the intent of the Legislature that federal Medicaid match rate changes for the local mental health and substance abuse programs be considered by the Department of Human Services in its annual budget preparation."*

The Medicaid match rate is actually increasing in FY 2004, from a "pro-rated" (adjusted for differences in the Federal and State fiscal years) 70.93 percent in State FY 2003 to 71.60 percent in State FY 2004. As a result, the Department will see approximately \$1,208,100 of "savings" from increased federal participation.

*Extensive detail budget presentation*

*"It is the intent of the Legislature that at least one of the Division budgets of the Department of Health and the Department of Human Services be presented in extensive detail at the time of presentation at the annual budget hearing. The division which is to be examined with this scrutiny is to be selected by the co-chairs of Health and Human Services Appropriations Subcommittee by July of the preceding year"*

The Fiscal Analyst has included detailed budget information for all divisions in the Department of Human Services for review by the subcommittee during the 2003 general session. This information is under Part IV of each division budget report.

*Allocation of FACT funds*

*"It is the intent of the Legislature that funds appropriated to the Department of Human Services for FACT programs be used, consistent with Section 63-75-4, for the most critical services as determined by the FACT Council representing the Departments of Human Services, Health, Workforce Services, the Office of the Court Administrator, and the State Office of Education."*

This language is included in H.B.3, "Supplemental Appropriations Act II" reflecting the 2002 Legislature's reduction of funding for FACT programs to \$ 2 million during the 2002 General Session. However, during the 5<sup>th</sup> Special Session last July, the Legislature eliminated all FACT funding for FY 2003, making this intent language moot.

*FACT study*

*"It is the intent of the Legislature that the Fiscal Analyst Office shall continue with their proposed study of the F.A.C.T. Program despite the elimination of this program via FY 2003 budget cuts. Along with the outlined study already proposed, the Fiscal Analyst Office shall include an evaluation of what structures, if any, continue despite the loss of funding. The Fiscal Analyst Office shall also compile a report of the impact of the loss of F.A.C.T. funding on families already receiving services, and the impact on the collaboration and coordination of services across the various agencies involved."*

The Fiscal Analyst has presented this report to the Executive Appropriations Committee and both Education and the Health and Human Services interim committees during the November 2002 interim meetings.

**3.0 Programs – Executive Director Operations**

**Performance Measures**

The Analyst is not including any performance measures directly related to functions in the Executive Director’s Office. All measures used in the divisions are an indirect reflection of the effectiveness of this office. The Executive Director will report in greater extent to the subcommittee on the department’s outcome and performance measures.

**3.1 Executive Director’s Office**

**Recommendation**

The Analyst recommends an FY 2004 budget of approximately \$1.9 million including \$688,900 from the General Fund. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$67,700 (\$40,100 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$1,000 (General Fund) for the Information Technology reductions.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Est/Analyst</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
<b>Financing</b>				
General Fund	789,933	689,900	688,900	(1,000)
General Fund, One-time		40,100		(40,100)
Federal Funds	622,228	1,282,200	1,254,600	(27,600)
<b>Total</b>	<b>\$1,509,000</b>	<b>\$2,012,200</b>	<b>\$1,943,500</b>	<b>(\$68,700)</b>
<b>Expenditures</b>				
Personal Services	1,157,905	1,194,600	1,134,600	(60,000)
In-State Travel	4,016	6,100	6,100	
Out of State Travel	12,660	16,100	16,100	
Current Expense	300,077	602,400	595,700	(6,700)
DP Current Expense	34,342	193,000	191,000	(2,000)
<b>Total</b>	<b>\$1,509,000</b>	<b>\$2,012,200</b>	<b>\$1,943,500</b>	<b>(\$68,700)</b>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The Executive Director’s Office is responsible for the overall direction of the Department. This includes administration and support, public relations, legislative liaison, planning and policy development.

**3.2 Legal Affairs**

**Recommendation**

The Analyst recommends an FY 2004 budget of \$958,800 including \$425,200 from the General Fund. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$22,700 (\$14,700 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$400 (General Fund) for the Information Technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	437,415	425,600	425,200	(400)
General Fund, One-time		14,700		(14,700)
Federal Funds	415,226	404,200	400,900	(3,300)
Transfers - H - Medical Assistance	59,918	67,000	64,700	(2,300)
Transfers - Other Agencies	82,941	70,400	68,000	(2,400)
<b>Total</b>	<b>\$995,500</b>	<b>\$981,900</b>	<b>\$958,800</b>	<b>(\$23,100)</b>
<b>Expenditures</b>				
Personal Services	812,887	812,900	792,900	(20,000)
In-State Travel	13,835	13,300	13,300	
Out of State Travel	4,214	2,400	2,400	
Current Expense	127,255	123,100	120,400	(2,700)
DP Current Expense	37,309	30,200	29,800	(400)
<b>Total</b>	<b>\$995,500</b>	<b>\$981,900</b>	<b>\$958,800</b>	<b>(\$23,100)</b>
<b>FTE/Other</b>				
Total FTE	14.4	13.5	13.0	(0.5)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

This office consists of the following units and offices:

*Administrative Hearings* conducts hearings required by state and federal law where persons may appeal decisions of administrative agencies in the Department. Among the programs served are child abuse or neglect findings, child support enforcement, foster parent due process, licensing, and disciplinary proceedings by Division of Youth Corrections.

*The Office of Public Guardian* was created by the 1999 Legislature. Its functions include serving as a guardian or conservator for individuals found to be incapacitated when no other person is willing and available to do so, and educating the public about the role and function of guardians and conservators.

### 3.3 Information Technology

**Recommendation**

The Analyst recommends an FY 2004 budget of approximately \$4 million including \$847,000 from the General Fund. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$112,500 (\$33,100 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$63,900 (General Fund) for the Information Technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,083,157	910,900	847,000	(63,900)
General Fund, One-time		33,100		(33,100)
Federal Funds	783,033	1,219,000	1,215,900	(3,100)
Transfers - H - Medical Assistance	127,633	126,600	121,800	(4,800)
Transfers - Other Agencies	2,142,377	1,899,700	1,828,200	(71,500)
<b>Total</b>	<b>\$4,136,200</b>	<b>\$4,189,300</b>	<b>\$4,012,900</b>	<b>(\$176,400)</b>
<b>Expenditures</b>				
Personal Services	2,591,666	2,630,100	2,530,100	(100,000)
In-State Travel	21,296	23,300	23,300	
Out of State Travel	3,864	5,200	5,200	
Current Expense	285,098	285,500	273,000	(12,500)
DP Current Expense	1,113,310	1,235,200	1,171,300	(63,900)
DP Capital Outlay	120,966	10,000	10,000	
<b>Total</b>	<b>\$4,136,200</b>	<b>\$4,189,300</b>	<b>\$4,012,900</b>	<b>(\$176,400)</b>
<b>FTE/Other</b>				
Total FTE	39.0	39.5	37.5	(2.0)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

This office is responsible for the support, enhancement and maintenance of the department’s data processing network and automated applications, including system design, development, implementation, and data security. It also provides resources to support, enhance and maintain the Unified Social Services Delivery System (USSDS), the Office of Recovery Services Information System (ORSIS), the Child Welfare Information System (SAFE), and other automated applications that support the department’s services.

### 3.4 Administrative Support Services

**Recommendation**

The Analyst’s FY 2004 recommendation for Administrative Support Services totals approximately \$3.3 million, with \$1.9 million from the General Fund. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$82,800 (\$69,800 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$2,800 (General Fund) for the Information Technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	2,002,149	1,920,200	1,917,400	(2,800)
General Fund, One-time		69,800		(69,800)
Federal Funds	1,199,351	1,348,300	1,335,300	(13,000)
Transfers - Other Agencies	25,000	25,000	25,000	
<b>Total</b>	<b>\$3,226,500</b>	<b>\$3,363,300</b>	<b>\$3,277,700</b>	<b>(\$85,600)</b>
<b>Expenditures</b>				
Personal Services	2,675,761	2,824,100	2,744,100	(80,000)
In-State Travel	46,318	47,700	46,900	(800)
Out of State Travel	95	2,300	2,300	
Current Expense	384,445	373,800	371,800	(2,000)
DP Current Expense	119,881	115,400	112,600	(2,800)
<b>Total</b>	<b>\$3,226,500</b>	<b>\$3,363,300</b>	<b>\$3,277,700</b>	<b>(\$85,600)</b>
<b>FTE/Other</b>				
Total FTE	54.3	55.5	53.5	(2.0)
Vehicles	0.0	0.0	5.0	5.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

This Office consists of the following functions:

*The Bureau of Administration Support* is responsible for facilities management and planning, risk management, “Americans with Disabilities Act” coordination, emergency management, and constituent services. It provides such general services as mailing, distribution and forms control.

*The Office of Licensing* is authorized to license public and private agencies that provide various human service programs. The Office proposes and enforces laws, rules and due process procedures in issuing and reviewing licenses.

**3.5 Fiscal Operations**

**Recommendation**

The Analyst’s FY 2004 recommendation for Fiscal Operations totals approximately \$2.7 million, with \$1.1 million from the General Fund. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$38,800 (all General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$5,100 (General Fund) for the Information Technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,164,060	1,067,900	1,062,800	(5,100)
General Fund, One-time		38,800		(38,800)
Federal Funds	1,480,440	1,588,800	1,588,800	
<b>Total</b>	<b>\$2,644,500</b>	<b>\$2,695,500</b>	<b>\$2,651,600</b>	<b>(\$43,900)</b>
<b>Expenditures</b>				
Personal Services	2,308,604	2,370,200	2,331,400	(38,800)
In-State Travel	5,202	6,700	6,700	
Out of State Travel	3,444	4,600	4,600	
Current Expense	226,726	227,500	227,500	
DP Current Expense	100,524	86,500	81,400	(5,100)
<b>Total</b>	<b>\$2,644,500</b>	<b>\$2,695,500</b>	<b>\$2,651,600</b>	<b>(\$43,900)</b>
<b>FTE/Other</b>				
Total FTE	35.7	36.7	35.7	(1.0)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

This office provides financial services and information to the department. The Bureau of Budget oversees the appropriation request and the budgeting and forecasting process. The Bureau of Finance is responsible for cost allocations for federal grants, purchasing, accounting, cash management, and payroll services. The Bureau of Internal Review and Audit reports to department management on fiscal accountability, efficiency, economy, and effectiveness of programs and services. Internal Review also functions as the liaison between the Department of Human Services and the Division of Health Care Financing regarding Medicaid rate issues and oversees federal fund utilization and managed care strategies. The Contract Management Unit is responsible for oversight of all Department contract functions, including process, policy and monitoring of service contractors.

**3.6 Human Resources**

**Recommendation**

The Analyst’s FY 2004 budget for the Human Resources Office totals approximately \$1.3 million, with \$550,900 from the General Fund. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$20,000 (all General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$700 (General Fund) for the Information Technology reductions.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	587,359	551,600	550,900	(700)
General Fund, One-time		20,000		(20,000)
Federal Funds	648,041	700,500	700,500	
<b>Total</b>	<u>\$1,235,400</u>	<u>\$1,272,100</u>	<u>\$1,251,400</u>	<u>(\$20,700)</u>
<b>Expenditures</b>				
Personal Services	1,093,009	1,114,000	1,094,000	(20,000)
In-State Travel	4,834	5,600	5,600	
Current Expense	102,246	113,200	113,200	
DP Current Expense	35,311	39,300	38,600	(700)
<b>Total</b>	<u>\$1,235,400</u>	<u>\$1,272,100</u>	<u>\$1,251,400</u>	<u>(\$20,700)</u>
<b>FTE/Other</b>				
Total FTE	17.9	17.0	16.3	(0.7)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

This Office provides human resource functions for the Department, including job analysis, recruitment, selection, training and development, compensation, and employee relations. The Office provides consultation, technical assistance, and ensures Department compliance with Human Resource Management rules and federal statutes such as ADA (Americans with Disabilities Act), FMLA (Family Medical Leave Act), and FLSA (Fair Labor Standards Act). During the 2002 calendar year, the Office's 29 staff members were responsible for human resource services to the approximate 5,100 employees in the Department and the processing of over 1,000 new hires (including 595 seasonal or other temporary employees) during the year. Thirteen of the staff members work at the Developmental Center and the State Hospital and are funded in those respective budgets.

**3.7 Local Discretionary Pass-through**

The Analyst recommends an FY 2004 budget of approximately \$1.5 million, all federal funds. As all funding is from federal grants, there were no budget reductions made in the FY 2003 budget in the General or Special Sessions

**Recommendation**

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
Federal Funds	1,498,000	1,492,000	1,492,000	
<b>Total</b>	<u>\$1,498,000</u>	<u>\$1,492,000</u>	<u>\$1,492,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Current Expense	12			
Other Charges/Pass Thru	1,497,988	1,492,000	1,492,000	
<b>Total</b>	<u>\$1,498,000</u>	<u>\$1,492,000</u>	<u>\$1,492,000</u>	<u>\$0</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

This budget includes the Social Services Block Grant (SSBG) portion passed through to local governments. Since the early 1990's, the division has passed through about nine percent of the state's grant. Since FFY 1997 (Federal Fiscal Year), this block grant has been reduced approximately 23%, from \$2.5 billion to \$1.9 billion in FFY 1999 and was cut again in FY 2001 and 2002. The portion passed on to local entities has likewise been reduced. For BOTH FY 2003 and FY 2004, the SSBG passed through is expected to be about \$1,202,000.

This program also includes the federal Ogden Urban Enterprise Grant with an estimated \$290,000 in FY 2004. This is a ten-year grant that the Department passes through to Ogden City for a variety of urban issues such as efforts to reduce drug abuse, increase effectiveness of law enforcement, improved access, etc.

**3.8 Special Projects**

**Recommendation**

The Analyst recommends an appropriation of \$102,200, (\$36,500 General Funds), for this program for FY 2004. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. This includes elimination of all F.A.C.T. (Families, Agencies, Communities Together) related funds. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$6,000 (all General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reduction has not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	770,913	36,500	36,500	
General Fund, One-time		6,000		(6,000)
Federal Funds	14,242	65,700	65,700	
Transfers - Other Agencies	32,340			
Lapsing Balance	(32,295)			
<b>Total</b>	<u>\$785,200</u>	<u>\$108,200</u>	<u>\$102,200</u>	<u>(\$6,000)</u>
<b>Expenditures</b>				
Personal Services	64,170	64,200	61,200	(3,000)
Current Expense	721,030	44,000	41,000	(3,000)
<b>Total</b>	<u>\$785,200</u>	<u>\$108,200</u>	<u>\$102,200</u>	<u>(\$6,000)</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

No staff is funded directly in this program. The appropriated funds are used for the following special projects:

*Carousel Project:* This is a flexible funding source for difficult placements of children who have been in programs in more than one area and have failed. These children have typically been in Family Services, Mental Health, and Youth Corrections programs.

*Single Audit:* This is a billing from the State Auditor for expenses incurred in the financial audit required by the Federal Government.

### 3.9 Bureau of Services Review

#### Recommendation

The Analyst's FY 2004 budget for this program totals approximately \$1.1 million, with \$751,400 from the General Fund. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$12,200 (\$8,200 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$200 (General Fund) for the Information Technology reductions.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	628,516	751,600	751,400	(200)
General Fund, One-time		8,200		(8,200)
Federal Funds	177,623	194,300	192,200	(2,100)
Dedicated Credits Revenue	9,410	20,800	20,800	
Transfers - H - Medical Assistance	164,551	179,900	178,000	(1,900)
<b>Total</b>	<b>\$980,100</b>	<b>\$1,154,800</b>	<b>\$1,142,400</b>	<b>(\$12,400)</b>
<b>Expenditures</b>				
Personal Services	826,190	893,500	881,300	(12,200)
In-State Travel	14,191	14,800	14,800	
Out of State Travel	438	400	400	
Current Expense	102,479	214,600	214,600	
DP Current Expense	36,802	31,500	31,300	(200)
<b>Total</b>	<b>\$980,100</b>	<b>\$1,154,800</b>	<b>\$1,142,400</b>	<b>(\$12,400)</b>
<b>FTE/Other</b>				
Total FTE	5.5	16.6	16.4	(0.2)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

*The Bureau of Services Review* has been transferred from the Executive Director's Office budget. The FY 2002 actual expenditure amount has been adjusted retroactively for this transfer for comparison purposes. This Bureau coordinates and monitors the Department's efforts to comply with state and federal regulations, court rulings, and Division of Child and Family Services policies. This includes performing quality control and compliance reviews of child protective services programs and foster care cases in the Division.

*Office of Child Protection Ombudsman* unit was created by the Department in January 1996 to investigate complaints filed against the Division of Child and Family Services and make recommendations regarding the findings of those investigations. This Office was codified in State statute during the 1998 legislative session (62A-4a-209).

### 3.10 Governor’s Council for People with Disabilities

#### Recommendation

The Analyst’s FY 2004 budget for the Governor’s Council for People with Disabilities totals \$716,800, with \$80,000 from the General Fund and most of the balance from federal grants. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$6,200 (\$2,900 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$100 (General Fund) for the Information Technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	85,363	80,100	80,000	(100)
General Fund, One-time		2,900		(2,900)
Federal Funds	512,567	545,000	545,000	
Transfers - Other Agencies	90,070	95,100	91,800	(3,300)
<b>Total</b>	<b>\$688,000</b>	<b>\$723,100</b>	<b>\$716,800</b>	<b>(\$6,300)</b>
<b>Expenditures</b>				
Personal Services	297,396	321,800	315,600	(6,200)
In-State Travel	11,878	13,000	13,000	
Out of State Travel	5,002	5,500	5,500	
Current Expense	79,453	84,600	84,600	
DP Current Expense	15,066	16,500	16,300	(200)
DP Capital Outlay			281,800	281,800
Other Charges/Pass Thru	279,205	281,700		(281,700)
<b>Total</b>	<b>\$688,000</b>	<b>\$723,100</b>	<b>\$716,800</b>	<b>(\$6,300)</b>
<b>FTE/Other</b>				
Total FTE	6.3	6.5	6.3	(0.2)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

Federal law requires that every state has a council to serve as a coordinating, advocacy and long range planning body for people with disabilities. The Utah Council monitors the range, scope, and size of programs and evaluates their effectiveness. A major function of the Council is to make grants of federal funds for pilot service programs.

The Council also administers the “Access Utah Network” program. The State Offices of Education and Rehabilitation, and the Departments of Health and Human Services fund this information delivery system jointly. Its purpose is to provide information to persons with disabilities and their families regarding services and programs available, the Americans with Disabilities Act (ADA), and availability of assistive technology. It operates a toll-free telephone service, maintains an Internet home page, a Cooperative Service Directory of program service providers, a used equipment data bank, an ADA resource library, and a listing of assistive technology equipment available nationwide.

**3.11 Foster Care Citizens' Review Board**

**Recommendation**

The Analyst's FY 2004 recommended budget for the Foster Care Citizens' Review Board (FCCRB) system totals approximately \$1.3 million, with \$639,200 from the General Fund. The FY 2003 estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$46,200 (\$23,300 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$2,500 (General Fund) for the Information Technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	639,268	641,700	639,200	(2,500)
General Fund, One-time		23,300		(23,300)
Federal Funds	329,928	343,400	331,300	(12,100)
Transfers - H - Medical Assistance	303,554	306,000	295,200	(10,800)
Beginning Nonlapsing	100,000	61,100	61,100	
Closing Nonlapsing	(61,150)			
<b>Total</b>	<b>\$1,311,600</b>	<b>\$1,375,500</b>	<b>\$1,326,800</b>	<b>(\$48,700)</b>
<b>Expenditures</b>				
Personal Services	870,101	909,700	889,700	(20,000)
In-State Travel	17,667	17,800	15,600	(2,200)
Out of State Travel	4,316	4,300	4,300	
Current Expense	335,630	355,600	335,600	(20,000)
DP Current Expense	83,886	88,100	81,600	(6,500)
<b>Total</b>	<b>\$1,311,600</b>	<b>\$1,375,500</b>	<b>\$1,326,800</b>	<b>(\$48,700)</b>
<b>FTE/Other</b>				
Total FTE	19.9	20.3	19.8	(0.5)
Vehicles	0.0	0.0	2.0	2.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The Foster Care Citizens' Review Board (FCCRB) was started as a pilot project in 1993 to evaluate an alternative method of reviewing foster care cases. The FCCRB was established as a statewide, independent, agency in 1997 (U.C. 78-3g) to comply with federal statute that requires the status of all children in foster care be reviewed at least every six months. Prior to the establishment of the FCCRB system, an administrative review process in the Division of Child and Family Services performed these reviews. The FCCRB verifies and assures that foster children are in appropriate placements and are moving through the system in a timely manner. There are 46 volunteer boards around the State, staffed by 440 volunteer board members. The boards meet monthly to review foster care cases in their areas. There are currently about 2,000 children in foster care.

The FCCRB agency is governed by a 16-member steering committee representing, the Department of Human Services, the Juvenile Court, the Guardian Ad Litem, the Foster Parent Association, independent child advocates, service providers, and FCCRB volunteers. A full-time director and 19 other full-time and part-time employees provide support to the Boards. The citizen boards are advisory and can only make recommendations to the Department or to the courts.

**4.0 Additional Information: Executive Director Operations**

**4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
<b>Financing</b>					
General Fund	8,250,800	8,524,900	8,188,133	7,076,000	6,999,300
General Fund, One-time			655,200	256,900	
Federal Funds	7,504,699	8,100,635	7,680,679	9,183,400	9,122,200
Dedicated Credits Revenue	80,450	104,010	86,249	20,800	20,800
GFR - IT Innovation Fund		7,000			
Transfers - H - Medical Assistance	538,626	608,642	655,656	679,500	659,700
Transfers - Other Agencies	2,747,842	2,343,393	2,392,728	2,090,200	2,013,000
Beginning Nonlapsing	25,000		100,000	61,100	61,100
Closing Nonlapsing		(100,000)	(61,150)		
Lapsing Balance	(103)	(33,500)	(32,295)		
<b>Total</b>	<b>\$19,147,314</b>	<b>\$19,555,080</b>	<b>\$19,665,200</b>	<b>\$19,367,900</b>	<b>\$18,876,100</b>
<b>Programs</b>					
Executive Director's Office	2,392,669	2,293,070	1,509,000	2,012,200	1,943,500
Legal Affairs	969,946	1,099,858	995,500	981,900	958,800
Information Technology	3,978,614	4,149,568	4,136,200	4,189,300	4,012,900
Administrative Support	3,514,366	3,285,463	3,226,500	3,363,300	3,277,700
Fiscal Operations	2,637,601	2,644,419	2,644,500	2,695,500	2,651,600
Human Resources	1,227,599	1,278,871	1,235,400	1,272,100	1,251,400
Local Discretionary	1,416,566	1,607,793	1,498,000	1,492,000	1,492,000
Special Projects	896,221	855,195	785,200	108,200	102,200
Services Review	350,115	404,877	980,100	1,154,800	1,142,400
Developmental Disabilities Council	621,644	698,769	688,000	723,100	716,800
Foster Care Citizens Review Boards	1,141,973	1,237,197	1,311,600	1,375,500	1,326,800
Families Agencies Communities Together			655,200		
<b>Total</b>	<b>\$19,147,314</b>	<b>\$19,555,080</b>	<b>\$19,665,200</b>	<b>\$19,367,900</b>	<b>\$18,876,100</b>
<b>Expenditures</b>					
Personal Services	12,146,625	12,793,506	12,697,689	13,135,100	12,774,900
In-State Travel	159,133	135,801	139,237	148,300	145,300
Out of State Travel	63,867	56,970	34,033	40,800	40,800
Current Expense	3,058,528	2,864,680	3,319,651	2,424,300	2,377,400
DP Current Expense	1,695,694	1,815,089	1,576,431	1,835,700	1,753,900
DP Capital Outlay	114,164	5,034	120,966	10,000	291,800
Capital Outlay	61,232				
Other Charges/Pass Thru	1,848,071	1,884,000	1,777,193	1,773,700	1,492,000
<b>Total</b>	<b>\$19,147,314</b>	<b>\$19,555,080</b>	<b>\$19,665,200</b>	<b>\$19,367,900</b>	<b>\$18,876,100</b>
<b>FTE/Other</b>					
Total FTE	220.6	224.2	216.6	219.8	211.7
Vehicles	0.0	0.0	0.0	0.0	12.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

**4.2 Federal Funds**

Program	FY 2002 Actual	FY 2003 Estimated	FY 2004 Analyst
Title XX Soc Svc Block	\$439,116	\$456,400	\$456,800
Required State Match	\$0	\$0	\$0
<b>Totals for this grant/contract</b>	<b>\$439,116</b>	<b>\$456,400</b>	<b>\$456,800</b>
Title IVD Child Support	\$24,873	\$27,000	\$27,100
General Funds	24,873	27,000	27,100
<b>Totals for this grant/contract</b>	<b>\$49,746</b>	<b>\$54,000</b>	<b>\$54,200</b>
Title IVE AFDC FC	\$955,665	\$1,019,700	\$1,022,700
General Funds	955,665	1,019,700	1,022,700
<b>Totals for this grant/contract</b>	<b>\$1,911,330</b>	<b>\$2,039,400</b>	<b>\$2,045,400</b>
Dev Disability Grants *	\$512,567	\$545,000	\$545,600
General Funds	170,854	181,700	181,900
<b>Totals for this grant/contract</b>	<b>\$683,421</b>	<b>\$726,700</b>	<b>\$727,500</b>
<i>*For administration, state match is 35%. Grant recipients must provide their own match.</i>			
Title IVE Adoptions	\$26,585	\$27,800	\$27,900
General Funds	26,585	27,800	27,900
<b>Totals for this grant/contract</b>	<b>\$53,170</b>	<b>\$55,600</b>	<b>\$55,800</b>
Title XX Local Discr. SSBG	\$1,206,915	\$1,202,000	\$1,202,000
General Funds	\$0	\$0	\$0
<b>Totals for this grant/contract</b>	<b>\$1,206,915</b>	<b>\$1,202,000</b>	<b>\$1,202,000</b>
DHS Other Grants (Indirect Cost Pool)	4,122,240	4,955,600	5,038,700
General Funds	0	0	0
<b>Totals for this grant/contract</b>	<b>\$4,122,240</b>	<b>\$4,955,600</b>	<b>\$5,038,700</b>
DHS Other Grants (Child Visitation)	101,633	100,000	100,000
General Funds	20,327	20,000	20,000
<b>Totals for this grant/contract</b>	<b>\$121,960</b>	<b>\$120,000</b>	<b>\$120,000</b>
DHS Other Grants (Utah Real Choice)	-	5,615,500	5,550,100
General Funds	-	-	-
<b>Totals for this grant/contract</b>	<b>\$0</b>	<b>\$5,615,500</b>	<b>\$5,550,100</b>
Urban Enterprise Grant	\$291,085	\$290,000	\$290,000
General Funds	0	0	0
<b>Totals for this grant/contract</b>	<b>\$291,085</b>	<b>\$290,000</b>	<b>\$290,000</b>
<b>Total Federal Funds</b>	<b>\$7,680,679</b>	<b>\$9,183,400</b>	<b>\$9,122,200</b>
<b>Total State Matching Funds</b>	<b>1,198,304</b>	<b>1,276,200</b>	<b>1,279,600</b>
<b>Total Funds</b>	<b>\$8,878,983</b>	<b>\$10,459,600</b>	<b>\$10,401,800</b>

**Future Impact of  
Current Federal  
Fund Decisions**

The future of the Social Services Block Grant is tenuous. It has been reduced significantly over the past few years and will possibly be reduced in the future. The current Congress appears to be leaning towards leaving the block grant amount unchanged, but has not reauthorized it yet.

**4.3 Fee Schedule**

The fee schedule for licensure must be approved by the Legislature and included in the Appropriations Act. Fees collected are deposited with the General Fund. Actual collections in FY 2002 amounted to \$57,886. Fees are deposited into the General Fund. The following fee schedule is proposed for FY 2004. No changes are proposed in the current fee schedule. It should be noted that current department policy is to charge only one-half of these fees for second and subsequent licenses issued to the same provider.

	Current Fee	Changes for FY 04	Estimated # Licenses (FY04)	Estimated Revenue
<b>Department of Human Services</b>				
Initial-new program	\$ 200.00	No change	70	\$ 14,000
Adult Day Care (0-50)	50.00	No change	12	600
Adult Day Care per cap	1.25	No change	278	348
Adult Day Care (50+)	100.00	No change	2	200
Child Placing	150.00	No change	83	12,450
Day Treatment	75.00	No change	170	12,750
Outpatient Treatment	50.00	No change	272	13,600
Residential Support	50.00	No change	78	3,900
Residential Treatment	100.00	No change	225	22,500
Residential Treatment per cap	1.50	No change	4,839	7,259
Social Detoxification	100.00	No change	14	1,400
Life Safety Pre-inspection	100.00	No change	65	6,500
Outdoor Youth Program	100.00	No change	9	900
Outdoor Youth Program per cap	5.00	No change	628	3,140
Intermediate Secure Treatment	150.00	No change	5	750
FBI Fingerprint Checks *	24.00	No change	250	6,000
Present policy allows for a 1/2 fee for each additional license issued to same provider.				
<i>*Note: The fees collected for the FBI fingerprint checks are passed through to the FBI.</i>				







Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Division of Substance Abuse and Mental Health**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



## **1.0 Summary: Division of Substance Abuse and Mental Health**

The Division of Substance Abuse and Mental Health (DSAMH) was created by the Legislature during the 5<sup>th</sup> Special Session last July when it combined the two previously separate Division of Mental Health and Division of Substance Abuse. All service program budgets have retained their own unique identities except the two Administration programs which have been combined into one.

The Division is the State's public mental health and substance abuse authority. It oversees the twelve local mental health and thirteen local substance abuse authorities in the State. The Division has general supervision of the State Hospital in Provo. A seven-member Board of Substance Abuse and Mental Health is the policy-making entity for the Division. The Board establishes minimum quality standards, funding formulas for distribution of public funds, and sets other public mental health policies with input from various stakeholders.

Both mental health and substance abuse services are delivered either directly by the local authorities (counties) or the counties contract with private providers (such as Valley Mental Health in Salt Lake County). Counties are required to provide a minimum scope and level of service, and must provide a minimum 20 percent county fund match. Counties set priorities to meet local needs but must submit an annual plan describing services they will provide.

### **Financial Summary**

The Fiscal Analyst recommends a base FY 2004 appropriation for DSAMH of approximately \$103.2 million, including \$65.0 million from the General Fund. The Analyst's FY 2004 base budget reflects adjustments made by the Legislature in appropriating the FY 2003 budget during the 2002 General Session. It also reflects legislative adjustments made during the 5<sup>th</sup> and 6<sup>th</sup> Special Sessions last year. The reduction of \$22,000 shown in the following table is the impact on DSA/MH of the statewide \$2 million information technology cuts.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
General Fund	65,042,200	(22,000)	65,020,200
Federal Funds	25,644,900		25,644,900
Dedicated Credits Revenue	2,642,400		2,642,400
GFR - Intoxicated Driver Rehab	1,200,000		1,200,000
Transfers - H - Medical Assistance	8,623,200		8,623,200
Transfers - Other Agencies	59,000		59,000
Beginning Nonlapsing	36,500		36,500
<b>Total</b>	<b>\$103,248,200</b>	<b>(\$22,000)</b>	<b>\$103,226,200</b>
<b>Programs</b>			
Administration	2,259,200	(3,200)	2,256,000
Community Mental Health Services	4,809,700		4,809,700
Mental Health Centers	22,879,700		22,879,700
Residential Mental Health Services	2,779,300		2,779,300
State Hospital	39,789,400	(18,800)	39,770,600
State Substance Abuse Services	6,382,400		6,382,400
Local Substance Abuse Services	23,148,500		23,148,500
Drivers Under the Influence	1,200,000		1,200,000
<b>Total</b>	<b>\$103,248,200</b>	<b>(\$22,000)</b>	<b>\$103,226,200</b>
<b>FTE/Other</b>			
Total FTE	773.7		773.7
Vehicles	50	0	50

## **2.0 Issues: Division of Substance Abuse and Mental Health**

### **2.1 Previous Budget Reductions – Mental Health**

The current FY 2003 mental health budget reflects the elimination of all FACT related funding (about \$1.4 million General Fund in Mental Health). The State Hospital's budget has been reduced by about \$2.7 million (about \$2.5 million General Fund) with the closure of two wings: a geriatric and forensic facility wing (a total of 56 beds). The Legislature also reduced the State funds passed through to local mental health centers by \$175,500 (less than one percent). The Legislature's decision to combine the Divisions of Mental Health and Substance Abuse resulted in budget reductions totaling \$438,500 (\$292,300 General Fund). The old Division of Mental Health also experienced an across-the-board cut of \$563,700 (\$445,500 General Fund).

### **2.2 Previous Budget Reductions – Substance Abuse**

In addition to the reductions related to consolidation of the two divisions, the old Division of Substance Abuse saw reductions in across-the-board cuts of \$351,400 (\$199,000 General Fund), and a reduction of \$188,000 in State funds passed through to local Substance Abuse Authorities.

### **2.3 December 2002 Special Session**

The Legislature reduced the Division's base FY 2003 General Fund budget by \$1,547,900 (Mental Health by \$1,181,500 and Substance Abuse by \$366,400) during the 6<sup>th</sup> Special Session in December. This includes reductions of \$713,400 in State funds for local mental health centers and \$329,700 for local substance abuse authorities. These funds were replaced by one-time General Fund sources for FY 2003. However, the FY 2004 base budget reflects the base reductions and does not include replacement funds.

### **2.4 Rampton II Staffing Needs**

The second, and final wing of the new Rampton complex at the State Hospital will be ready for occupancy in July 2003. This new addition will replace the old Hyde building (86 beds) which will be torn down. In addition to staff currently working in the Hyde building, the Division is requesting funds for an additional 33 FTE employees to fully staff the new facility. However, this includes staff for an enhanced, more intensive service delivery program. Just to open the new facility with no change in service patterns will require an additional 15 FTEs, at a cost of \$570,200 (\$218,900 General Fund).

## 2.5 Federal Funds

The Federal Medical Assistance Payments (FMAP) match rate changes from 70.93 percent to 71.60 percent effectively for State Fiscal Year 2004. This is the second year in a row that the required state match has actually been reduced. In earlier years this match rate has typically been declining and the State has had to pick up the required state match to maintain the same level of services. For FY 2004, this rate change will realize a projected savings in the Division of Substance Abuse and Mental Health funds of \$79,500 (General Funds).

## 2.6 Supplemental Funding Request for Hospital Acute Care Beds

The State Hospital in Provo recently set aside five beds for use by local mental health centers as short term acute beds for treating and stabilizing patients in crisis. The Hospital bills the mental health centers for these services and the revenue is recognized as dedicated credits. This request is to increase by \$570,000 the previous dedicated credits amount appropriated in the FY 2003 budget.

## 2.7 Legislative Intent Language

The 2002 Legislature approved the following intent language applicable to the Division of Substance Abuse and Mental Health:

*Use of health  
insurance premium  
savings*

*“It is the intent of the Legislature that if House Bill 248 passes, all savings from local health insurance premiums shall be used to provide services for clients of local health departments, mental health, aging services and substance abuse authorities.”*

This legislation expanded the types of organizations eligible to participate in the State’s health insurance risk pools. It required the Group Insurance Division to move employees of local health departments, local mental health authorities and similar entity employees into the insurance risk pool with State employees instead of the risk pool with political subdivisions. Although the bill passed, the Governor vetoed it.

### 3.0 Programs: Division of Substance Abuse and Mental Health

#### **The Public Mental Health System**

The State Public Mental Health System serves adults with severe and persistent mental illnesses and children with serious emotional disturbances. Individuals with serious mental illnesses often benefit most from the public mental health system because of extra wrap-around supports that are available. The targeted population tends to have less financial and private insurance resources.

State law mandates the following basic mental health services:

1. In-patient care
2. Residential care
3. Out-patient care
4. 24-Hour Crisis care
5. Case Management
6. Psychosocial Rehabilitation
7. Community Supports
8. Psychotropic Medication Management
9. Consultation and Education

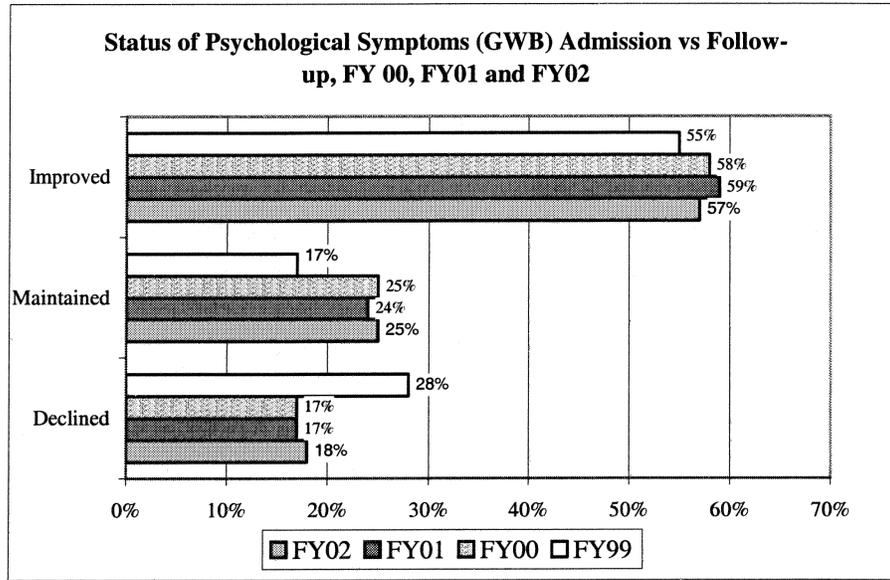
Some mental health centers provide additional services including housing, clubhouses, consumer drop-in centers, employment and rehabilitation, services to the homeless, forensic evaluations, family respite, nursing home and hospital alternatives and consumer education.

#### **Performance Measures (Mental Health)**

While the Division will report in more detail on performance and outcome measures, the Analyst has chosen several measures to highlight in this report. Performance measures used in the mental health field generally try to gauge lessening of symptoms and improvement in ability of a patient to function. The two measures shown here reflect client improvements in the Community Mental Health System and at the State Hospital.

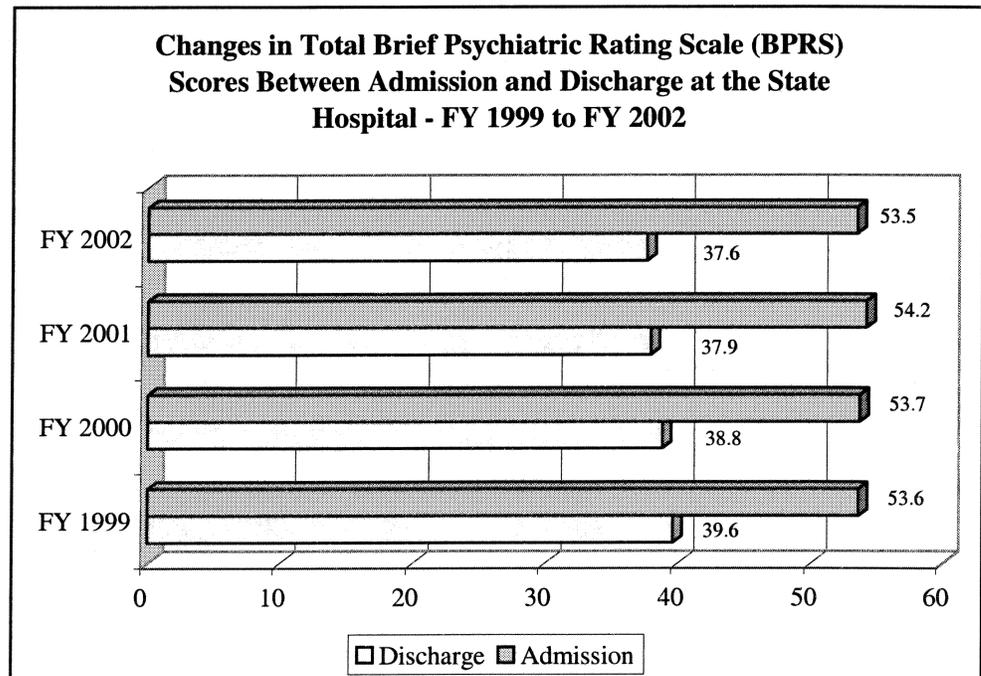
#### *Improvements of Symptoms in Patients of the Community Mental Health System*

The following chart depicts reported improvements in the General Well-Being (GWB) test administered to clients at time of admission to the Community Mental Health System and at 90 days after admission. The data shows that in FY 2002, 57 percent of clients receiving services through the Community Mental Health Centers in Utah saw their psychological symptoms improved. This has remained fairly steady over the past four years, while the percentage of patients reporting a decline in their condition has gone down from 28 percent in FY 1999 to 18 percent last year.



*Improvements in Symptoms of Patients at the State Hospital*

Patients at the State Hospital in Provo are administered the Brief Psychiatric Rating Scale (BPRS) test at time of admission and discharge. The following chart shows reported improvements of a sample of 172 patients discharged in FY 2002 compared to samples from FY 1999 thru FY 2001. The reduction in the symptoms score demonstrates the effectiveness of the Hospital's efforts to reduce patient symptoms prior to discharge. This shows an average of 30 percent drop in patient symptom scores in FY 2002 (from 53.5 to 37.6), which is comparable to the samples from FY 1999 thru FY 2001.



**The Local Substance Abuse Authority (LSAA) System**

Any person in need of LSAA services is eligible; however, due to limited resources, the number that can be served is restricted, which creates waiting lists. A significant amount of resources is geared at individuals in the Criminal Justice System (see separate report tab on Drug Courts and Boards). Recently, the Division policy board adopted the following priority of who will receive services:

- Pregnant women
- Women with dependent children
- Other women
- Men referred from the Criminal Justice System
- Other men

All local substance abuse authorities are required to provide the following services:

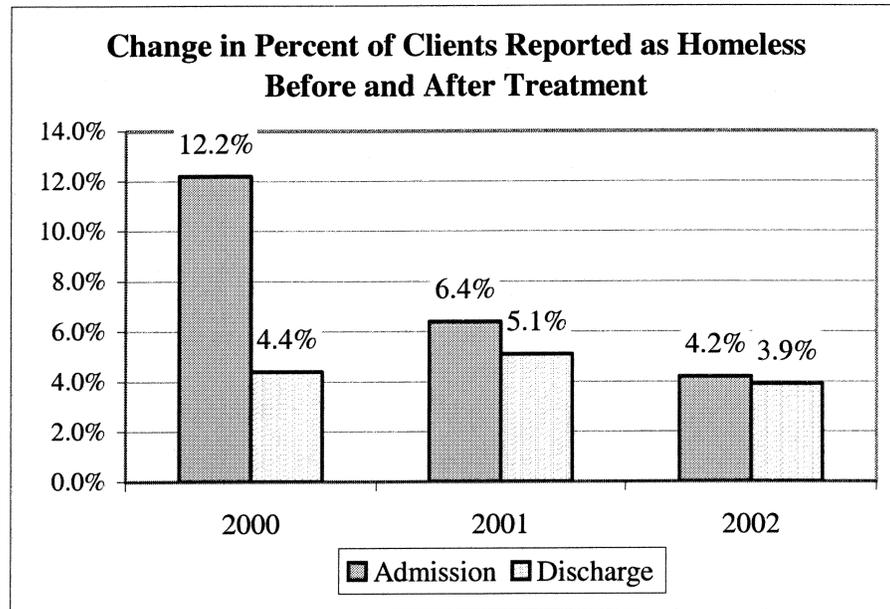
- Prevention services
- Outpatient services
- Intensive outpatient services
- Day treatment
- Detoxification
- Residential / Inpatient treatment

**Performance Measures (Substance Abuse)**

While the Division will report in more detail on performance and outcome measures in the area of substance abuse, the Analyst has chosen several measures to highlight in this report. Performance measures used in the substance abuse field generally try to gauge lessening of dependency and improved quality of life.

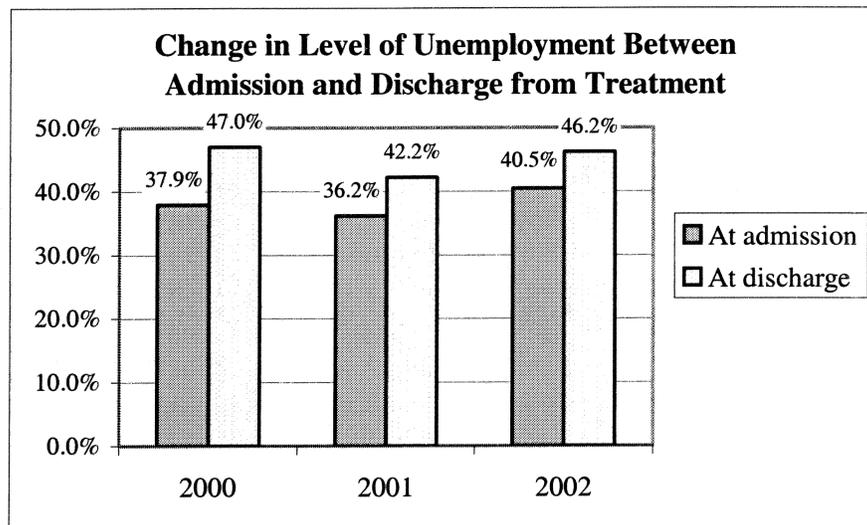
*Clients in treatment improve their living status.*

The first chart shows the living status of clients at time of admission and at time of discharge. While the change reported in FY 2000 was much greater than in the next two years, in all three years, the data shows that clients completing treatment are less likely to be homeless.



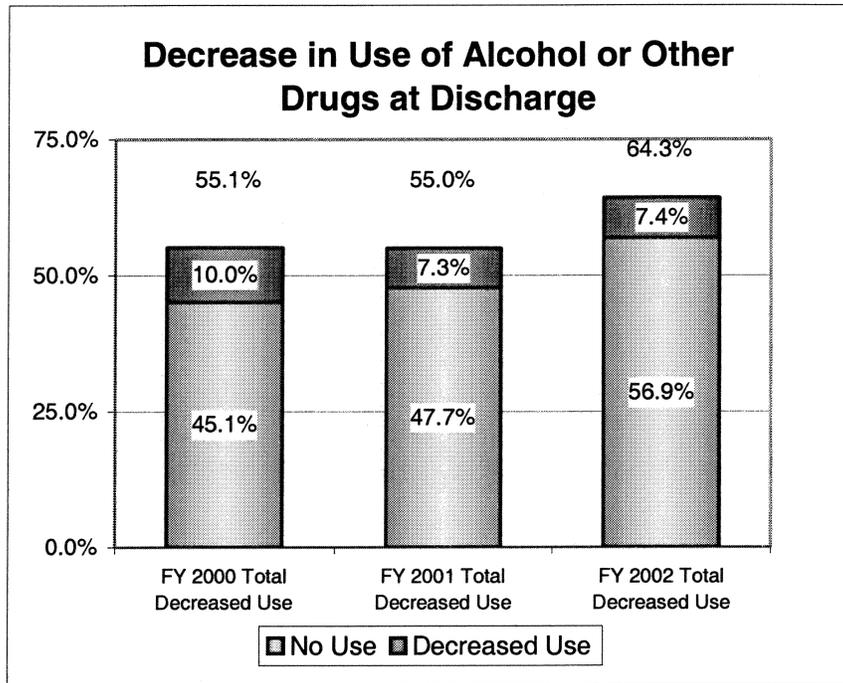
*Clients receiving treatment improve their employment status.*

The second chart depicts changes in employment status from when clients entered treatment and at discharge. The percentage of clients that were employed increased significantly compared to the percentage employed at time of admission.



*Level of substance abuse reduced while in treatment.*

The third chart shows reported decreases in incidence of clients' substance abuse 30 days prior to admission compared with incidence at discharge. This includes all programs, not just resident treatment programs. It also includes individuals who do not complete treatment programs.



### 3.1 Substance Abuse and Mental Health Administration – State Office

#### Recommendation

The Fiscal Analyst’s FY 2004 recommendation for the Division’s State Office Administration is nearly \$2.3 million including \$1.2 million from the General Fund. It includes both administrative budgets of the former separate Division of Substance Abuse and Division of Mental Health. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$40,400 (\$38,700 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, the FY 2004 budget is reduced by \$3,200 (General Fund) for the information technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,530,300	1,210,200	1,207,000	(3,200)
General Fund, One-time		38,700		(38,700)
Federal Funds	918,200	968,900	968,900	
Dedicated Credits Revenue	14,400	15,900	15,900	
Transfers - H - Medical Assistance	27,500	29,400	27,700	(1,700)
Beginning Nonlapsing	11,200	36,500	36,500	
Closing Nonlapsing	(36,500)			
<b>Total</b>	<b>\$2,465,100</b>	<b>\$2,299,600</b>	<b>\$2,256,000</b>	<b>(\$43,600)</b>
<b>Expenditures</b>				
Personal Services	1,847,301	1,718,800	1,678,400	(40,400)
In-State Travel	20,500	22,600	22,600	
Out of State Travel	18,300	19,300	19,300	
Current Expense	460,125	432,700	432,700	
DP Current Expense	118,749	106,200	103,000	(3,200)
Other Charges/Pass Thru	125			
<b>Total</b>	<b>\$2,465,100</b>	<b>\$2,299,600</b>	<b>\$2,256,000</b>	<b>(\$43,600)</b>
<b>FTE/Other</b>				
Total FTE	34.0	31.2	30.2	(1)

General and school funds as revised by supplemental bills I - V, 2002 General and Special Sessions.  
Other funds as estimated by agencies.

#### Purpose

The State Office coordinates the substance abuse prevention/treatment and mental health programs in the state under the direction of the State Board of Substance Abuse and Mental Health. It provides consultation and technical assistance to the local authorities and centers, administers state and federal grants, collects data, evaluates programs, and prepares required reports. It is responsible for development of administrative, fiscal, and service standards for local mental health centers and substance abuse authorities. The office also has general oversight of the State Hospital. It works with the State Office of Education and other agencies for the establishment of substance abuse prevention programs. It also administers the DUI program and the alcohol servers program.

### 3.2 Community Mental Health Services

#### Recommendation

The Analyst recommends \$4.8 million for the Community Mental Health Services Program budget for FY 2004, including nearly \$1.9 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$125,200 (\$108,400 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	4,296,100	1,896,000	1,896,000	
General Fund, One-time		108,400		(108,400)
Federal Funds	1,671,700	2,622,100	2,622,100	
Transfers - H - Medical Assistance	428,600	308,400	291,600	(16,800)
Transfers - Other Agencies	234,200			
<b>Total</b>	<b>\$6,630,600</b>	<b>\$4,934,900</b>	<b>\$4,809,700</b>	<b>(\$125,200)</b>
<b>Expenditures</b>				
Personal Services	175,500	120,700	120,700	
In-State Travel	3,850	22,800	22,800	
Out of State Travel	4,700	14,400	14,400	
Current Expense	946,550	977,800	972,600	(5,200)
DP Current Expense	300	900	900	
Other Charges/Pass Thru	5,499,700	3,798,300	3,678,300	(120,000)
<b>Total</b>	<b>\$6,630,600</b>	<b>\$4,934,900</b>	<b>\$4,809,700</b>	<b>(\$125,200)</b>
<b>FTE/Other</b>				
Total FTE	2.1	2.0	2.0	0.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

The following programs are administered and/or funded through the Division's Community Mental Health Services program budget:

- ▶ *Information Systems Grant*: Develops common data indicators across all of the Mental Health Centers that is consistent, compatible, and conforms to national indicators.
- ▶ *Competency Evaluations*: The State is responsible for determining an individual's competency to stand trial for a crime.
- ▶ *Homeless Mentally Ill*: The Division distributes federal funds to mental health centers for specialized services to the homeless mentally ill.
- ▶ *Omnibus Budget Reconciliation Act of 1987 (OBRA)*: This Act requires the State to assess the appropriateness of placement for mentally ill persons residing in nursing facilities. The State is required to provide alternative placements for those inappropriately placed and to provide appropriate social rehabilitation to the mentally ill residing in nursing facilities.
- ▶ *Rural Education*: Provides funding for mental health education in under-served rural areas of the State.

- ▶ *Pre-school Autism Program:* This program provides funds to several areas of the State to develop and operate programs for pre-school children with autism.
- ▶ *Frontiers Project:* The Division has received a federal grant to develop and provide a network of wrap-around mental health services for children in “frontier” areas of the State.
- ▶ *Community Action Grant – Consensus Building Project:* The Division has received a \$100,000 federal grant which will involve key stakeholders looking to incorporate practice principles of an assertive community treatment model for delivery of mental health services. The grant runs through September 2003.
- ▶ *Project Reconnect:* In FY 2003, the Division was awarded a four-year federal grant totaling \$2 million to assist seriously emotionally disturbed youth (ages 14 – 21) or youth with emerging mental illness to successfully transition to adulthood.

### 3.3 Mental Health Centers

The Analyst recommends \$22.9 million for the Community Mental Health Services Program budget for FY 2004, including \$20.7 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$713,400 (General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	20,118,100	20,725,800	20,725,800	
General Fund, One-time		713,400		(713,400)
Federal Funds	2,153,400	2,153,900	2,153,900	
Transfers - Other Agencies	104,000			
<b>Total</b>	<u>\$22,375,500</u>	<u>\$23,593,100</u>	<u>\$22,879,700</u>	<u>(\$713,400)</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	22,375,500	23,593,100	22,879,700	(713,400)
<b>Total</b>	<u>\$22,375,500</u>	<u>\$23,593,100</u>	<u>\$22,879,700</u>	<u>(\$713,400)</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

### Purpose

Under Utah law, county commissions are the local public mental health authorities that deliver mental health services throughout the State. The counties have organized 10 local mental health centers, with some counties combining resources to serve a region. These centers are listed in the following table. Six of the local mental health centers are county (or multi-county) operated and four of the centers contract for services with private nonprofit corporations. The local mental health authorities must provide a minimum 20 percent match of the State funds.

Center	Private / County	Counties Served
Bear River Mental Health	Private	Box Elder, Cache, Rich
Davis Behavioral Health	Private	Davis
Weber Human Services	County	Weber, Morgan
Valley Mental Health	Private	Salt Lake, Summit, Tooele
Northeast Counseling Ctr	County	Daggett, Duchesne, Uintah
Four Corners Mental Health	Private	Carbon, Emery, Grand
Wasatch Mental Health	County	Utah, Wasatch
San Juan Mental Health	County	San Juan
Southwest Center	County	Beaver, Garfield, Iron, Kane, Washington
Central Utah Mental Health	County	Piute, Sevier, Juab, Wayne, Millard, Sanpete
<i>Private - Private Non-profit contract provider</i>		
<i>County - Services provided by one or more counties</i>		

**Access to State Hospital Beds**

The FY 2003 budget reductions include savings from closing one wing of the State Hospital (30 geriatric beds). Legislation (H.B. 181) was passed that reduced the number of beds available in statute to local centers from 212 to 182. The beds are allocated according to population (62A-12-209.5, UCA). The statute indicates that as the State population changes, the number of beds available to the local centers should be reviewed.

**3.4 Residential Mental Health Services**

**Recommendation**

The Fiscal Analyst recommends that approximately \$2.8 million from the General Fund be appropriated for Residential Services in FY 2004. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$101,000 (General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	2,576,800	2,779,300	2,779,300	
General Fund, One-time		101,000		(101,000)
<b>Total</b>	<u>\$2,576,800</u>	<u>\$2,880,300</u>	<u>\$2,779,300</u>	<u>(\$101,000)</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	2,576,800	2,880,300	2,779,300	(101,000)
<b>Total</b>	<u>\$2,576,800</u>	<u>\$2,880,300</u>	<u>\$2,779,300</u>	<u>(\$101,000)</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

Residential programs are intended to reduce hospitalization and nursing home placements. This program provides funding for the diversion of some individuals who would be admitted to a nursing facility and for the relocation of some current residents. There are 49 funded openings for outplacement from nursing facilities and 70 openings for diversions from institutions for the mentally diseased (IMD). Federal regulations define any nursing facility with 50 percent or more mentally ill residents as an IMD and prohibit Medicaid funding for residents of IMDs between the ages of 22 and 65. The program also funds 22 adults and 15 children who have left the State Hospital and have moved into the community. There is a waiting list for the diversion and hospital out-movement programs.

**3.5 State Hospital**

**Recommendation**

The Fiscal Analyst's FY 2004 recommendation for the State Hospital is nearly \$39.8 million including \$28.8 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$326,400 (\$236,500 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, the FY 2004 budget is reduced by \$18,800 (General Fund) for the information technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	30,801,700	28,800,000	28,781,200	(18,800)
General Fund, One-time		236,500		(236,500)
Dedicated Credits Revenue	2,233,400	2,648,100	2,626,500	(21,600)
Transfers - H - Medical Assistance	8,023,700	8,372,200	8,303,900	(68,300)
Transfers - Other Agencies	68,100	59,000	59,000	
<b>Total</b>	<b>\$41,126,900</b>	<b>\$40,115,800</b>	<b>\$39,770,600</b>	<b>(\$345,200)</b>
<b>Expenditures</b>				
Personal Services	34,074,500	32,895,000	32,615,000	(280,000)
In-State Travel	4,000	8,000	8,000	
Out of State Travel	8,800	11,400	11,400	
Current Expense	6,523,100	6,665,700	6,619,300	(46,400)
DP Current Expense	474,700	493,800	475,000	(18,800)
DP Capital Outlay	35,700	35,700	35,700	
Capital Outlay	6,100	6,200	6,200	
<b>Total</b>	<b>\$41,126,900</b>	<b>\$40,115,800</b>	<b>\$39,770,600</b>	<b>(\$345,200)</b>
<b>FTE/Other</b>				
Total FTE	804.8	747.5	741.5	(6.0)
Vehicles	0		50	50

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The State Hospital complements the local mental health centers by providing specialized services not available in community settings. The Hospital's population includes adults and children, for whom no appropriate, less restrictive, environment is currently available. Services are provided for four groups of people: 1) pediatric services for children and adolescents, 2) forensic services for those found not guilty of crimes and mentally ill or not competent to proceed with court actions, 3) specialty services for geriatric patients and patients being prepared for transfer into the community, and 4) adult services. The adult and specialty services provide 182 beds to the community mental health centers as prescribed by statute.

**Hospital Bed Closures**

The Hospital has closed one geriatric patient wing (30 beds) and one forensic patient wing (26 beds) as a result of FY 2002 and FY 2003 budget reductions. These closures represent annual savings of nearly \$2.5 million in state funds and elimination of about 67 FTE employee positions.

**Hospital Cost History**

The following table shows the average number of available beds at the State Hospital and the average daily occupancy rate for the past five years. It also shows the total Hospital budget, cost per patient per day and per year, and cost per bed per day and per year. For FY 2002, the average cost per Patient/Day is \$361, up 30 percent since 1998.

STATE HOSPITAL BUDGET HISTORY & COST PER PATIENT AND PER BED						Four Year
	FY 1998	FY1999	FY 2000	FY 2001	FY 2002	% Change
Average Number Beds Available	343	343	358	384	348	
Average Patients Per Day	306	306	323	323	312	
Average Occupancy Rate	89.2%	89.2%	90.2%	84.1%	89.7%	
Hospital Budget (Actuals)	\$31,001,857	\$32,097,061	\$36,029,017	\$41,272,327	\$41,117,412	32.6%
Average Cost per Patient / Day	\$278	\$287	\$306	\$350	\$361	30.1%
Average Cost per Patient / Year	\$101,313	\$104,892	\$111,545	\$127,778	\$131,787	
Average Cost per Bed / Day	\$248	\$256	\$276	\$294	\$324	30.7%
Average Cost per Bed / Year	\$90,384	\$93,577	\$100,640	\$107,480	\$118,153	

During FY 2002, the Hospital closed one of two geriatric wings (30 beds)  
 For FY 2003, it has closed one of four forensic wings (26 beds)

**Hospital's New Rampton Complex**

Construction on the second half of the Rampton facility at the Hospital is proceeding towards a summer 2003 completion date. The Division will close the old Hyde building, transferring patients and staff to the new facility. The new addition is configured such that it will require additional staff beyond the staff moving from the old facility. The Division requests \$1,440,500 (\$981,800 state funds) and 33 FTEs for operation of this new facility. However this amount includes staff for an enhanced service delivery system in the new building. Just to open the new facility, but retaining the current service delivery structure, will take 15 FTEs in addition to the staff coming over from the old structure, at a cost of \$570,200 (\$218,900 General Fund).

**Hospital – Acute Beds, Supplemental Appropriation**

The Hospital recently added five beds for use by local mental health centers as short-term acute beds for treating and stabilizing patients in crisis. This is a new service offered by the Hospital and is partly in response to a growing lack of such acute treatment beds in some areas of the State. The Hospital bills the mental health centers for these services and the revenue is recognized as dedicated credits. This request is to recognize an increase of \$570,000 in dedicated credits for FY 2003.

**3.6 State Substance Abuse Services**

**Recommendation**

The Fiscal Analyst’s FY 2004 recommendation for the State Substance Abuse Services program is nearly \$6.4 million including \$556,000 from the General Fund. The 5<sup>th</sup> Special Session of the Legislative did not impact this budget for FY 2003. However, the 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$20,200 (all General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	566,800	556,000	556,000	
General Fund, One-time		20,200		(20,200)
Federal Funds	4,716,300	5,826,400	5,826,400	
<b>Total</b>	<u>\$5,283,100</u>	<u>\$6,402,600</u>	<u>\$6,382,400</u>	<u>(\$20,200)</u>
<b>Expenditures</b>				
Personal Services	32,245	39,500	39,500	
In-State Travel	340	500	500	
Current Expense	143,815	64,500	64,500	
DP Current Expense	900	1,000	1,000	
Other Charges/Pass Thru	5,105,800	6,297,100	6,276,900	(20,200)
<b>Total</b>	<u>\$5,283,100</u>	<u>\$6,402,600</u>	<u>\$6,382,400</u>	<u>(\$20,200)</u>
<b>FTE/Other</b>				

**Purpose**

While most Division funds are passed through to local substance abuse authorities, the Division keeps some funds for statewide programs. By Board policy, the Division may retain up to 10 percent of these funds for substance abuse services described below:

- ▶ *Drug Free Schools and Communities:* A specific federal grant to local authorities to provide prevention and education programs for high-risk youth and other school aged youth.
- ▶ *State Office of Education:* The State Office of Education provides curriculum and training in drug abuse prevention for Utah’s schools.
- ▶ *Department of Corrections:* The Department of Corrections provides substance abuse treatment services at the Utah State Prison.

- ▶ *University of Utah:* The University of Utah provides counseling education, clinical services, evaluation and data analysis and operates the Utah School of Alcoholism and Other Drug Dependencies.
- ▶ *Federal Grants:* The Division has several federal grants including a Treatment Needs grant (TOPPS II) which is a treatment outcomes measurement grants, two prevention grants studying risk and protective factors in the State, a grant looking at drug and alcohol use among arrested persons, and a grant to help upgrade the Division’s data infrastructure. The Division was awarded in FY 2001 a three year \$2.9 million federal incentive grant (total \$8.7 million) for development of a comprehensive statewide strategy to coordinate, redirect, and leverage substance abuse prevention resources.

### 3.7 Local Substance Abuse Services

#### Recommendation

The Fiscal Analyst’s FY 2004 recommendation for the Local Substance Abuse Services program is approximately \$23.1 million including \$9.1 million from the General Fund. The 5<sup>th</sup> Special Session of the Legislative did not impact this budget for FY 2003. However, the 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$320,700 (all General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	9,404,600	9,074,900	9,074,900	
General Fund, One-time		329,700		(329,700)
Federal Funds	12,846,000	14,073,600	14,073,600	
<b>Total</b>	<u>\$22,250,600</u>	<u>\$23,478,200</u>	<u>\$23,148,500</u>	<u>(\$329,700)</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	22,250,600	23,478,200	23,148,500	(329,700)
<b>Total</b>	<u>\$22,250,600</u>	<u>\$23,478,200</u>	<u>\$23,148,500</u>	<u>(\$329,700)</u>
<b>FTE/Other</b>				

#### Purpose

County commissioners are designated as the local substance abuse authorities in the state. The counties may join together to provide or contract for these services, including prevention, intervention, and treatment. The substance abuse authorities are required to provide a minimum 20 percent match for funds received. There are currently 13 substance abuse centers in the State: Bear River, Weber, Davis, Salt Lake, Wasatch, Central Utah, Southwest, Four Corners, San Juan, Uintah, Summit, Utah and Tooele.

**3.8 DUI Fines**

**Recommendation**

The Division’s expenditures from this General Fund Restricted Account are limited to the lesser of the amount authorized by the Legislature or by the availability of funds. The Fiscal Analyst recommends the Legislature appropriate \$1.2 from this fund for FY 2004.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Est/Analyst</b>
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
GFR - Intoxicated Driver Rehab	1,050,000	1,200,000	1,200,000	
<b>Total</b>	\$1,050,000	\$1,200,000	\$1,200,000	\$0
<b>Expenditures</b>				
Other Charges/Pass Thru	1,050,000	1,200,000	1,200,000	
<b>Total</b>	\$1,050,000	\$1,200,000	\$1,200,000	\$0
<b>FTE/Other</b>				

**Purpose**

The Division oversees the Intoxicated Driver Rehabilitation Account. The Division receives 7.5 percent of the surcharges levied on persons convicted of a felony, class A, or B misdemeanor. These fees on fines are appropriated to the Division and then distributed to the 13 local substance abuse authorities by formula to support education, intervention and treatment services for drivers convicted of driving under the influence. The formula is driven by overall population figures.

**4.0 Additional Information: Division of Substance Abuse and Mental Health**

**4.1-Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
General Fund	63,793,400	68,452,100	69,294,400	65,042,200	65,020,200
General Fund, One-time				1,547,900	
Federal Funds	18,779,929	20,389,686	22,305,600	25,644,900	25,644,900
Dedicated Credits Revenue	2,684,368	2,973,535	2,247,800	2,664,000	2,642,400
GFR - Intoxicated Driver Rehab	950,000	950,000	1,050,000	1,200,000	1,200,000
GFR - IT Innovation Fund		53,700			
Transfers - H - Medical Assistance	7,582,358	8,414,323	8,479,800	8,710,000	8,623,200
Transfers - Other Agencies	528,678	381,246	406,300	59,000	59,000
Beginning Nonlapsing	32,772	5,089	11,200	36,500	36,500
Closing Nonlapsing	(5,089)	(11,216)	(36,500)		
Lapsing Balance	(9,080)				
<b>Total</b>	<b>\$94,337,336</b>	<b>\$101,608,463</b>	<b>\$103,758,600</b>	<b>\$104,904,500</b>	<b>\$103,226,200</b>
<b>Programs</b>					
Administration	2,453,041	2,625,108	2,465,100	2,299,600	2,256,000
Community Mental Health Services	7,005,357	7,388,703	6,630,600	4,934,900	4,809,700
Mental Health Centers	20,798,479	21,257,679	22,375,500	23,593,100	22,879,700
Residential Mental Health Services	2,630,452	2,744,032	2,576,800	2,880,300	2,779,300
State Hospital	36,029,017	41,272,328	41,126,900	40,115,800	39,770,600
State Substance Abuse Services	3,502,232	3,836,257	5,283,100	6,402,600	6,382,400
Local Substance Abuse Services	20,968,758	21,534,356	22,250,600	23,478,200	23,148,500
Drivers Under the Influence	950,000	950,000	1,050,000	1,200,000	1,200,000
<b>Total</b>	<b>\$94,337,336</b>	<b>\$101,608,463</b>	<b>\$103,758,600</b>	<b>\$104,904,500</b>	<b>\$103,226,200</b>
<b>Expenditures</b>					
Personal Services	30,896,308	35,254,230	36,129,546	34,774,000	34,453,600
In-State Travel	45,509	38,879	28,690	53,900	53,900
Out of State Travel	110,233	77,110	31,800	45,100	45,100
Current Expense	7,217,513	8,660,776	8,073,590	8,140,700	8,089,100
DP Current Expense	794,986	794,415	594,649	601,900	579,900
DP Capital Outlay		67,779	35,700	35,700	35,700
Capital Outlay	65,922	41,202	6,100	6,200	6,200
Other Charges/Pass Thru	55,206,865	56,674,072	58,858,525	61,247,000	59,962,700
<b>Total</b>	<b>\$94,337,336</b>	<b>\$101,608,463</b>	<b>\$103,758,600</b>	<b>\$104,904,500</b>	<b>\$103,226,200</b>
<b>FTE/Other</b>					
Total FTE	777.8	845.6	840.9	780.7	773.7
Vehicles	0.0	0.0	0.0	0.0	50.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2-Federal Funds

	FY 2002	FY 2003	FY 2004
Program	Actual	Estimated	Analyst
Community Support Grants	\$92,600	\$98,000	\$98,300
State Matching Funds	92,600	98,000	98,300
Totals for this grant/contract	\$185,200	\$196,000	\$196,600
MH: Transition from Homelessness	\$299,900	\$300,000	\$300,000
State Matching Funds	0	0	0
Totals for this grant/contract	\$299,900	\$300,000	\$300,000
<i>Requires match, but done with "in-kind" funds.</i>			
Community MH Svc Grants *	\$2,639,600	\$3,046,200	\$3,036,400
State Matching Funds	0	0	0
Totals for this grant/contract	\$2,639,600	\$3,046,200	\$3,036,400
<i>* No direct match required, except for "maintenance of effort."</i>			
Drug Free Schools	\$517,500	\$526,800	\$526,800
State Matching Funds	0	0	0
Totals for this grant/contract	\$517,500	\$526,800	\$526,800
State Incentive Coop Agreem. (SIC)	\$1,034,600	\$2,907,000	\$2,907,000
State Matching Funds	0	0	0
Totals for this grant/contract	\$1,034,600	\$2,907,000	\$2,907,000
Children w/SED in Frontier Areas	\$810,500	\$1,360,500	\$1,445,300
State Matching Funds	0	0	0
Totals for this grant/contract	\$810,500	\$1,360,500	\$1,445,300
Treatment Needs & Assessm.Project	\$195,900	\$40,300	\$0
State Matching Funds	0	0	0
Totals for this grant/contract	\$195,900	\$40,300	\$0
Treatment Outcome Pilot Project	\$1,118,300	\$517,000	\$88,700
State Matching Funds	0	0	0
Totals for this grant/contract	\$1,118,300	\$517,000	\$88,700
DHS Other Grants	\$620,700	\$657,800	\$1,051,100
State Matching Funds	0	0	0
Totals for this grant/contract	\$620,700	\$657,800	\$1,051,100
DHS SAPT Block Grant*	\$14,976,000	\$16,191,300	\$16,191,300
State Matching Funds	0	0	0
Totals for this grant/contract	\$14,976,000	\$16,191,300	\$16,191,300
<i>* No direct match required, except for "maintenance of effort."</i>			
<b>Total Federal Funds</b>	<b>\$22,305,600</b>	<b>\$25,644,900</b>	<b>\$25,644,900</b>
<b>Total State Funds</b>	<b>92,600</b>	<b>98,000</b>	<b>98,300</b>
<b>Total Funds</b>	<b>\$22,398,200</b>	<b>\$25,742,900</b>	<b>\$25,743,200</b>





Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Drug Courts and Drug Boards**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



**1.0 Summary: Drug Courts and Drug Boards**

Drug Courts is a judicial process that offers nonviolent drug abusing offenders intensive court-supervised drug treatment as an alternative to jail or prison. The local area substance abuse authorities and private contractors provide treatment services. Drug Boards is an administrative process similar to Drug Courts, but is offered by the Board of Pardons and Parole in the correctional system to individuals on probation or parole.

**Financial Summary**

The Fiscal Analyst recommends an FY 2004 appropriation for this line item totaling \$1,647,200 from the Tobacco Settlement Account (General Fund Restricted). This is the same amount as appropriated in the previous two years.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
GFR - Tobacco Settlement	1,647,200		1,647,200
<b>Total</b>	<u>\$1,647,200</u>	<u>\$0</u>	<u>\$1,647,200</u>
<b>Programs</b>			
Drug Board	350,900		350,900
Drug Courts	1,296,300		1,296,300
<b>Total</b>	<u>\$1,647,200</u>	<u>\$0</u>	<u>\$1,647,200</u>
<b>FTE/Other</b>			

## **2.0 Issues: Drug Courts and Drug Boards**

### **2.1 Appropriated Funds History**

The 2000 Legislature, in S.B. 15 (“Use of Tobacco Settlement Revenues”), appropriated a total of \$1,647,200 to the Department of Human Services, including \$1,296,300 for statewide expansion of the drug court program and \$350,900 for a drug board pilot program. Committees consisting of directors of departments involved with drug courts and boards reviewed requests for funds and made eleven awards to start, expand or continue drug court and board operations. For FY 2002, the Legislature originally appropriated a budget increase of \$1 million from the General Fund in addition to the Tobacco Settlement funds for further expansion of the drug court program, but this amount was eliminated during the 2002 General Session as a budget reduction move.

### **2.2 Additional Funding Requirements**

Estimated unfunded needs for drug court services in the State total over \$12 million. This amount would provide services to approximately 3,500 offenders. The total need of drug boards is estimated at \$7.8 million, which would serve an estimated 2,200 persons. There is no recommendation for an increase in these programs at this time.

### 3.0 Programs: Drug Courts and Drug Boards

This new line item appropriation was created when the 2000 Legislature appropriated funds from the Tobacco Settlement for expansion of the drug court system and creation of drug boards (S.B.15, 2000 General Session). The Legislature appropriated \$193,700 to the Administrative Office of the Courts and \$1,296,300 to the Department of Human Services “for the statewide expansion of the drug court program.” It also appropriated \$77,400 to the Board of Pardons, \$81,700 to the Department of Corrections and \$350,900 to the Department of Human Services for a drug board pilot program.

#### 3.1 Drug Courts

##### Recommendation

For FY 2004, the Fiscal Analyst recommends \$1,296,300 from the Tobacco Settlement Account for drug courts. This is the same level of funding as in the three previous fiscal years.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
GFR - Tobacco Settlement	1,296,300	1,296,300	1,296,300	
<b>Total</b>	<u>\$1,296,300</u>	<u>\$1,296,300</u>	<u>\$1,296,300</u>	<u>\$0</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	1,296,300	1,296,300	1,296,300	
<b>Total</b>	<u>\$1,296,300</u>	<u>\$1,296,300</u>	<u>\$1,296,300</u>	<u>\$0</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

##### Purpose

Utah’s first drug court was started in 1996, in Salt Lake County, with funds from the U.S. Department of Justice, Salt Lake County and other sources. Currently, 23 drug courts are operating in Utah. Funds from the Tobacco Settlement Account are used to fund thirteen of these courts in the expanded system.

Each drug court has its own eligibility criteria; however, most look at both a potential participant’s legal history and the clinical severity of the addiction. In most drug courts, offenders enter a guilty plea, which is held in abeyance for the duration of the program. Upon successful completion of the program, the charges are dismissed.

Drug courts usually last a minimum of 52 weeks. The program is divided into four phases. Participants are randomly tested for drug use from one to four times a week. Treatment counselors develop individualized treatment plans. The drug court judge reviews compliance with the treatment plan during weekly court reviews. In most programs, participants must be clean for at least six months to graduate. Failure to comply with any element of the program or having a dirty drug test may result in immediate court action such as being taken immediately to jail. Compliance and progress in the program is rewarded with praise from the court and a gradual decrease in supervision.

In Utah five distinct drug court models exist. In addition to the adult felony drug courts, there are programs that focus on juveniles, adult misdemeanants, parolees, and parents involved in civil child welfare custody cases.

Utah has eleven functioning adult drug courts, located in Emery, Weber, Davis, Salt Lake, Utah Washington, Box Elder, Cache, Uintah, Wasatch, and Sevier counties. New adult courts are planned in Carbon and in Juab counties. Eight of these programs receive funds from the Tobacco Settlement account.

There are juvenile drug courts in Utah, Weber, Tooele and Salt Lake Counties. Juvenile drug courts involve parents and the schools in the creation of the treatment plan.

Three misdemeanor drug courts exist in Salt Lake County. These programs are operated at the Justice Court level. At least two more of these programs are currently planned. These programs focus on offenders who have been arrested on alcohol or marijuana charges. None of these programs receive funding from the Tobacco Settlement.

Dependency drug court deals with cases where a parent's substance abuse could result in loss or restriction of parental rights. Its primary purpose is to assist in determining whether reasonable efforts have been made in reunification cases involving substance-abusing parents. They operate similarly to adult and juvenile drug courts. In Utah there are three operational dependency courts (Salt Lake, Weber and Utah Counties).

**Drug Court Funding**

Drug Courts started in Utah with federal grants, local government grants, private contributions, and funding within existing court budgets. The first state funding came in FY 2000, when the Legislature directed the Division of Substance Abuse (now the Division of Substance Abuse and Mental Health, DSAMH) to use \$200,000 from increases in its `SAPT (Substance Abuse Prevention and Treatment) federal funds for planning grants to communities and courts in the State. In that year, DSAMH awarded seven planning grants at \$10,000 each to the Southwest, San Juan, Four Corners and Bear River regions and to Tooele, Weber, and Summit Counties. It also awarded four grants to existing courts in Salt Lake (Adult and Juvenile Courts), Utah, and Uintah Counties. In FY 2001, DSAMH awarded six planning grants (totaling \$90,000) to Central Utah region, and Weber, Davis, Wasatch, Utah and Salt Lake Counties for adult, juvenile and misdemeanor courts. It also made a \$50,000 grant for implementation of a drug court in St George.

In 2002, the Drug Court Allocation Committee (composed of the Executive Director of the Utah Department of Corrections, the Executive Director of Department of Human Services, the Chairman of the Utah Board of Pardons, and the Executive Director of the Administrative Office of the Courts) reviewed proposals and allocated the \$1,296,300 from the Tobacco Settlement Account for drug courts. In addition, DSAMH used \$250,000 from the SAPT federal funds to help support drug court activities. These awards were also made in FY2003.

**Drug Courts  
Currently  
Operational or  
Planned**

The table below lists data of currently operating drug courts:

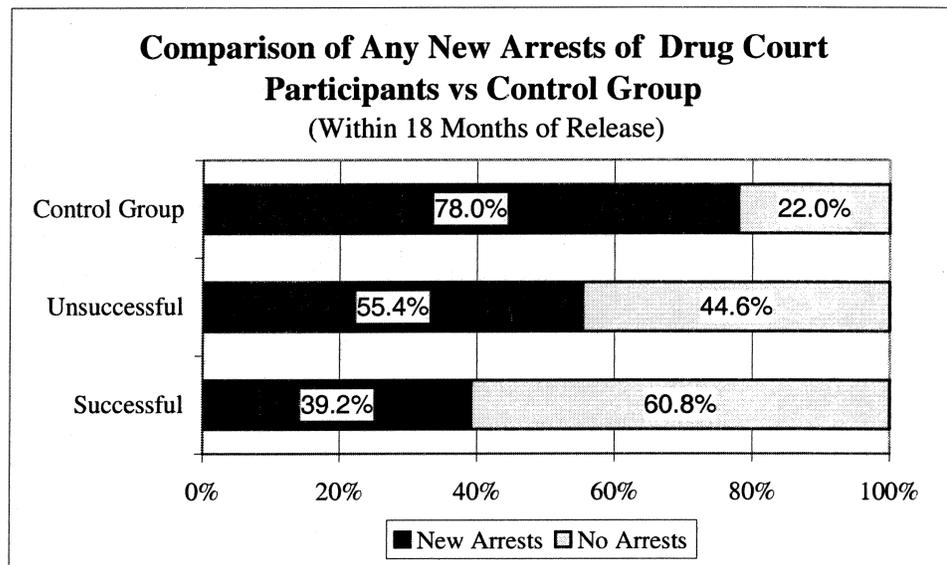
<b>Overview of Existing Drug Courts</b>			
	<b>FY 2001 Funding</b>	<b>FY 2002 Funding</b>	<b>Cases Funded</b>
<b>Adult Felony Drug Courts</b>			
First District (Cache, Box Elder)	\$125,000	\$125,000	35
Davis County	\$250,000	\$250,000	70
Salt Lake County	\$250,000	\$250,000	90
Sevier County	0	\$64,064	20
Uintah County	\$120,000	\$120,000	35
Utah County	\$200,000	\$200,000	70
Washington County	\$46,870	\$46,870	15
Weber County	\$41,250	\$41,250	15
<b>Juvenile Drug Courts</b>			
Third District	\$0	\$75,000	20
Tooele County	\$35,000	\$32,000	10
<b>Dependency Drug Courts</b>			
Fourth District	\$75,000	\$75,000	25
Third District	\$105,000	\$105,000	30
<b>Dual Model Drug Court</b>			
Emery County	\$160,000	\$160,000	45
<b>TOTAL</b>	<b>\$1,408,120</b>	<b>\$1,544,184</b>	<b>480</b>

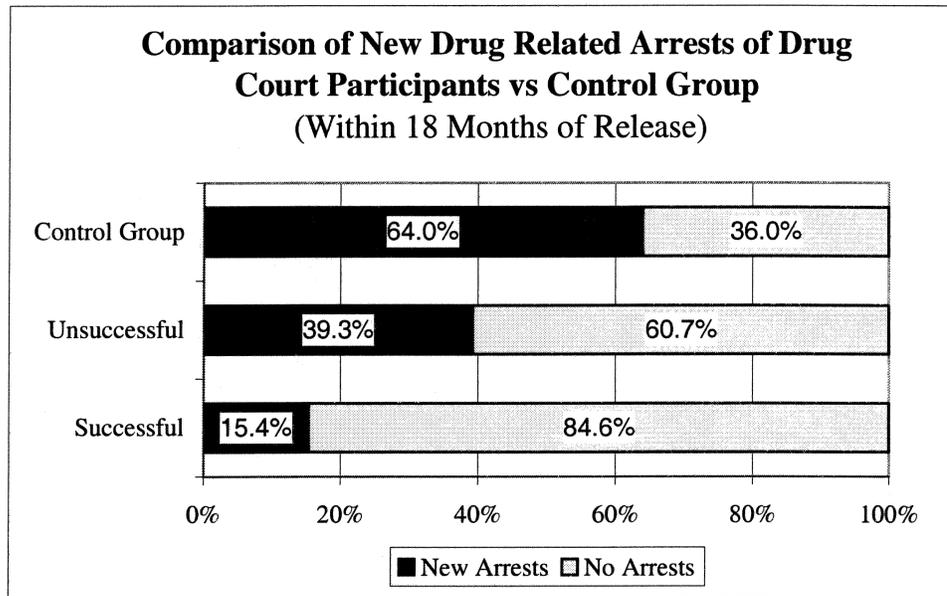
### Drug Court Outcomes

*Successful Drug Court Participants Re-offend less often.*

A recent report by the Utah Substance Abuse & Anti-Violence Coordinating Council compares behavior of three groups of people: 1) Successful drug court finishers; 2) Unsuccessful drug court participants; 3) A control group, which did not have access to drug courts. The report includes 143 graduates from the Salt Lake County Drug Court, 55 individuals who were involved in the Drug Court but did not finish, and a group of 150 individuals who had similar demographics and arrest histories but were not participants in Drug Courts (control group). The study followed these individuals for 18 months recording new arrests for a) drug related offenses, and b) any non-drug offense.

The two charts below show significant differences of re-arrests among the three groups. The successful Drug Court participants had far fewer incidents of re-arrests for both drug-related offenses and any other offenses over the 18 month post release period.





### 3.2 Drug Boards

#### Recommendation

For FY 2004, the Fiscal Analyst recommends continued funding of \$350,900 from the General Fund Restricted Tobacco Settlement Account for the Drug Board program.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
GFR - Tobacco Settlement	350,900	350,900	350,900	
<b>Total</b>	<u>\$350,900</u>	<u>\$350,900</u>	<u>\$350,900</u>	<u>\$0</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	350,900	350,900	350,900	
<b>Total</b>	<u>\$350,900</u>	<u>\$350,900</u>	<u>\$350,900</u>	<u>\$0</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

Drug Boards is a program similar to drug courts, but is offered by the correction system to individuals leaving prison and entering parole. Instead of judges and a courtroom, the official in charge is a representative of the Board of Pardons and the location is a hearing room. In this case, the “stick” is the threat of having parole lifted and returning to prison. The “carrot” is the same as in drug courts, in that progress in the program is rewarded with praise from the Board and support from peers and continued parole.

**Drug Board  
Funding**

The 2000 Legislature appropriated a total of \$510,000 from tobacco settlement funds to start a pilot drug board program in Davis and Weber Counties. This amount included \$77,400 to the Board of Pardons, \$81,700 to the Department of Corrections and \$350,900 to the Department of Human Services. The program serves approximately 140 parolees. Funding has continued in the same amount for both FY 2002 and FY 2003.

**Drug Board Outcomes**

Drug Boards in Utah are quite new and no reliable outcome studies have yet been performed. However, since the program is similar to the drug court, it can probably be assumed that data would show similar results.

**4.0 Additional Information: Drug Courts and Drug Boards**

**4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
<b>Financing</b>					
GFR - Tobacco Settlement		1,647,200	1,647,200	1,647,200	1,647,200
Lapsing Balance		(226,173)			
<b>Total</b>	<b>\$0</b>	<b>\$1,421,027</b>	<b>\$1,647,200</b>	<b>\$1,647,200</b>	<b>\$1,647,200</b>
<b>Programs</b>					
Drug Board		124,727	350,900	350,900	350,900
Drug Courts		1,296,300	1,296,300	1,296,300	1,296,300
<b>Total</b>	<b>\$0</b>	<b>\$1,421,027</b>	<b>\$1,647,200</b>	<b>\$1,647,200</b>	<b>\$1,647,200</b>
<b>Expenditures</b>					
Other Charges/Pass Thru		1,421,027	1,647,200	1,647,200	1,647,200
<b>Total</b>	<b>\$0</b>	<b>\$1,421,027</b>	<b>\$1,647,200</b>	<b>\$1,647,200</b>	<b>\$1,647,200</b>
<b>FTE/Other</b>					

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.







Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Division of Services for People with Disabilities**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



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## **1.0 Summary: Division of Services for People with Disabilities**

The Division of Services for People with Disabilities (DSPD) is responsible for providing residential, day and family support services for people with mental retardation and other developmental disabilities. To receive services, people must have substantial functional limitations in three or more of the following life activities: self care, receptive and expressive language, learning, mobility, self direction, capacity for independent living, and economic self-sufficiency. The services provided range from limited family support to a full array of 24-hour services both in the community and at the Utah State Developmental Center. Services are also available in private Intermediate Care Facilities for people with Mental Retardation (ICFs/MR) with funding through the Department of Health.

### **Financial Summary**

The Fiscal Analyst recommends a budget appropriation for DSPD for FY 2004 in the amount of \$141.9 million, including \$40.9 million from the General Fund. The majority of the balance is from Medicaid transfers and other federal funds. The recommendation also includes \$200,000 from the "Trust Fund for People with Disabilities" (General Fund Restricted).

The Analyst's FY 2004 base budget reflects reductions made by the Legislature in appropriating the FY 2003 budget during the 2002 General Session and adjustments made during the 5<sup>th</sup> and 6<sup>th</sup> Special Sessions. The increase of \$253,000 is the net amount of the \$277,000 General Fund transfer from the Health Department and the \$24,000 General Fund reduction from the impact on DSPD of the statewide \$2 million information technology cuts.

	Analyst FY 2004 Base	Analyst FY 2004 Changes	Analyst FY 2004 Total
<b>Financing</b>			
General Fund	40,600,800	253,000	40,853,800
Federal Funds	5,316,200		5,316,200
Dedicated Credits Revenue	1,391,900		1,391,900
GFR - Trust for People with Disabilities	200,000		200,000
Transfers - H - Medical Assistance	92,948,900		92,948,900
Transfers - Other Agencies	1,151,400		1,151,400
Beginning Nonlapsing	40,300		40,300
<b>Total</b>	<u>\$141,649,500</u>	<u>\$253,000</u>	<u>\$141,902,500</u>
<b>Programs</b>			
Administration	2,492,700	(2,600)	2,490,100
Service Delivery	11,894,200	(9,400)	11,884,800
State Developmental Center	32,772,900	(12,000)	32,760,900
DD/MR Waiver Services	86,301,700	277,000	86,578,700
Brain Injury Waiver Services	1,531,300		1,531,300
Physical Disability Waiver Services	1,131,700		1,131,700
Non-waiver Services	5,525,000		5,525,000
<b>Total</b>	<u>\$141,649,500</u>	<u>\$253,000</u>	<u>\$141,902,500</u>
<b>FTE/Other</b>			
Total FTE	979.4	0.0	979.4
Vehicles	83.0	0.0	83.0

## **2.0 Issues: Division of Services for People with Disabilities**

### **2.1 Program Restructuring in DSPD**

For FY 2002, the Legislature restructured the programmatic presentation of budget information. Four new programs were created for the appropriations process reflecting interest in services being provided by type of waiver or non-waiver services: DD/MR Waiver Services (Developmental Disabilities and Mental Retardation), Brain Injury Waiver Services, Physical Disability Services, and Non-waiver Services. The previous programmatic structure presented budget information according to types of services being provided: Residential Services, Day Services, Supported Employment, Family Support, Physical Disabilities Services, and Transportation Services.

### **2.2 Previous Budget Reductions:**

During the 2002 General Session, the Legislative adjustments to the FY 2003 DSPD General Fund budget resulted in a net reduction of \$1,571,900. Reductions include across-the-board administrative cuts of \$309,800; service delivery staff reductions for \$689,300; elimination of mini-grants to people on the waiting list (\$500,000); and \$330,000 from restricting services to people not Medicaid eligible. During the 5<sup>th</sup> Special Session (July 2002), the Legislature reduced service budgets by another \$658,500 from the General Fund, most of which was a reduction in services to the Non-Waiver Services program.

### **2.3 December 2002 Special Session:**

During the 6<sup>th</sup> Special Session in December 2002, the Legislature reduced the DSPD FY 2003 budget by an additional \$872,600 General Funds (\$2,674,200 all funds), with the major reduction (\$611,700 General Fund) in services for people in the Home and Community Based Waiver for people with Developmental Disabilities and/or Mental Retardation (DD/MR). For FY 2003, these reductions were restored with one-time General Fund sources. The FY 2004 recommended base budget, however, does not include restoration of these funds.

### **2.4 One-time Appropriation from Trust Fund**

For FY 2002, the Legislature, through intent language, directed the Division to use some of the \$200,000 appropriated from the Trust Fund for People with Disabilities (General Fund Restricted) to cover increased utility costs at the State Developmental Center. The Center actually spent \$18,200 from the Trust Fund on increased utility costs and \$68,500 from the Fund on increased medication costs.

For FY 2003, the Legislature approved expenditures from the Trust Fund totaling \$200,000. Included, was \$100,000 to be used to offset a \$100,000 budget reduction in the Division's operating budget, \$50,000 for assistive technology equipment, and \$50,000 for remodeling projects at the Development Center. As of December 2002, the Division has used \$100,000 from the Trust Fund for expenditures in the DD/MR Waiver line item. The expenditures for assistive technology equipment are planned for the end of FY 2003, as are the remodeling projects at the Developmental Center.

By statute, the Legislature may only appropriate interest and lease revenues received by the fund (about \$100,000 annually, but has accumulated to over \$200,000), not its principal. All appropriations from the Fund are considered one-time in nature.

## **2.5 Transfer from TANF**

The base budget for DSPD includes \$3,445,200 from federal TANF (Temporary Assistance to Needy Families) "surplus" funds transferred to the Social Services Block Grant (SSBG). Included in this amount is a \$1.8 million increase approved by the 2000 Legislature for FY 2001 for services for people on the waiting list. In 2002, the Legislature included intent language directing the Legislative Fiscal Analyst to consider replacing this increase in TANF transfers with sufficient General Funds in the FY 2004 budget recommendations to provide the equivalent amount of service. Due to funding restrictions, the Analyst has not included this in the FY 2004 recommendations. Since all TANF transfers are one-time in nature, they must eventually be replaced with State funds to maintain the same level of services.

## **2.6 Waiting List for People with Disabilities – Lawsuit Filed**

There are currently 1,577 people with immediate needs waiting for various community-based services, including 309 waiting for community residential services. It would take approximately \$6.7 million dollars (General Fund) to fund the current waiting list under current service policies.

In addition there are 123 people currently in service that have an immediate need for additional services. It would take about \$1.1 million (General Fund) to fund the current waiting list for additional services.

On December 19, 2002, the Disability Law Center, on behalf of the ARC of Utah and a number of individuals who have been waiting for community services, filed a class-action lawsuit in the U.S. District Court. The suit claims the State has been negligent in providing services to individuals on the waiting list in violation of the Americans With Disabilities Act and the recent U.S. Supreme Court Olmstead decision.

## 2.7 Emergency Services

While the Division of Services for People with Disabilities is not formally requesting an increase for waiting list funding, it is requesting additional funds for emergency services for FY 2004. These are cases when a caregiver dies or becomes unable to continue care, and cases where the Court orders the Division to provide care. If funds become available, the Analyst recommends that the Legislature consider increased General Fund appropriations of about \$400,000 for people on the waiting list and another \$665,000 for emergency services.

## 2.8 Portability Funding

Since FY 2000, approximately 80 people have moved from the ICF/MR to services in the community. Under the portability policy, it was agreed that state funds would be transferred from the Department of Health, to DSPD. Under contract, \$277,000 of General Funds was transferred in FY 2001 and FY 2002, which represent the equivalent ICF/MR costs, for the individuals who moved out in the first year, FY 2000. DSPD has absorbed the costs of people moved since then. Instead of moving these funds annually by contract, the Fiscal Analyst recommends a base budget shift of \$277,000 General Fund from the Health Department to DSPD. Also, if funds become available, the Analyst recommends the Legislature consider an appropriation of \$326,500 (General Fund) to DSPD for the 25 expected transfers in FY 2004.

## 2.9 FMAP Match Rate

The Federal Medical Assistance Payments (FMAP) match rate changes from 70.93 percent to 71.60 percent effectively for State Fiscal Year 2004. As with FY 2003, this rate change will realize a projected savings to the division, about \$887,100 (General Funds) for FY 2004.

## 2.10 Intent Language

The 2002 Legislature approved the following intent language applicable to the Division of Services for People with Disabilities:

*Prevailing labor  
market conditions*

*“It is the intent of the Legislature that in renewing contracts with private providers the Division of Services for People with Disabilities shall consider prevailing labor market conditions.”*

This is a continual consideration by the Division during contract development with service providers. The Division considers market conditions in the rate setting process. It negotiates contracts within the boundaries of the department-approved rates for the services purchased.

*Rent and costs of operating state-owned group homes*

*“It is the intent of the Legislature that rent collected from individuals who occupy state owned group homes be applied to the cost of maintaining these facilities. It is also the intent of the Legislature that the Division of Services for People with Disabilities provide an accounting of state owned group home rents and costs to the Legislature or Office of Legislative Fiscal Analyst.”*

The Legislative Analyst has reviewed the FY 2002 statement showing total rental receipts of \$129,300. After food charges and maintenance expenses are deducted, there is a net income of \$32,600. The private providers who operate these homes hold these funds for future major repairs of the facilities. As of June 30, 2002, these accumulated funds total about \$156,100 for the five homes.

*Maximize ability to serve individuals on waiting list*

*“It is the intent of the Legislature that the Division of Services for People with Disabilities seeks to maximize its ability to serve individuals on the waiting list through reviewing existing policies, budgets, and service allocations and pursuing any appropriate additional federal waivers or funding or other creative mechanisms. It is further the intent that the Division report to the 2003 Health and Human Services Appropriations Subcommittee on its progress and that the subcommittee consider options to reward the Division employees based on the progress made and in accordance with DHRM rules.”*

The Division will report in more detail to the subcommittee during the 2003 General Legislative Session.

*Use of new funds appropriated for people on the waiting list*

*“It is the intent of the Legislature that funds appropriated for the home and community based services waiting list for people with disabilities be used exclusively for direct services and related support. It is further the intent of the Legislature that the Division report to the Office of Legislative Fiscal Analyst by December 2002, on the number of individuals served and services provided.”*

The Fiscal Analyst has received this information and, along with the Division, will provide the subcommittee further information on the use of waiting list funds for direct services and related supports during the budget hearing.

Briefly, in FY 2002, the Division provided services for 349 people that came off the waiting list that year, bringing the total number of people in service to 4,341 people statewide, including 4,107 who received support in their homes or local communities and 234 at the Developmental Center. Another 549 people received services in privately operated ICFs/MR. As of November 2002 the Division had a waiting list of 1,886 people in immediate need of services. Of this number, about 309 persons are receiving some services and waiting for others, while about 1,577 are receiving no services.

*Replacement of TANF funds transferred for services to people on the waiting list*

*“It is the intent of the Legislature that any TANF funds transferred to the Division of Services for People with Disabilities in excess of the amount transferred in the FY 2000 base budget be considered one-time and the Office of Legislative Fiscal Analyst, in preparing the recommendations for the FY 2004 budget, consider replacing the excess TANF transfer with sufficient General Fund to provide the equivalent amount of service.”*

The FY 2003 appropriation for DSPD included \$3,445,200 in funds transferred from the TANF “rainy day” fund. This is \$1,800,000 above the \$1,645,200 included in the FY 2000 appropriation. The Fiscal Analyst has considered this request, but due to funding restrictions could not include the amount in the FY 2004 recommendation. The State is able to transfer these funds again for FY 2004.

*Limits on services to non-Medicaid eligible clients*

*“It is the intent of the Legislature that no more than 15 percent of the individuals served by the Division of Services for People with Disabilities shall be non-Medicaid or non-waiver eligible. It is further the intent of the Legislature that in fiscal year 2003, a maximum of \$6,500,000 in State General Funds other than Medicaid, be expended on non-Medicaid, non-waiver individuals or services by the Division.*

Based on estimates given by the Division, it appears that these limits on non-Medicaid clients and non-waiver services will be complied with. In FY 2002, the non-Medicaid, non-waiver group made up nine percent of those receiving services and accounted for expenditures totaling \$4.2 million. As of December 2002, over 40 percent of the people in this group (129 out of 300) have had a reduction in funding to match the amount paid by the State for services to a person eligible for the Medicaid waiver.

Many waiver eligible individuals also receive non-Medicaid reimbursed services, such as guardianship, housing, cash assistance, psychological evaluations, special needs, and start-up costs. Waiver eligible individuals and their associated non-Medicaid costs were not included in the calculations above. In FY 2002, 479 waiver eligible individuals received non-Medicaid services at a total cost of \$1.3 million.

Since 1999, more than 600 people have transitioned from non-waiver services to Medicaid waiver eligibility. The number remaining on the non-eligible waiver now comprise seven percent of the total client population, and is expected to remain fairly stable over the next few years.

*Division flexibility in implementing budget reductions for FY 2003*

*“ It is the intent of the Legislature that the Division of Services for People with Disabilities has the flexibility to implement fiscal year 2003 budget reductions in programs as appropriate. It is further the intent of the Legislature that the Division first seek to achieve savings through attrition, second, through re-evaluation of service packages and reduction of service levels within those packages where appropriate, and lastly, through removing individuals from service entirely. The Division will report to the Health and Human Services Joint Appropriations Sub-Committee during the 2003 General Session on the actions taken.”*

The Division is prepared to report on these efforts during the regular appropriation subcommittee meetings during the 2003 General Session.

*FY 2002 use of Trust Fund for People with Disabilities*

*“It is the intent of the Legislature that the Division of Services for People with Disabilities use funds already appropriated for FY 2002 from the Trust Fund for People with Disabilities to pay increased fuel and power costs at the State Developmental Center.”*

According to Division staff, the Division used \$18,200 from the Trust Fund for paying higher utility bills at the Developmental Center in FY 2002. It also used \$68,500 from the Fund for increased medication costs.

### 3.0 Programs: Division of Services for People with Disabilities

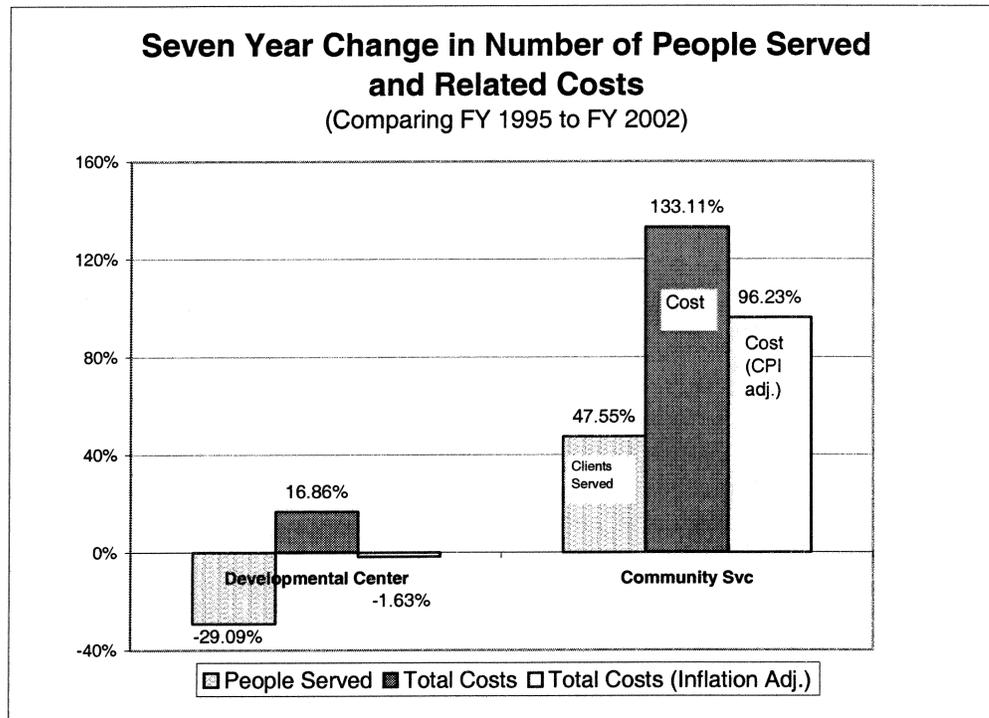
The Division has statutory authority for providing community-based services and supports for people with disabilities through its three Medicaid Home and Community-Based Services Waivers (HCBS) – one for individuals with developmental disabilities, one for individuals with brain injuries, and one for individuals with physical disabilities. It also provides some services through state-funded programs. Independent service providers deliver these services under contractual agreement with the Division through its four regional offices.

The Division serves as the “gate keeper” for services for people with mental retardation and developmental disabilities (MR/DD). The Division operates the State Developmental Center in American Fork, Utah’s only state operated ICF/MR (Intermediate Care Facility for persons with Mental Retardation). DSPD contracts with private providers for home and community-based services, with most clients funded through the HCBS waiver. State funds are used for some people who are not eligible for Medicaid waiver services. The Division also certifies eligibility for and approves referrals for services through private ICFs/MR providers. However, ICFs/MR operate under the authority of and are funded through the Department of Health.

#### Performance Measures

##### *Service Budgets Have Grown Faster than the Number of People Served*

The following chart and table compares seven-year changes in service budgets with increases in the number of people receiving services. The Analyst has adjusted budgets by annual changes in the Consumer Price Index. Budgets show significantly greater percentage increase than the percentage increase in the number of people served. Community-based services’ budgets have grown by 96 percent over the past seven years; however, the number of people receiving services has only increased about 47.5 percent. The Developmental Center has seen a 29 percent decrease in the number of residents, while it’s inflation-adjusted budget has declined by less than two percent. The inflation-adjusted budget for administration and service delivery staff has grown by 56 percent, while the overall population served has increased by 42 percent. The budget figures and actual numbers of people served are shown in the next chart and table.



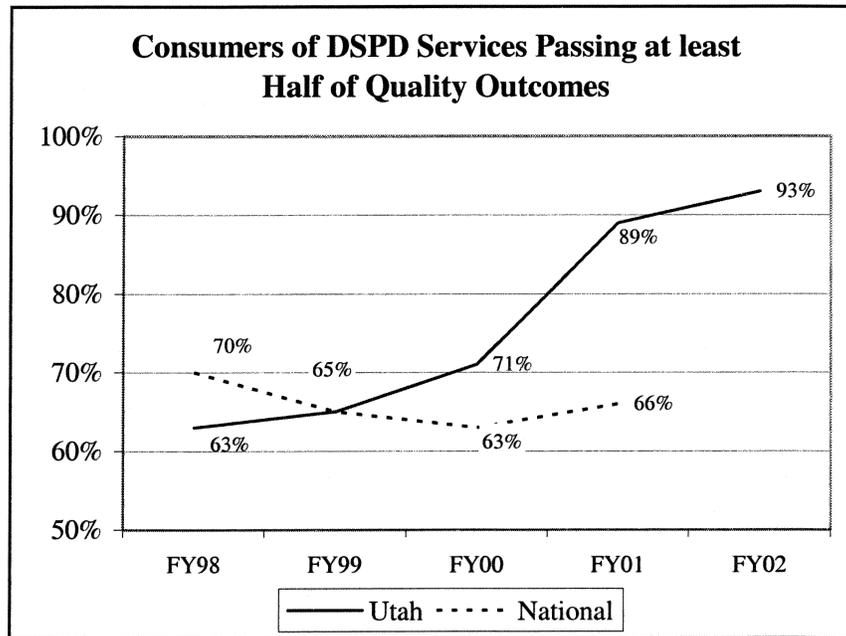
### DIVISION OF SERVICES FOR PEOPLE WITH DISABILITIES HISTORY OF GROWTH IN SERVICES COMPARED TO GROWTH IN BUDGETS (FY 1995 TO FY 2002)

	Developmental Ctr		Community Based Svc		Admin & Svc Delivery**	
	Adjusted* Expenditures	Clients Served	Adjusted* Expenditures	Clients Served	Adjusted* Expenditures	Tot. Clients Served
FY 1995	27,566,500	330	41,529,600	4,034	8,001,900	4,364
FY 1996	27,605,500	307	47,635,700	4,394	8,741,300	4,701
FY 1997	26,451,700	284	56,002,700	4,595	9,447,300	4,879
FY 1998	26,970,700	261	62,074,500	4,704	9,612,600	4,965
FY 1999	26,985,800	237	67,147,700	4,865	9,966,700	5,102
FY 2000	27,352,700	236	72,739,800	5,210	11,276,800	5,446
FY 2001	27,203,400	234	75,955,900	5,718	12,283,300	5,952
FY 2002	27,117,700	234	81,493,800	5,952	12,503,600	6,186
<b>7-Yr % Chg</b>	<b>-1.63%</b>	<b>-29.09%</b>	<b>96.23%</b>	<b>47.55%</b>	<b>56.26%</b>	<b>41.75%</b>

\*Actual expenditures adjusted for inflation.      \*\* Includes support coordinators & other support staff  
Sources: Legislative Fiscal Analyst and DSPD

*Number of Consumers Passing More than Half of Quality Outcomes is Increasing*

The following chart shows the percentage of persons receiving Division services who have 13 or more positive results on the 25 measured quality outcomes. This percentage has increased from 63 to 93 percent over the past four years in Utah. The national percentage was 66 percent in 2001. The Council on Quality and Leadership in Supports for People with Disabilities, an accrediting organization, defines the "Quality Outcomes."



**Health Care Financing**

Utah’s Medicaid agency is the Division of Health Care Financing (HCF) in the Department of Health. This agency coordinates with DSPD in establishing rates and eligibility, in preparing revisions and renewals of Utah’s Home and Community-Based Services Waiver, receiving billings and processing reimbursements of Medicaid dollars, and in compliance training and monitoring. HCF also contracts with and provides administrative oversight for private ICFs/MR.

**Intermediate Care Facilities for People with Mental Retardation (ICF/MR)**

The State has chosen to provide Medicaid supported services for people with mental retardation and developmental disabilities (MR/DD). There are two programs provided by the State. One is a mix of private and publicly owned and operated ICFs/MR. Private institutions range in size from 15 persons to more than 80 persons. The ICF/MR system is funded through the Division of Health Care Finance (HCF) in the State Department of Health. The Utah State Developmental Center in American Fork, with its current population of 234 residents, is a state operated ICF/MR and is funded through DSPD. The ICF/MR system is approximately 70 percent funded with Medicaid transfer payments. Although the ICF/MR program is optional, if a state chooses to provide the service, it becomes an entitlement to eligible individuals, meaning that there cannot be a waiting list for services. The current ICF/MR system is approximately 97 percent full. However, there is a turnover in its residents. In the last seven years, 328 people have been referred for placement in private ICFs/MR. There is a state-imposed moratorium on the creation of added capacity.

**Home and  
Community-based  
Services (HCBS)**

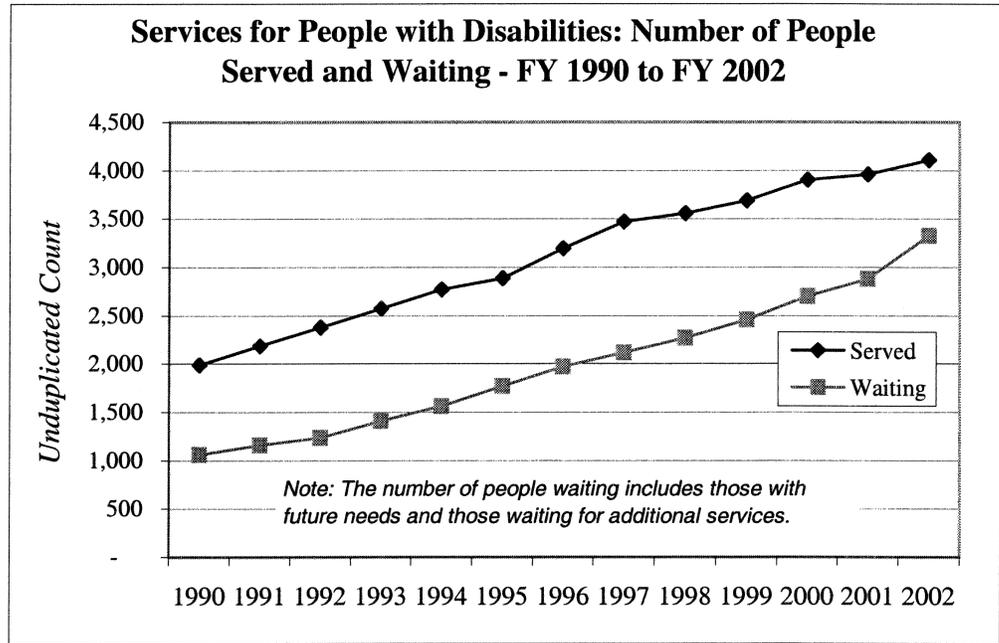
The State has also chosen to provide an alternative to the ICF/MR system, which is the Home and Community Based Services (HCBS) system. The HCBS includes services and supports for people in homes and apartments located in community settings throughout the State. This system is also 70 percent funded by Medicaid transfers through its waiver program. This service is not an entitlement to eligible people, but can be used only as far as resources permit. Therefore, most states have waiting lists for services in the HCBS alternative program. The HCBS is funded through DSPD, which determines eligibility for services in both the ICF/MR and the HCBS systems and serves as the “gatekeeper.”

The State also provides services for some residents who are not Medicaid-eligible either because their medical treatment needs are not available through the Medicaid waiver or because of the income and asset situation of the client. The non-waiver eligible or “state funded” clients number about 300 and their service costs is estimated to be about \$2.5 million in State General Funds. Although referred to as “state funded,” it is a mix of General Funds (about \$1.9 million), Social Services Block Grant and TANF funds. Legislative intent language for FY 2003 directs to Division to limit services to non-Medicaid clients and non-waiver services to 15 percent to total clients and \$6.5 million.

**Waiting List for  
Community-based  
Services**

As of November 2002, there were 1,577 people on the “immediate needs” waiting list for community-based services who are currently not receiving any services. These include 309 waiting for community residential services, 1,108 for family support, 306 for supported employment, 160 for day training, and 64 for personal assistance services. Some individuals are waiting for more than one type of service. The Division maintains a second list of people identified with future service needs. This list now totals 986. Also, not part of either waiting list, are 765 individuals currently receiving some services, but waiting for additional services. This brings the total of all people waiting for services, either with immediate needs, or future needs, to 3,328.

The Legislature has attempted to reduce this list, but it still grows. In the last eight years, the Legislature has increased the base service budgets by approximately \$33 million in new funding (including \$8.9 million State Funds and \$2.8 million in TANF transfers) to provide services for people on the waiting list. In addition, \$5.5 million in new base funding has been appropriated for emergency community placement needs (including \$1.8 million State Funds and TANF transfers). The following chart shows the growth in the number of people served and the number of people on the waiting list since FY 1990.



**Supreme Court Decision Regarding ADA “Integration Rule”**

On June 22, 1999, the U.S. Supreme Court ruled (*Olmstead vs. I.C., et al*) in an appeal of a lower court decision alleging that the state of Georgia violated the “integration rule” of the Americans with Disabilities Act (ADA). The suit charged that Georgia was in violation of the ADA because it had denied community-based services to two mentally ill residents in a psychiatric hospital. Basically, the Supreme Court said that states must place institutionalized people with disabilities in community settings, if appropriate, and if desired by the affected individual, and if “the placement can be reasonably accommodated, taking into account the resources available to the state and the needs of others with mental disabilities.” The Court did not say that ADA provides individuals in an institution with an entitlement to community-based services. Justice Ginsberg, in the majority opinion, specifically allowed that states could maintain a well-ordered waiting list for services as long as the list moved at a “reasonable pace” and there was a “comprehensive, effective working plan for placing qualified persons with mental disabilities in less restrictive settings.” In Utah, the Departments of Health and Human Services, allied agencies, service providers and consumers are currently developing the working plan through a collaborative effort.

**Waiting Lists Under Attack**

In large part due to various interpretations of the Supreme Court Olmstead decision, the practice of maintaining waiting lists for HCBS services is under attack in many states by advocates for people with disabilities. Waiting list lawsuits challenge the States' discretion to limit availability of Medicaid long-term waiver services. Plaintiffs charge that provisions of the Federal Medicaid law and Americans with Disabilities Act create an obligation for states to furnish Medicaid home and community services on an as need basis. While institutionalized Medicaid services (such as ICFs/MR) are considered an entitlement to eligible individuals, states claim that HCBS services are not such an entitlement. As of December 2002, waiting list lawsuits have been filed in 22 states, including Colorado, Montana, New Mexico, Oregon, and Washington. Settlement agreements have been reached in six of these cases where state and local agencies have typically agreed to significantly increase funding for HCBS services over a period of time. Oregon has entered into a settlement agreement that would eliminate its waiting list by the year 2007, at an estimated cumulative cost of \$350 million.

**Utah is sued in December 2002**

On December 19, 2002, the Disability Law Center, on behalf of the ARC of Utah and a number of individuals who have been waiting for community services, filed a class-action lawsuit in the U.S. District Court. The suit claims the State has been negligent in providing services to individuals on the waiting list in violation of the Americans With Disabilities Act and the recent U.S. Supreme Court Olmstead decision. The suit doesn't include a specific funding demand, but it does ask the State to eliminate the waiting list by creating a plan to provide services to all eligible individuals on that list within a reasonable time frame.

**Waiting List Funding Request**

DSPD estimates it would take about \$6.7 million dollars (General Fund) to fully fund the current waiting list under the current service policies. Obviously, if the State changes its policy on what and to whom the State serves, this number could change dramatically. The Governor's FY 2004 budget includes \$400,000 in a building block to increase funding for people on the waiting list.

**Emergency Services**

Each year, there are emergencies requiring immediate assistance from the Division. Crises arise when children grow older and become too large or too behaviorally difficult for their parents, when older parents can no longer physically care for their adult child, and when caretakers become ill or die. It also includes cases where individuals are committed to Division services by the courts. The Division is requesting \$860,700 from the General Fund. Combined with federal Medicaid funding of about \$2.1 million, this would serve about 46 individuals. The Governor's budget includes \$665,100 from the General Fund.

**Portability Funding**

In 1998, Representative Hogue sponsored legislation that set in motion a process where individuals with developmental disabilities and/or mental retardation who are receiving state services could move from institutional care (ICFs/MR) to community based services (or the reverse). Approximately 80 people since FY 2000 have moved from the ICF/MR to services in the community. It was agreed that to facilitate these moves, state funds would also be transferred from the Department of Health, which funds ICFs/MR clients, to DSPD, which funds the community services program. Under contract, \$277,200 of General Funds was transferred in FY 2001 and FY 2002, which represent the equivalent ICF/MR costs, for the individuals who moved out in the first year, FY 2000. DSPD has absorbed the costs of people moved since then. There have been no moves from a community placement to an ICF/MR. The Fiscal Analyst is recommending a transfer of \$277,000 from the General Fund base in the Health Department to the DSPD base budget in Human Services. Since DSPD has been able to absorb the cost of transfers since FY 2000, the Analyst recommends the Legislature consider an appropriation only for the expected 25 new clients wishing to transfer in FY 2004, about \$326,500 (General Fund), if funds become available.

**TANF Replacement**

The FY 2002 base budget for DSPD includes \$3,445,200 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG). The Legislature increased the transfer amount by \$1.8 million in FY 2001. This funding source is considered one-time in nature and must eventually be replaced to maintain current service levels. Included with last year’s appropriation was intent language directing the Legislative Fiscal Analyst to consider replacing the [increase in] TANF transfers above the FY 2000 level with sufficient General Funds to “provide the equivalent amount of service.” That is currently estimated at about \$1.8 million. Funding restrictions precluded the Analyst from including this in the FY 2004 recommended budget.

**Federal Match Rate Change**

The Federal Medical Assistance Payments (FMAP) match rate changes from 70.93 percent to 71.60 percent effectively for State Fiscal Year 2004. This rate change will realize a projected savings to the department of \$887,100 in General Funds, with detailed savings by program as shown below. These funds are available for re-distribution by the appropriations subcommittee.

Service Delivery:	\$ 44,600
Developmental Center:	221,600
DD/MR Waiver Services:	601,900
Brain Injury Waiver Services:	10,500
Physical Disability Waiver Services:	8,500

**Trust Fund for  
People with  
Disabilities**

In 1995, the Legislature created a Trust Fund for People with Disabilities (63A-5-220, UCA) consisting of proceeds from the sale or lease of lands and facilities at the Utah State Developmental Center (USDC) at American Fork. By statute, the Legislature may only appropriate interest earned on the fund, lease and rental receipts. After approved by the Board of Services for People with Disabilities, these funds may be used for programs described in Title 62A, Chapter 5, which is the DSPD section of the code.

The June 30, 2002, balance of approximately \$2.4 million comes from the sale of land to American Fork City in FY 1998, contract payments on the sale of the Adventure and Learning Park to Highland City, the sale of five acres of orchards, recent sale of the State-owned section of the Tri-City golf course, and interest and lease payments. The June 30 fund balance available for appropriation is about \$355,000. Net lease and interest receipts have been averaging about \$100,000 per year.

For FY 2003, the Legislature approved expenditures from the Trust Fund totaling \$200,000. Included, was \$100,000 to be used to offset a \$100,000 budget reduction in the Division's operating budget, \$50,000 for assistive technology equipment, and \$50,000 for remodeling projects at the Development Center. The Analyst has included a continued appropriation of \$200,000 from this fund for FY 2004.

**3.1 Division of Services for Peoples with Disabilities - Administration**

**Recommendation**

For DSPD Administration, the Fiscal Analyst’s FY 2004 budget totals approximately \$2.5 million, including \$899,900 from the General Fund. The FY 2003 estimated budget reflects actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$81,800 (\$32,800 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions will impact the FY 2004 budget. In addition, this budget is reduced by \$2,600 (General Fund) for the Information Technology reductions.

**Purpose**

The State Administration Office provides development, quality assurance, general management, and budget and fiscal oversight for the state operated support coordination (case management) system, contracts for private and public service providers, and the Utah State Developmental Center at American Fork. The Office also develops policy recommendations for the Board of Services for People with Disabilities.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,110,800	902,500	899,900	(2,600)
General Fund, One-time		32,800		(32,800)
Federal Funds		100,000	100,000	
Dedicated Credits Revenue	3,900	53,500	53,500	
GFR - Trust for People with Disabilities		50,000	50,000	
Transfers - H - Medical Assistance	1,211,400	1,395,400	1,346,400	(49,000)
Transfers - Other Agencies	259,400			
Beginning Nonlapsing	500	40,300	40,300	
Lapsing Balance	(8,800)			
<b>Total</b>	<b>\$2,577,200</b>	<b>\$2,574,500</b>	<b>\$2,490,100</b>	<b>(\$84,400)</b>
<b>Expenditures</b>				
Personal Services	1,942,500	1,828,900	1,753,900	(75,000)
In-State Travel	40,700	33,300	33,300	
Out of State Travel	5,300	11,200	11,200	
Current Expense	416,300	383,700	376,900	(6,800)
DP Current Expense	143,700	172,400	169,800	(2,600)
Other Charges/Pass Thru	28,700	145,000	145,000	
<b>Total</b>	<b>\$2,577,200</b>	<b>\$2,574,500</b>	<b>\$2,490,100</b>	<b>(\$84,400)</b>
<b>FTE/Other</b>				
Total FTE	34.5	33.6	32.1	(1.5)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**3.2 Service Delivery**

**Recommendation**

The Analyst’s FY 2004 budget for this program totals \$11.9 million, including \$5.3 million from the General Fund. The FY 2003 estimated budget reflects actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$418,400 (\$191,900 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions will impact the FY 2004 budget. In addition, this budget is reduced by \$9,400 (General Fund) for the Information Technology reductions.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	5,110,900	5,280,700	5,271,300	(9,400)
General Fund, One-time		191,900		(191,900)
Federal Funds		400,000	400,000	
Transfers - H - Medical Assistance	7,019,500	6,440,000	6,213,500	(226,500)
Transfers - Other Agencies	150,000			
Closing Nonlapsing	(4,400)			
<b>Total</b>	<b>\$12,276,000</b>	<b>\$12,312,600</b>	<b>\$11,884,800</b>	<b>(\$427,800)</b>
<b>Expenditures</b>				
Personal Services	10,370,400	10,424,600	10,024,600	(400,000)
In-State Travel	147,600	136,700	136,700	
Out of State Travel	900	3,300	3,300	
Current Expense	1,305,400	1,309,300	1,290,900	(18,400)
DP Current Expense	448,800	438,700	429,300	(9,400)
Other Charges/Pass Thru	2,900			
<b>Total</b>	<b>\$12,276,000</b>	<b>\$12,312,600</b>	<b>\$11,884,800</b>	<b>(\$427,800)</b>
<b>FTE/Other</b>				
Total FTE	219.3	223.5	214.5	(9.0)
Vehicles	0.0	0.0	29.0	29.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The Division has divided the state into four regions for service delivery, which is the same regional structure used by several divisions in the Department. The regional service delivery staff provides service coordination for service recipients and is the point of entry for people seeking services from the Division. The regions contract for services with local private providers, and oversee and evaluate the quality of services delivered. The regions also maintain waiting lists of people requesting services.

### 3.3 State Developmental Center

The Analyst's FY 2004 budget for the Utah State Developmental Center totals \$32.8 million, including \$8.3 million from the General Fund. The FY 2003 estimated budget reflects actions of the 5<sup>th</sup> Special Legislative Session. There were no reductions made by the 6<sup>th</sup> Special Session in the FY 2003 base budget. However, this budget is reduced by \$12,000 (General Fund) for the Information Technology reductions.

#### Recommendation

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	7,960,300	8,313,300	8,301,300	(12,000)
Dedicated Credits Revenue	1,298,000	1,338,400	1,338,400	
GFR - Trust for People with Disabilities	100,000	50,000	50,000	
Transfers - H - Medical Assistance	22,449,600	22,755,900	22,755,900	
Transfers - Other Agencies	408,300	315,300	315,300	
Closing Nonlapsing	(2,700)			
<b>Total</b>	<b>\$32,213,500</b>	<b>\$32,772,900</b>	<b>\$32,760,900</b>	<b>(\$12,000)</b>
<b>Expenditures</b>				
Personal Services	25,824,100	26,707,900	26,707,900	
In-State Travel	4,900	6,700	6,700	
Out of State Travel	1,900	7,200	7,200	
Current Expense	5,508,300	5,386,400	5,386,400	
DP Current Expense	654,000	558,700	546,700	(12,000)
DP Capital Outlay	40,100	6,000	6,000	
Capital Outlay	180,200	100,000	100,000	
<b>Total</b>	<b>\$32,213,500</b>	<b>\$32,772,900</b>	<b>\$32,760,900</b>	<b>(\$12,000)</b>
<b>FTE/Other</b>				
Total FTE	699.1	732.8	732.8	0.0
Vehicles	0.0	0.0	54.0	54.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

The Utah State Developmental Center (USDC), (formerly known as the Utah State Training School), is an Intermediate Care Facility (for persons who have) Mental Retardation (ICF/MR). The Center provides 24-hour residential services and active treatment services. Specialized services include medical and dental services, physical, occupational, speech, and recreation therapy; psychological services, social work, and day training.

The Center has seen its population decrease from about 425 in 1991 to 234 today, largely due to the out movement of clients to community placements mandated by the Lisa P. Settlement. The Center has restructured its delivery system, remodeling many of its dormitory type housing units into apartments with one to three bedrooms, providing more independence and privacy. This has altered the care delivery system at the Center, requiring a greater staff-to-client ratio. This has served to decrease problem behaviors of residents and improved their quality of life.

### 3.4 DD/MR Waiver Services

#### Recommendation

The Analyst's FY 2004 budget for services for people with developmental disabilities / mental retardation (DD/MR) totals \$86.6 million, including \$25.4 million from the General Fund. The FY 2003 estimated budget reflects actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$2,084,000 (\$611,700 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions will impact the FY 2004 budget. This budget recommendation also reflects the base General Fund shift of \$277,000 from the Department of Health for the portability program moving people from ICFs/MR to community based programs.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	22,310,200	25,128,600	25,405,600	277,000
General Fund, One-time		611,700		(611,700)
GFR - Trust for People with Disabilities	100,000	100,000	100,000	
Transfers - H - Medical Assistance	62,100,800	61,709,300	60,237,000	(1,472,300)
Transfers - Other Agencies	3,014,100	836,100	836,100	
Closing Nonlapsing	(24,300)			
<b>Total</b>	<b>\$87,500,800</b>	<b>\$88,385,700</b>	<b>\$86,578,700</b>	<b>(\$1,807,000)</b>
<b>Expenditures</b>				
Other Charges/Pass Thru	87,500,800	88,385,700	86,578,700	(1,807,000)
<b>Total</b>	<b>\$87,500,800</b>	<b>\$88,385,700</b>	<b>\$86,578,700</b>	<b>(\$1,807,000)</b>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Services Provided

Included in DD/MR Waiver Services, as well as the other waiver services, is a multitude of services, from family support to 24-hour residential services.

RESIDENTIAL SERVICES include five basic models, which fall into two broad categories of supported living and supervised living:

- a. Supported Living – Trained staff available to provide support services as needed, but less than 24 hours a day.
  - ◆ *Supported living arrangements:* Consumers live independently in apartments and receive periodic assistance and training with money management and other skills necessary for independent living.
  - ◆ *Supervised apartments:* Consumers live in apartments for two or three people. Apartment supervisors are available to provide whatever assistance may be needed.
- b. Supervised Living – Trained staff available to provide supervision and support 24 hours a day.
  - ◆ *Professional parent homes:* These are family homes in which one or two children with disabilities live with 24-hour support in a very intensive therapeutic family arrangement. The families are supported by trainers and consultants and also receive respite care.

- ◆ *Host homes:* These are provided for individuals who have been living in professional parent homes when that person turns 18 years of age and wishes to continue to live in that family home with other adults. The professional parent assumes more of a peer role with the individual and the individual works with the trainer in the acquisition of skills that allow independence as an adult. The person may receive support and/or supervision up to 18 hours per day.
- ◆ *Group homes:* These are the oldest models of community residential living. Although up to eight people may live in a group home, five or fewer people share most homes. In most cases, the group home staff works shifts to provide support throughout the time consumers are at home (typically 17 to 18 hours, but can be up to 24-hours). Training and assistance is provided to meet the needs identified in individual program plans.

DAY SERVICES programs take place in the community or in workshops and are designed to maintain skills in post-school years and provide work opportunities.

- ◆ *Day programs* are designed to promote the ongoing development and maintenance of skills. The services may be provided in a variety of settings, including natural workplace settings throughout the community or at sheltered sites. Many participants in these programs receive federal funding through the Medicaid program. Care must be taken that the goals and objectives for each individual are not directed at teaching specific job skills, as Medicaid will not pay for vocational training as part of the day training program. The average daily cost for day services approximately \$54.
- ◆ *Supported retirement* is designed for people who are age 55 or older or whose health prevents their continued participation in employment or day training. This program utilizes Senior Citizen Centers, Adult Day Centers, and other community programs that provide a variety of activities for seniors.

SUPPORTED EMPLOYMENT programs place people with disabilities in jobs in regular work environments. A job coach is assigned to each person to provide training on the job and to help solve problems that may arise. The cost of supported employment is approximately \$30 per job coach hour. In some cases, individuals are able to reduce the need for a job coach and may eventually handle a job on their own. For most individuals who enter this service, the Office of Rehabilitative Services in the State Office of Education funds the first 170 hours of training and the Division of Services for People with Disabilities provides the ongoing funding.

FAMILY SUPPORT provides services to families that enable them to care for their children with disabilities at home. These services are provided through contract provider agencies or by staff hired directly by parents. The individualized nature of the program does not allow for fixed rates or allocations of funding. The average expenditure for a family is about \$2,800 per year.

TRANSPORTATION SERVICES helps people with disabilities in getting from their homes to day programs, jobs, and other activities. The need for assistance with the means or cost of transporting people is one of the most frequently mentioned issues when public hearings are held on services for people with disabilities. This is especially true in the rural areas of the state. In 2002, 1,522 people received transportation services.

### 3.5 Brain Injury Waiver

#### Recommendation

The Analyst's FY 2004 budget for this program totals approximately \$1.5 million, including \$447,800 from the General Fund. The FY 2003 estimated budget reflects actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$38,800 (\$16,300 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions will impact the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	399,700	447,800	447,800	
General Fund, One-time		16,300		(16,300)
Transfers - H - Medical Assistance	1,087,000	1,106,000	1,083,500	(22,500)
<b>Total</b>	<b>\$1,486,700</b>	<b>\$1,570,100</b>	<b>\$1,531,300</b>	<b>(\$38,800)</b>
<b>Expenditures</b>				
Other Charges/Pass Thru	1,486,700	1,570,100	1,531,300	(38,800)
<b>Total</b>	<b>\$1,486,700</b>	<b>\$1,570,100</b>	<b>\$1,531,300</b>	<b>(\$38,800)</b>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Program Description

The Brain Injury Home and Community-Based Waiver is for people who have a documented brain injury, are 18 years of age or older, and require the level of care provided in a nursing facility. Services provided under this waiver include:

- 1) *Case Management*: Assists people in gaining access to needed services;
- 2) *Respite Care Services*: Gives regular caregivers a break on a short-term basis;
- 3) *Supported Employment*: Helps pay wages to persons who require assistance on the job;

- 4) *Specialized Medical Equipment*: Includes special equipment designed to help individuals move around and communicate with others;
- 5) *Chore Services*: Helps keep the home clean, sanitary and safe;
- 6) *Emergency Response System*: A device that lets high-risk individuals call for help in case of emergency;
- 7) *Companion Services*: Non-medical care, supervision, and social activities given to adults who have a hard time functioning;
- 8) *Family Training*: Offers training and counseling services to families to help them care for the person receiving waiver services;
- 9) *Structured Day Programs*: Supervised activities to help maintain independence.

### 3.6 Physical Disabilities Waiver

#### Recommendation

The Analyst's FY 2004 budget for this program totals approximately \$1.1 million, including \$319,100 from the General Fund. The FY 2003 estimated budget reflects actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$43,600 (\$12,300 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions will impact the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	797,600	319,100	319,100	
General Fund, One-time		12,300		(12,300)
Transfers - H - Medical Assistance	1,022,200	843,900	812,600	(31,300)
Closing Nonlapsing	(100)			
<b>Total</b>	<b>\$1,819,700</b>	<b>\$1,175,300</b>	<b>\$1,131,700</b>	<b>(\$43,600)</b>
<b>Expenditures</b>				
Other Charges/Pass Thru	1,819,700	1,175,300	1,131,700	(43,600)
<b>Total</b>	<b>\$1,819,700</b>	<b>\$1,175,300</b>	<b>\$1,131,700</b>	<b>(\$43,600)</b>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

The Physical Disabilities Waiver and state-funded Personal Assistance Services program provide monthly expenditure allocations between \$350 and \$2,500 to people with severe physical disabilities who can live independently with the aid of a personal attendant. Without this assistance, they would likely be in nursing homes. The grants are based on the level of care required by the person. The person is responsible for the hiring, supervising and paying the attendant. An intermediate organization handles payment and other payroll functions for the individuals hired by the service recipients.

**3.7 Non-Waiver Services**

**Recommendation**

The Analyst’s FY 2004 budget for this program totals approximately \$5.5 million, including \$208,800 from the General Fund. The majority of funds come from the federal Social Services Block Grant (SSBG), including transfers from TANF “surplus” funds. The FY 2003 estimated budget reflects actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$7,600 General Fund as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions will impact the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	2,555,200	208,800	208,800	
General Fund, One-time		7,600		(7,600)
Federal Funds	3,445,200	4,816,200	4,816,200	
Transfers - H - Medical Assistance		500,000	500,000	
<b>Total</b>	<u>\$6,000,400</u>	<u>\$5,532,600</u>	<u>\$5,525,000</u>	<u>(\$7,600)</u>
<b>Expenditures</b>				
Current Expense	1,300			
Other Charges/Pass Thru	5,999,100	5,532,600	5,525,000	(7,600)
<b>Total</b>	<u>\$6,000,400</u>	<u>\$5,532,600</u>	<u>\$5,525,000</u>	<u>(\$7,600)</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

Non-waiver services include services provided individuals who are not eligible for the Medicaid waivers, due to resources of the individual or due to the nature of the disability. State funds and SSBG funds are used to pay the total cost. Concerns by Legislators in the 2002 General Session prompted legislative intent language to limit the amount of funds the Division may spend on non-waiver services in FY 2003 to \$6.5 million in State funds, or the number of individuals to 15 percent of the total number in service.

In FY 2002, the non-Medicaid, non-waiver service recipient group made up nine percent of all persons receiving services and accounted for \$4.2 million of expenditures. As of December 2002, over 40 percent (129 of 312) of the people who make up this group have had their funding level reduced to match the amount paid by the State for Medicaid-waiver eligible persons.

**4.0 Additional Information: Division of Services for People with Disabilities**

**4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
General Fund	38,123,900	39,000,600	40,244,700	40,600,800	40,853,800
General Fund, One-time				872,600	
Federal Funds	3,502,200	5,331,200	3,445,200	5,316,200	5,316,200
Dedicated Credits Revenue	1,462,341	1,471,700	1,301,900	1,391,900	1,391,900
GFR - IT Innovation Fund		39,300			
GFR - Trust for People with Disabilities			200,000	200,000	200,000
Transfers - H - Medical Assistance	81,381,547	87,293,800	94,890,500	94,750,500	92,948,900
Transfers - Other Agencies	988,700	1,027,500	3,831,800	1,151,400	1,151,400
Beginning Nonlapsing	50,000		500	40,300	40,300
Closing Nonlapsing			(31,500)		
Lapsing Balance	(696)		(8,800)		
<b>Total</b>	<b>\$125,507,992</b>	<b>\$134,164,100</b>	<b>\$143,874,300</b>	<b>\$144,323,700</b>	<b>\$141,902,500</b>
<b>Programs</b>					
Administration	2,819,923	2,710,700	2,577,200	2,574,500	2,490,100
Service Delivery	9,888,508	11,564,600	12,276,000	12,312,600	11,884,800
State Developmental Center	30,825,192	31,615,000	32,213,500	32,772,900	32,760,900
Residential Services	56,334,878	60,459,100			
Day Services	11,431,386	12,242,700			
Supported Employment	5,291,992	5,760,400			
Family Support	6,245,411	6,473,300			
Services for Individuals with Physical Di	956,976	1,353,400			
Transportation Services	1,713,726	1,984,900			
DD/MR Waiver Services			87,500,800	88,385,700	86,578,700
Brain Injury Waiver Services			1,486,700	1,570,100	1,531,300
Physical Disability Waiver Services			1,819,700	1,175,300	1,131,700
Non-waiver Services			6,000,400	5,532,600	5,525,000
<b>Total</b>	<b>\$125,507,992</b>	<b>\$134,164,100</b>	<b>\$143,874,300</b>	<b>\$144,323,700</b>	<b>\$141,902,500</b>
<b>Expenditures</b>					
Personal Services	34,148,311	36,421,000	38,137,000	38,961,400	38,486,400
In-State Travel	211,933	203,100	193,200	176,700	176,700
Out of State Travel	37,688	32,100	8,100	21,700	21,700
Current Expense	7,046,138	7,336,200	7,231,300	7,079,400	7,054,200
DP Current Expense	1,694,637	1,392,100	1,246,500	1,169,800	1,145,800
DP Capital Outlay		41,000	40,100	6,000	6,000
Capital Outlay	203,301	309,400	180,200	100,000	100,000
Other Charges/Pass Thru	82,165,984	88,429,200	96,837,900	96,808,700	94,911,700
<b>Total</b>	<b>\$125,507,992</b>	<b>\$134,164,100</b>	<b>\$143,874,300</b>	<b>\$144,323,700</b>	<b>\$141,902,500</b>
<b>FTE/Other</b>					
Total FTE	924	933	953	990	979
Vehicles					83

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

**4.2-Federal Funds**

	<b>FY 2002 Actual</b>	<b>FY 2003 Authorized</b>	<b>FY 2004 Analyst</b>
SSBG (Social Services Block Grant)	\$3,445,200	\$3,445,200	\$3,445,200
SSBG - Transfer of TANF "surplus"	0	1,871,000	1,871,000
	<u>\$3,445,200</u>	<u>\$5,316,200</u>	<u>\$5,316,200</u>
<i>No State match required.</i>			

### **4.3 Future Impact of Current Federal Fund Decisions**

The future of the Social Services Block Grant is tenuous. It has been reduced significantly over the past few years and will possibly be reduced in the future. There was a move in the previous Congress to reduce the grant by 60 percent. These reductions have so far impacted DSPD by more than \$200,000.

The State has been transferring TANF (Temporary Assistance for Needy Families) "surplus" funds for the past several years to the Department's Social Services Block Grant. There is currently budgeted \$3,445,200 of these transfers in the DSPD operating budget. These transfers are one-time in nature. The TANF program expired in September, and Congress has not yet reauthorized it; however, it is functioning on continuing resolutions. Indications are that the amount of transfers that can be made during the FY 2004 budget year is the same as in the last several years.







Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Office of Recovery Services**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



**1.0 Summary: Office of Recovery Services**

The Office of Recovery Services (ORS) is responsible for collecting funds owed to the State in the Human Services and Medical Assistance areas. ORS also is charged with collecting support payments from non-custodial parents for the custodial parents. If the custodial parent is receiving public assistance, the child support payments are used to reimburse the State and Federal Government for their assistance. If the State has custody of the child, the non-custodial parents are still required to pay child support to the State. Federal law also requires the Office to provide child support collection services to families not receiving public assistance.

**1.1 Financial Summary**

The Fiscal Analyst recommends an FY 2004 appropriation for the Office of Recovery Services totaling approximately \$41 million, including \$10.7 million from the General Fund. The majority of the balance is from federal Title IVD Child Support Grants.

The Analyst’s FY 2004 base budget reflects adjustments made by the Legislature in appropriating the FY 2003 budget during the 2002 General Session. It also reflects legislative adjustments made during the 5<sup>th</sup> and 6<sup>th</sup> Special Sessions last year. The reduction of \$146,100 shown in the following table is the impact on ORS of the statewide \$2 million information technology cuts.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
General Fund	10,810,900	(146,100)	10,664,800
Federal Funds	25,607,500		25,607,500
Dedicated Credits Revenue	2,102,900		2,102,900
Transfers - H - Medical Assistance	1,793,900		1,793,900
Transfers - Other Agencies	857,700		857,700
<b>Total</b>	<b>\$41,172,900</b>	<b>(\$146,100)</b>	<b>\$41,026,800</b>
<b>Programs</b>			
Administration	1,190,900		1,190,900
Financial Services	5,160,000		5,160,000
Electronic Technology	7,340,900	(146,100)	7,194,800
Child Support Services	19,686,500		19,686,500
Investigations and Collections	1,252,900		1,252,900
Children in Care Collections	1,700,900		1,700,900
Attorney General Contract	3,028,000		3,028,000
Medical Collections	1,812,800		1,812,800
<b>Total</b>	<b>\$41,172,900</b>	<b>(\$146,100)</b>	<b>\$41,026,800</b>
<b>FTE/Other</b>			
Total FTE	565.2	0.0	565.2
Vehicles	9.0	0.0	9.0

## **2.0 Issues: Office of Recovery Services**

### **2.1 Previous Budget Reductions**

During the 2002 General Session, the Legislature's actions resulted in a net reduction of about \$2.2 million (\$929,400 General Fund) in the base FY 2003 ORS budget. The General Fund was reduced by \$765,000 in across the board cuts. The Legislature also directed the Office to increase check-processing fees to \$5 per check (with a maximum monthly cost of \$10), which made possible a reduction of \$228,000 from the General Fund. In the July 2002 Special Session, the Legislature reduced the ORS operating budgets by another \$1.4 million (\$442,500 General Fund).

### **2.2 December 2002 Special Session**

When the Legislature met in its 6<sup>th</sup> Special Session last December, it reduced the base FY 2003 General Fund budget by \$392,800 (\$1,515,000 all funds). However, the base General Fund cut was replaced by one-time General Fund sources. The FY 2004 base General Fund budget reflects these latest reductions without the restoration.

### **2.3 Legislative Intent Language**

The 2002 Legislature included intent language in the FY 2003 Appropriations Act (S.B. 1) directing the Office to increase check-processing fees for funds collected for custodial parents.

*"It is the intent of the Legislature that the Office of Recovery Service amend its rules to increase the check processing fee to \$5.00 per check up to a maximum of \$10.00 per month."*

These fees were raised prior to FY 2003 and should generate approximately \$228,000 in additional dedicated credits, which offsets a similar General Fund budget reduction.

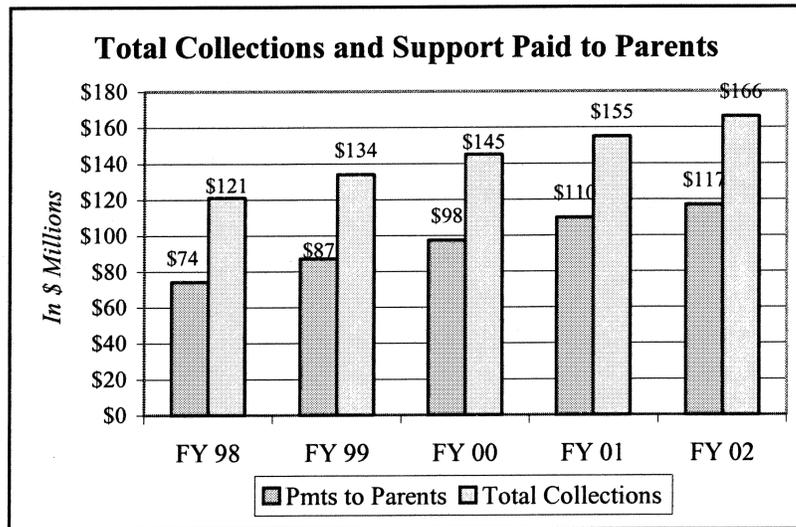
### 3.0 Programs: Office of Recovery Services

**Performance Measures**

While the Division will report in more detail on performance and outcome measures, the Analyst has included in this report several representative measures from department and division reports.

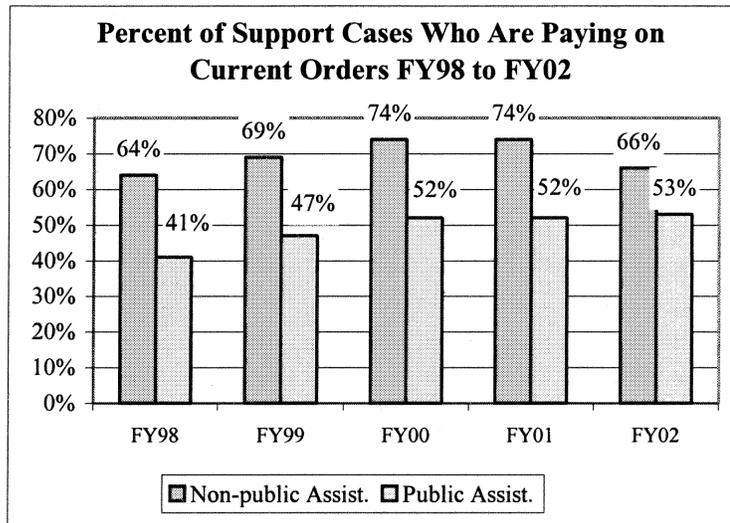
*Total collections and payments to parents are increasing*

The following table shows the growth in total collections over the past four years. It also shows collections distributed to custodial parents. Over a four-year period, from FY 1998 to FY2002, total collections have increased by 37 percent, from \$121 million to \$166 million. Funds distributed to custodial parents have increased by 58 percent, from \$74 million to \$117 million.



*Percent of support cases paying on current orders are increasing*

The second chart shows the percentage of both public assistance and non-public assistance cases with support orders that are making payments. In FY02, 66 percent of non-public assistance cases made at least one payment within the most recent three months. While that's up from 64 percent in FY 1998, it's down from the past several years. The percent of public assistance cases in which at least one payment was made in the last three months increased from 41 percent in FY 1998 to 53 percent in FY 02, which continues an upward trend of the past five years.



*Collections are increasing faster than expenditures and staff levels*

The next table is a twelve-year history of collections, expenditures and staffing levels in the Office of Recovery Services. Population in the State has increased by about 35 percent in the last twelve years. Since FY 1990, ORS collections have increased by 221 percent, from \$51.8 million to \$166.2 million. Operating expenses have increased 176 percent, from \$15.5 million to \$42.8 million. The ratio of collections to expenditures (“cost/benefit” ratio) has remained stable, changing little from FY 1990 to FY 2000. However, it has risen from 3.46 in FY 2000 to 3.88 in FY 2002. Staffing level has increased by 75.6 percent, from 336 to 590. Collections per agency employee (considering all staff) have increased from \$154,300 in FY 1990 to \$281,700 in FY 2002. When inflation is considered, “collections per FTE” is still increasing, having grown by more than 30 percent since FY 1990.

	Total Collections	Total Expenditures	Cost/Benefit Ratio	FTEs	Collections per FTE Actual	Collections per FTE Adj. For Inflation*
FY90	\$51,848,368	\$15,490,983	3.35	336	\$154,300	\$154,300
FY91	58,273,700	18,529,021	3.14	360	161,900	154,500
FY92	67,408,059	20,409,371	3.30	383	176,000	162,100
FY93	73,593,006	23,686,743	3.11	444	165,800	148,300
FY94	79,207,115	27,271,400	2.90	476	166,400	144,700
FY95	90,090,132	33,693,502	2.67	494	182,400	154,500
FY96	94,685,762	36,099,495	2.62	515	183,900	151,400
FY97	112,228,860	34,800,109	3.22	541	207,400	166,500
FY98	121,294,867	35,527,724	3.41	538	225,500	177,500
FY99	134,055,672	40,168,788	3.34	566	236,800	183,000
FY00	146,112,699	42,225,361	3.46	585	249,800	187,700
FY01	155,385,425	41,978,131	3.70	588	264,300	192,200
FY02	166,259,466	42,808,954	3.88	590	281,700	204,856

*\*Note: Inflation factor used CPI*

### 3.1 Office of Recovery Services Administration

#### Recommendation

The Fiscal Analyst recommends an FY 2004 budget for ORS Administration totaling approximately \$1.2 million, including \$284,500 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$43,500 (\$10,400 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	350,769	284,500	284,500	
General Fund, One-time		10,400		(10,400)
Federal Funds	695,019	814,000	785,300	(28,700)
Transfers - H - Medical Assistance	65,493	69,800	67,400	(2,400)
Transfers - Other Agencies	16,885	55,700	53,700	(2,000)
Lapsing Balance	(2,066)			
<b>Total</b>	<b>\$1,126,100</b>	<b>\$1,234,400</b>	<b>\$1,190,900</b>	<b>(\$43,500)</b>
<b>Expenditures</b>				
Personal Services	979,004	1,087,200	1,057,200	(30,000)
In-State Travel	1,943	1,900	1,900	
Out of State Travel	577	600	600	
Current Expense	144,426	144,500	131,000	(13,500)
DP Current Expense	150	200	200	
<b>Total</b>	<b>\$1,126,100</b>	<b>\$1,234,400</b>	<b>\$1,190,900</b>	<b>(\$43,500)</b>
<b>FTE/Other</b>				
Total FTE	17.4	18.5	18.0	(0.5)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

The Administration Bureau is responsible for managerial oversight and leadership of the Office of Recovery Services and its programs. This Bureau includes the ORS Director and staff, clerical support, personnel management, central training, management auditing, contract management, planning and resource development, public information and constituent affairs.

### 3.2 Financial Services

#### Recommendation

The Fiscal Analyst recommends an FY 2004 budget for the Financial Services program totaling approximately \$5.2 million (\$1.2 million General Fund). The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$184,400 (\$42,400 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,318,185	1,152,900	1,152,900	
General Fund, One-time		42,200		(42,200)
Federal Funds	3,604,634	3,799,400	3,665,500	(133,900)
Transfers - H - Medical Assistance	221,763	236,000	227,700	(8,300)
Transfers - Other Agencies	113,162	113,900	113,900	
Lapsing Balance	(10,944)			
<b>Total</b>	<b>\$5,246,800</b>	<b>\$5,344,400</b>	<b>\$5,160,000</b>	<b>(\$184,400)</b>
<b>Expenditures</b>				
Personal Services	1,350,814	1,397,800	1,352,800	(45,000)
In-State Travel	1,569	1,600	1,600	
Current Expense	3,882,392	3,945,000	3,805,600	(139,400)
Capital Outlay	12,025			
<b>Total</b>	<b>\$5,246,800</b>	<b>\$5,344,400</b>	<b>\$5,160,000</b>	<b>(\$184,400)</b>
<b>FTE/Other</b>				
Total FTE	32.5	34.0	33.0	(1.0)
Vehicles	0.0	0.0	9.0	9.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

Financial Services has responsibility for budgetary and financial services for the Division, including check processing and other financial transactions, federal reporting requirements, budget development, purchasing, agency services, facilities, and accounting. The largest section of the staff is responsible for researching, posting, distributing, and disbursing funds collected. Last year, the accounting unit processed more than \$166 million in collections and issued over 700,000 support checks. About one-third of the payments are made through direct deposit to the custodial parents.

### 3.3 Electronic Technology

#### Recommendation

The Analyst’s recommended FY 2004 budget totals \$7.2 million, including \$1.5 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$282,800 (\$61,400 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$146,100 (General Fund) for the Information Technology reductions. ORS took their entire IT reduction in the Electronic Technology program.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,981,345	1,678,200	1,532,100	(146,100)
General Fund, One-time		61,400		(61,400)
Federal Funds	5,429,862	5,414,500	5,205,800	(208,700)
Transfers - H - Medical Assistance	338,307	331,200	318,500	(12,700)
Transfers - Other Agencies	181,980	138,400	138,400	
Lapsing Balance	(16,494)			
<b>Total</b>	<b>\$7,915,000</b>	<b>\$7,623,700</b>	<b>\$7,194,800</b>	<b>(\$428,900)</b>
<b>Expenditures</b>				
Personal Services	1,567,737	1,567,000	1,457,000	(110,000)
In-State Travel	1,841	1,800	1,800	
Current Expense	201,766	201,700	201,700	
DP Current Expense	6,134,107	5,846,800	5,528,000	(318,800)
DP Capital Outlay	9,549	6,400	6,300	(100)
<b>Total</b>	<b>\$7,915,000</b>	<b>\$7,623,700</b>	<b>\$7,194,800</b>	<b>(\$428,900)</b>
<b>FTE/Other</b>				
Total FTE	24.3	25.0	23.0	(2.0)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

This bureau is responsible for the operation and maintenance of the Office of Recovery Services Information System (ORSIS), client server subsystems and LAN support. It is responsible for coordinating efforts with the Department of Human Services Bureau of Information Technology and the State Information Technology Office. Electronic Services is also responsible for the telecommunications needs of ORS. This includes operation of the ORS Automated Information System, which provides an automated method for both custodial and non-custodial parents to check on status of payments. In FY 2002, it handled over 1.7 million telephone calls (equivalent of 20 full time staff).

### 3.4 Child Support Services

**Recommendation**

The Analyst’s FY 2004 budget for Child Support Services totals approximately \$19.7 million, including \$4.8 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$736,800 (\$180,300 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	5,257,140	4,793,100	4,793,100	
General Fund, One-time		180,300		(180,300)
Federal Funds	13,243,905	13,204,100	12,726,700	(477,400)
Dedicated Credits Revenue	1,636,795	2,182,000	2,102,900	(79,100)
Transfers - Other Agencies	63,675	63,800	63,800	
Lapsing Balance	(39,915)			
<b>Total</b>	<b>\$20,161,600</b>	<b>\$20,423,300</b>	<b>\$19,686,500</b>	<b>(\$736,800)</b>
<b>Expenditures</b>				
Personal Services	19,006,256	19,284,400	18,634,400	(650,000)
In-State Travel	18,474	18,500	18,500	
Out of State Travel	296	2,500	2,500	
Current Expense	1,135,842	1,117,200	1,030,400	(86,800)
DP Current Expense	732	700	700	
<b>Total</b>	<b>\$20,161,600</b>	<b>\$20,423,300</b>	<b>\$19,686,500</b>	<b>(\$736,800)</b>
<b>FTE/Other</b>				
Total FTE	404.9	405.2	390.2	(15.0)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

Child Support Enforcement is the largest activity in the Office of Recovery Services. It is responsible for the management of the Federal Title IV-D Child Support Enforcement program for the State that is required by Federal law for the State to receive the Title IV-A (TANF – Temporary Assistance for Needy Families) block grant. The primary purpose of the program is to increase family income through collection of child support. Combined with other income, this will assist families to become self-sufficient or prevent the need for public assistance.

### 3.5 Investigations and Collections

**Recommendation**

The recommended FY 2004 budget for this program totals approximately \$1.3 million, including \$633,700 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$38,500 (\$19,800 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	740,136	633,700	633,700	
General Fund, One-time		19,800		(19,800)
Federal Funds	164,299	21,300	21,300	
Transfers - H - Medical Assistance	211,853	153,800	149,100	(4,700)
Transfers - Other Agencies	614,458	462,800	448,800	(14,000)
Lapsing Balance	(546)			
<b>Total</b>	<u>\$1,730,200</u>	<u>\$1,291,400</u>	<u>\$1,252,900</u>	<u>(\$38,500)</u>
<b>Expenditures</b>				
Personal Services	1,693,034	1,254,300	1,215,800	(38,500)
In-State Travel	3,598	3,600	3,600	
Out of State Travel	1,928	1,900	1,900	
Current Expense	31,477	31,400	31,400	
DP Current Expense	163	200	200	
<b>Total</b>	<u>\$1,730,200</u>	<u>\$1,291,400</u>	<u>\$1,252,900</u>	<u>(\$38,500)</u>
<b>FTE/Other</b>				
Total FTE	34.7	26.5	25.8	(0.7)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The Bureau of Investigations and Collections has been responsible for the investigation of alleged public assistance fraud, calculations of public assistance overpayments and collection of public assistance overpayments for the Department of Workforce Services (DWS) and the Department of Health. When DWS was created, this function was left temporarily with ORS. Now, ORS and DWS propose to transfer these functions, and related budgets, to DWS effective July 1, 2003. This transfer had been planned when DWS was created to better align responsibility and accountability for these functions. Legislation has been proposed to transfer this responsibility and budget to DWS, which will eliminate this program budget in ORS.

**3.6 Children in Care Collections**

**Recommendation**

The Analyst's FY 2004 budget for this program totals approximately \$1.7 million, including \$476,600 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$62,200 (\$17,400 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	517,122	476,600	476,600	
General Fund, One-time		17,400		(17,400)
Federal Funds	1,163,321	1,213,300	1,170,500	(42,800)
Transfers - H - Medical Assistance	54,935	55,800	53,800	(2,000)
Transfers - Other Agencies	45			
Lapsing Balance	(3,523)			
<b>Total</b>	<u>\$1,731,900</u>	<u>\$1,763,100</u>	<u>\$1,700,900</u>	<u>(\$62,200)</u>
<b>Expenditures</b>				
Personal Services	1,712,926	1,744,200	1,682,000	(62,200)
In-State Travel	1,325	1,300	1,300	
Current Expense	17,649	17,600	17,600	
<b>Total</b>	<u>\$1,731,900</u>	<u>\$1,763,100</u>	<u>\$1,700,900</u>	<u>(\$62,200)</u>
<b>FTE/Other</b>				
Total FTE	36.5	37.0	35.7	(1.3)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

This bureau is responsible for collection of child support in behalf of children who are in state custody or 24-hour care. Federal law requires collection of child/medical support for children receiving Title XIX and/or Title IV-E funds. State law (62A-1-117, 78-3a-906) also mandates this collection program. This bureau is also responsible for third party insurance collections for the Utah State Hospital, SSI (Supplemental Security Income) interim assistance for the Department of Work Force Services. It also provides non IV-D child support services for families not receiving public assistance in the form of central accounting for income withholding authorized by the courts.

### 3.7 Attorney General Contract

**Recommendation**

The Analyst’s FY 2004 budget for the Attorney General contracted services totals approximately \$3 million, including \$885,500 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$108,800 (\$32,300 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	954,900	885,500	885,500	
General Fund, One-time		32,300		(32,300)
Federal Funds	2,089,063	2,106,400	2,032,400	(74,000)
Transfers - H - Medical Assistance	73,793	73,500	71,000	(2,500)
Transfers - Other Agencies	39,310	39,100	39,100	
Lapsing Balance	(6,266)			
<b>Total</b>	<b>\$3,150,800</b>	<b>\$3,136,800</b>	<b>\$3,028,000</b>	<b>(\$108,800)</b>
<b>Expenditures</b>				
In-State Travel	5,506	5,500	5,500	
Out of State Travel	3,852			
Current Expense	3,114,957	3,104,900	2,996,100	(108,800)
DP Current Expense	26,485	26,400	26,400	
<b>Total</b>	<b>\$3,150,800</b>	<b>\$3,136,800</b>	<b>\$3,028,000</b>	<b>(\$108,800)</b>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

ORS contracts with the Attorney General’s Office for legal services to enforce efforts in the areas of child support and other collections. While on the Attorney General’s staff and payroll, these attorneys and related staff (56 employees) are housed in ORS offices. The AG Office bills ORS monthly based on the actual number of attorneys at ORS and time they spend on ORS matters. The contract with the Attorney General’s office is adjusted annually to match compensation increases given other state employees.

### 3.8 Medical Collections

**Recommendation**

The Analyst’s FY 2004 budget for this program is approximately \$1.8 million, with half coming from state General Funds. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$58,000 (\$29,000 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	873,265	906,400	906,400	
General Fund, One-time		29,000		(29,000)
Transfers - H - Medical Assistance	873,266	935,400	906,400	(29,000)
Transfers - Other Agencies	(31)			
<b>Total</b>	<b>\$1,746,500</b>	<b>\$1,870,800</b>	<b>\$1,812,800</b>	<b>(\$58,000)</b>
<b>Expenditures</b>				
Personal Services	1,733,486	1,858,700	1,800,700	(58,000)
In-State Travel	564	600	600	
Current Expense	12,450	11,500	11,500	
<b>Total</b>	<b>\$1,746,500</b>	<b>\$1,870,800</b>	<b>\$1,812,800</b>	<b>(\$58,000)</b>
<b>FTE/Other</b>				
Total FTE	39.7	40.5	39.5	(1.0)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

This bureau is responsible to provide insurance identification, collection, and cost avoidance services to the Department of Health for the Medicaid, CHIP (Children’s Health Insurance Program), and UMAP (Utah Medical Assistance Program). The bureau works to identify medical insurance recipients and coordinates benefits and recovery. Additionally, the bureau pursues collections from liable third parties in personal injury cases, administers the Medicaid Estate Recovery program and collects overpayments from providers.

**4.0 Additional Information: Office of Recovery Services**

**4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
General Fund	11,991,500	12,306,900	11,992,862	10,810,900	10,664,800
General Fund, One-time				392,800	
Federal Funds	25,926,667	25,492,395	26,390,103	26,573,000	25,607,500
Dedicated Credits Revenue	1,387,190	1,378,014	1,636,795	2,182,000	2,102,900
Transfers - H - Medical Assistance	1,577,039	1,762,780	1,839,410	1,855,500	1,793,900
Transfers - Other Agencies	1,342,997	1,041,037	1,029,484	873,700	857,700
Lapsing Balance	(31)	(2,995)	(79,754)		
<b>Total</b>	<b>\$42,225,362</b>	<b>\$41,978,131</b>	<b>\$42,808,900</b>	<b>\$42,687,900</b>	<b>\$41,026,800</b>
<b>Programs</b>					
Administration	1,111,880	1,070,357	1,126,100	1,234,400	1,190,900
Financial Services	5,151,151	5,506,381	5,246,800	5,344,400	5,160,000
Electronic Technology	9,365,371	7,910,854	7,915,000	7,623,700	7,194,800
Child Support Services	18,832,568	19,362,974	20,161,600	20,423,300	19,686,500
Investigations and Collections	1,696,230	1,723,244	1,730,200	1,291,400	1,252,900
Children in Care Collections	1,619,178	1,686,861	1,731,900	1,763,100	1,700,900
Attorney General Contract	2,946,319	3,057,660	3,150,800	3,136,800	3,028,000
Medical Collections	1,502,665	1,659,800	1,746,500	1,870,800	1,812,800
<b>Total</b>	<b>\$42,225,362</b>	<b>\$41,978,131</b>	<b>\$42,808,900</b>	<b>\$42,687,900</b>	<b>\$41,026,800</b>
<b>Expenditures</b>					
Personal Services	26,410,741	27,143,499	28,043,257	28,193,600	27,199,900
In-State Travel	33,215	30,853	34,820	34,800	34,800
Out of State Travel	20,018	17,931	6,653	5,000	5,000
Current Expense	8,147,946	8,418,400	8,540,959	8,573,800	8,225,300
DP Current Expense	6,946,240	6,276,844	6,161,637	5,874,300	5,555,500
DP Capital Outlay	660,432	77,564	9,549	6,400	6,300
Capital Outlay	6,770	13,040	12,025		
<b>Total</b>	<b>\$42,225,362</b>	<b>\$41,978,131</b>	<b>\$42,808,900</b>	<b>\$42,687,900</b>	<b>\$41,026,800</b>
<b>FTE/Other</b>					
Total FTE	584.1	587.9	590.0	586.7	565.2
Vehicles	0.0	0.0	0.0	0.0	9.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

**4.2-Federal Funds**

<b>Program</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Authorized</b>	<b>FY 2004 Analyst</b>
Title IVD Child Support	\$23,430,102	\$23,024,000	\$22,009,700
State Matching Funds	7,966,235	7,828,200	7,483,300
<b>Totals for this grant/contract</b>	<b>\$31,396,337</b>	<b>\$30,852,200</b>	<b>\$29,493,000</b>
Title IVD "Incentive" Awards	\$2,960,000	\$3,549,000	\$3,597,800
State Matching Funds	0	0	0
<b>Totals for this grant/contract</b>	<b>\$2,960,000</b>	<b>\$3,549,000</b>	<b>\$3,597,800</b>
<b>Total Federal Funds</b>	<b>\$26,390,102</b>	<b>\$26,573,000</b>	<b>\$25,607,500</b>
<b>State Matching Funds</b>	<b>7,966,235</b>	<b>7,828,200</b>	<b>7,483,300</b>
<b>Total Funds</b>	<b>\$34,356,337</b>	<b>\$34,401,200</b>	<b>\$33,090,800</b>





Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Division of Child and Family Services**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



**1.0 Department of Human Services – Division of Child and Family Services (DCFS)**

**Summary**

State statute (62A-4a-103) states that “the division is the child, youth, and family services authority of the state” and defines the primary purpose as providing child welfare services. The Division shall also, “when possible and appropriate, provide preventive services and family preservation services....” Furthermore, the Division shall “provide domestic violence services in accordance with federal law.” By statute, the Division must provide child abuse prevention services, child protective services, shelter care, foster care, residential care, adoption, health care for children in DCFS custody, family preservation, protective supervision, independent living, and domestic violence preventive services.

**Financial Summary**

The Fiscal Analyst recommends an FY 2004 appropriation for DCFS totaling approximately \$122.9 million, including \$63.6 million from the General Fund. The majority of the balance is from the federal Title IVE Child Welfare program and from Medicaid transfers. The Analyst’s FY 2004 base budget reflects adjustments made by the Legislature in appropriating the FY 2003 budget during the 2002 General Session. It also reflects legislative adjustments made during the 5<sup>th</sup> and 6<sup>th</sup> Special Sessions last year. The reduction of \$90,900 shown in the following table is the impact on DCFS of the statewide \$2 million information technology cuts.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
General Fund	63,683,000	(90,900)	63,592,100
Federal Funds	40,434,100		40,434,100
Dedicated Credits Revenue	2,388,300		2,388,300
GFR - Children's Trust	350,000		350,000
GFR - Domestic Violence	650,000		650,000
Transfers - H - Medical Assistance	15,168,800		15,168,800
Transfers - Other Agencies	130,500		130,500
Beginning Nonlapsing	213,400		213,400
<b>Total</b>	<u>\$123,018,100</u>	<u>(\$90,900)</u>	<u>\$122,927,200</u>
<b>Programs</b>			
Administration	3,704,800		3,704,800
Service Delivery	56,605,200	(90,900)	56,514,300
In-Home Services	1,925,700		1,925,700
Out-of-Home Care	28,566,300		28,566,300
Facility Based Services	3,640,500		3,640,500
Minor Grants	4,252,300		4,252,300
Selected Programs	3,802,700		3,802,700
Special Needs	1,655,400		1,655,400
Domestic Violence Services	5,096,500		5,096,500
Children's Trust Fund	350,000		350,000
Adoption Assistance	10,902,000		10,902,000
Child Welfare Management Information S	2,516,700		2,516,700
<b>Total</b>	<u>\$123,018,100</u>	<u>(\$90,900)</u>	<u>\$122,927,200</u>
<b>FTE/Other</b>			
Total FTE	1,051.7	0.0	1,051.7
Vehicles	180.0	0.0	180.0

## **2.0 Issues: Division of Child and Family Services**

### **2.1 Previous Budget Reductions**

During the 2002 General Session, the Legislature's actions resulted in a net reduction of about \$3.2 million (\$2.4 million General Fund) in the FY 2003 base DCFS budget. The largest amount came from across-the-board cuts totaling \$2.8 million (\$1.5 million General Fund). General Fund reductions in other specific programs include: the Service Delivery budget (\$323,900) negating an earlier building block to replace a reduction of federal Social Services Block Grant funds, \$270,900 in the operating budget for the Child Welfare Management Information System, \$148,600 in the adoption assistance program, \$100,800 in a youth and family outreach program, and \$232,000 due to a lower projected caseload.

In the July 2002 Special Session, the Legislature further reduced the DCFS FY 2003 operating budget by approximately \$1.4 million (\$988,700 General Fund). General Fund reductions were made in the adoption assistance budget (\$320,000) and various other programs (\$460,000). The budget for the court appointed monitor in the David C. settlement was reduced by \$200,000. In addition, the base General Fund budget was reduced by \$1.8 million and replaced with one-time carry-forward funds (from FY 2002) of \$1.8 million. The FY 2004 base budget in the Analyst's recommendations shows the restoration of this \$1.8 million base General Fund.

### **2.2 December 2002 Special Session**

The 6<sup>th</sup> Special Session saw the FY 2003 base General Fund budget reduced by another \$219,600 in the budgets for administration, minor grants, domestic violence, and operation of the Child Welfare Management Information System. However, these funds were replaced by one-time General Fund sources. The FY 2004 base General Fund budget reflects these latest reductions without the restoration.

### **2.3 DCFS and the Court Settlement**

The David C. Settlement agreement expired in 1998, and a new Performance Milestone Plan was agreed upon with the plaintiff, the Court and the State. The Division must report compliance with the plan through the court appointed monitor, Paul Vincent, CEO of the Child Welfare Policy and Practice Group of Montgomery, Alabama.

In July 2002, the Federal Court ordered the Division to pay over \$1.3 million to the National Center for Youth Law, the original plaintiff in the David C. lawsuit, for attorney fees. The amount was negotiated down to \$1,118,996, which was paid by DCFS out of ending FY 2002 fund balances.

For FY 2003, the appropriation for the monitoring contract was reduced, as a Legislative budget reduction, by \$200,000. However, the court so far has not reduced the services required of the Monitor. In November, the Court (Judge Campbell) called for a renegotiation of the Milestone Plan, faulting the State for not providing adequate resources to ensure compliance. She ordered the parties to renegotiate a more achievable, “trimmed down” plan. She also indicated that she could, if she felt it was necessary, order the state to provide resources necessary to meet requirements of a revised plan.

## 2.4 Additional DCFS Staff

Child Protective Services (CPS) referrals are increasing about five percent annually, or about 1,000 per year, probably reaching nearly 20,000 in FY 2003. The Legislative Auditor has recommended a caseload of 12 foster care cases per worker. The current average caseload in the Division is 14.6 cases. Training and mentoring of new child welfare workers is hampered by excessive caseloads of new workers. The turnover rate of DCFS caseworkers is about 18 percent (over 34 percent in child protective services). DCFS is proposing a revised Milestone Plan that would require 51 additional caseworkers and trainers, at a cost of \$2.9 million (\$1,882,700 General Fund).

## 2.5 Federal Funds

The Federal Medical Assistance Payments (FMAP) match rate changes from 70.93 percent to 71.60 percent effectively for State Fiscal Year 2004. This is the second year in a row that the required state match has actually been reduced. In earlier years this match rate has typically been declining and the State has had to pick up the required state match to maintain the same level of services. For FY 2004, this rate change will realize a projected savings to DCFS of \$237,600 (General Funds).

## 2.6 Legislative Intent Language

The 2002 Legislature approved the following legislative intent language for DCFS regarding non-lapsing status of adoption assistance funding (FY 2002 Supplemental Appropriations Act (H.B.1):

*Use of non-lapsing adoption assistance funding from FY 2002*

*“It is the intent of the Legislature that funds appropriated for the adoption assistance program in the Division of Child and Family Services not lapse at the end of FY 2002. It is further the intent of the Legislature that these funds be used for adoption assistance program.”*

And in the FY 2003 Appropriations Act (S.B. 1):

*Adoption funds non-lapsing at end of FY 2003*

*“It is the intent of the Legislature that funds appropriated for the adoption assistance program in the Division of Child and Family Services not lapse at the end of FY 2003. It is further the intent of the Legislature that these funds be used for adoption assistance programs.”*

The Legislature also approved the following language for FY 2002 in H.B. 1:

*Purchase of vehicles authorized if funding available*

*“It is the intent of the Legislature that the Division of Child and Family Services is authorized to purchase up to six additional vehicles in FY 2002, if funds are available.”*

Due to budget restraints, the Division did not purchase any new vehicles in FY2002.

**3.0 Programs and Issues: Division of Child and Family Services**

**Status of Court Oversight of DCFS**

In February 1993, the National Center for Youth Law (NCYL) filed a civil rights complaint in U.S. District Court on behalf of all children reported as abused and neglected and all foster children in Utah. A four-year settlement was signed by Governor Leavitt and approved by the Court in 1994.

In August 1998, the Court allowed the four-year settlement to expire. Not being satisfied with progress made, the Judge required the Division to prepare a comprehensive plan to improve child protective services to a level satisfactory to both the court and the NCYL. The plan, known as “The Performance Milestone Plan,” was completed collaboratively with the Child Welfare Policy and Practice Group (CWPPG) of Montgomery, Alabama. The Court accepted it in 1999 and directed DCFS to regularly report on compliance and appointed the CWPPG to be the Court’s monitor.

The State appealed the court’s decision continuing its oversight of the Division to the 10<sup>th</sup> Circuit Court of Appeals in Denver. In March 2001, the Appeals Court decided DCFS must remain under the scrutiny of the federal courts and continue to meet compliance and reporting requirements of the Milestone Plan with oversight by the CWPPG. The State appealed to the U.S. Supreme Court, but in October 2001 it refused to consider the appeal.

**Direct payments to plaintiff attorney and monitoring costs total over \$3.8 million.**

In July 2002, the Federal Court ordered the Division to pay over \$1.3 million for attorney fees to the National Center for Youth Law, the original plaintiff in the David C. lawsuit. The amount was negotiated down to \$1,118,996, which was paid by DCFS out of ending FY 2002 fund balances. The accumulated total court costs of the David C. lawsuit and subsequent monitoring now totals nearly \$3.8 million, including payments to the court appointed monitor and costs of the earlier monitor panel. The data is shown in the table below.

<b>LEGAL AND COURT COMPLIANCE COSTS</b>					
<b>(Does not include legal defense costs through Attorney General's Office)</b>					
<u>Fiscal Year</u>	<u>Plaintiff Attorney</u>	<u>Court Monitor *</u>	<u>Monitoring Panel</u>		<u>TOTAL</u>
1995	\$ 636,000		\$ 59,765		\$ 695,765
1996			195,973		195,973
1997			121,252		121,252
1998			447,547	**	447,547
1999		\$ 162,812			162,812
2000		284,948			284,948
2001		407,903			407,903
2002	1,118,996	334,929			1,453,925
<b>Totals</b>	<b>\$ 1,754,996</b>	<b>\$ 1,190,592</b>	<b>\$ 824,537</b>		<b>\$ 3,770,125</b>
* Does not include cost of developing the Practice Model training. This would be an additional \$362,038 paid to the CWPPG.					
** Includes \$328,708 for monitoring contract.					
Source: Department of Human Services					

**Judge Campbell orders renegotiation of the Milestone Plan.**

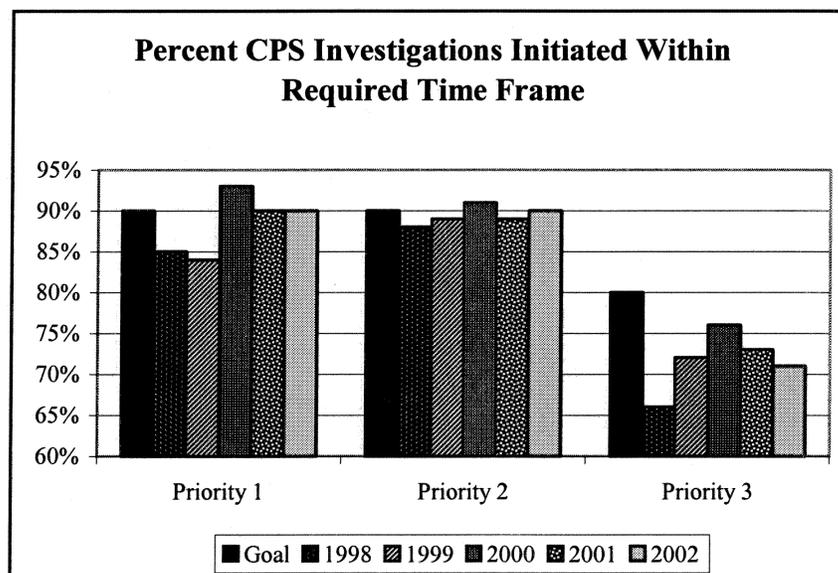
For FY 2003, the Legislature reduced the appropriation for the monitoring contract by \$200,000. However, the court so far has not reduced the services required of the Monitor. The Division is appealing to the Court that the Division should be held to a revised Milestone Plan that reflects current federal child welfare standards, not a unique set of standards much higher than other states. In November, Judge Campbell heard arguments and called for a renegotiation of the Milestone Plan. She said, "I think they (DCFS) aren't getting enough help. Despite great efforts by the Division, the Milestone Plan is not up and operating, and as resources now stand, it never will be . . . . The Plan has to be trimmed down so both sides can live with it." The Judge ordered the parties to meet in December to attempt to come to an agreement on a trimmed down plan and that it should include a list of additional resources required. The Judge has scheduled a conference with the same parties on January 28, 2003, for a progress update.

**Performance Measures**

While the Division will report in more detail on performance and outcome measures, including its statutorily required "Outcome Measures Report," the Analyst has chosen several measures to highlight in this report. Performance measures used in DCFS generally try to measure how well the State is protecting children and providing necessary care and treatment.

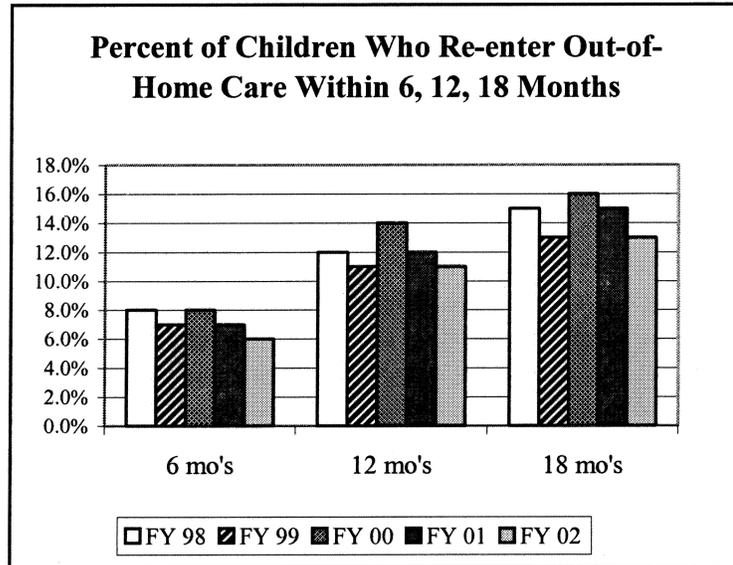
*Response time to alleged abuse cases*

The first chart depicts the Division's response time to reported cases of child abuse and neglect. Priority one, referring to children who were at high risk of danger, must be investigated within one hour of referral. Priority two cases, where children are at a lesser risk of danger, must be investigated within 24 hours. Priority three referrals must be seen within 72 hours. These are cases where there is no immediate risk to a child's safety. The chart shows that response time to priority one and two cases, while fluctuating, is overall higher than in 1998, and is close to or at the goal mark.



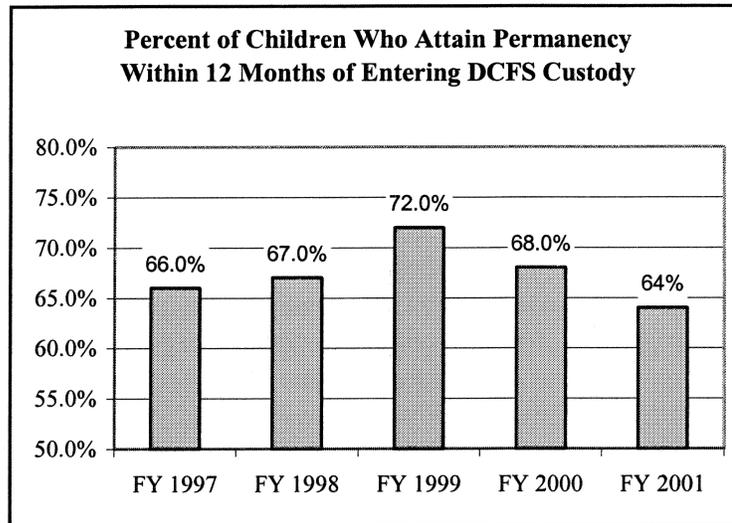
*Children once in custody reentering custody*

The second chart is an indication of the quality and appropriateness of services provided children and their families. After children leave State custody, they are tracked for recidivism. The following chart depicts the percent of children who reenter State care after six, 12 and 18 months. The chart shows that in all three categories, the “recidivism” rate has been dropping over the past three years.



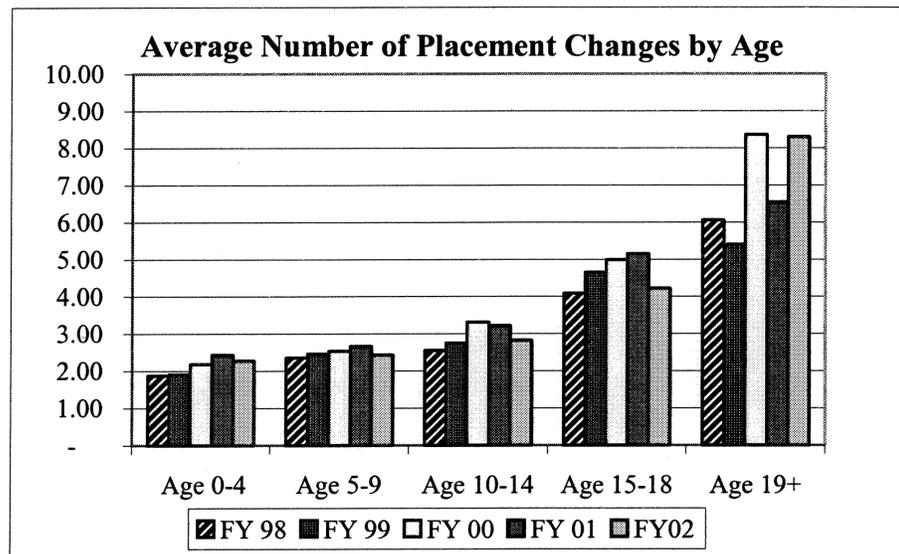
*Number of children attaining permanency within 12-months of entering state custody*

In FY 2002, new cases of children coming into state custody totaled 1,786. This is slightly more than the 1,718 in FY 2001, but significantly below the FY 2000 number of 2,119. One of the goals of the Division is to create a permanent situation for children in custody within 12 months of entering State care. Although the number of new cases has decreased, the division has not experienced a similar drop in the number of open cases. The average length of stay in custody increased in FY 2001 and FY 2002. The division believes this is due to more often placing less difficult children with relatives, while the division retains custody of the more difficult case, such as situations where attempts at permanency with relatives or adoption have failed. It should be noted that of the children attaining permanency, approximately 70 percent return home or to relatives. The following chart shows that over the past two years, there has been a decrease in the percentage of children attaining permanency within 12 months, after rising in the prior two years.



*Number of placements experienced by children in State custody*

One of the Division’s goals is to reduce the number of placement changes children experience while in custody. The following chart shows the number of placements per custody episode. It shows that over the past 4 years, the number of placements while in state custody experienced by children of all age groups, while fluctuating, were slightly higher in FY2002 than in FY1998.



**Federal Funding Changes**

The Federal Medical Assistance Percentage (FMAP) match rate for FY 2003 is changing from 70.93 percent to 71.60 percent. This is the second year in a row that the federal share of federal Title XIX (Medicaid) and Title IV-E expenditures actually has increased. As a result, the Division will see \$237,600 of General Funds “freed up” in the following programs:

Special Needs	\$ 1,700
Service Delivery (case workers)	74,800
Out of Home Services	115,500
Adoption Assistance	45,600

**TANF Transfers**

During the last three sessions, the Legislature has approved transfers of TANF (Temporary Assistance to Needy Families) “rainy day” funds to the SSBG (Social Services Block Grant), totaling \$1,804,800 in DCFS, to fund a variety of needs. The TANF program expired in September, and Congress has not yet reauthorized it; however, it is functioning on continuing resolutions. It is expected that the amount of transfers that can be made during the FY 2004 budget year will be same as in previous years. In DCFS, TANF transfers are budgeted in the following division programs:

Administration	\$570,000
Out of Home Care	\$129,300
Domestic Violence	\$500,000
Child Welfare MIS	\$605,500

**3.1 DCFS Administration**

**Recommendation**

The Fiscal Analyst recommends an FY 2004 budget for DCFS Administration totaling approximately \$3.7 million, including \$757,800 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$53,100 (\$27,800 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,002,800	757,800	757,800	
General Fund, One-time		27,800		(27,800)
Federal Funds	2,280,200	2,828,700	2,803,400	(25,300)
Dedicated Credits Revenue		107,100	107,100	
Transfers - H - Medical Assistance	33,900	36,000	36,000	
Transfers - Other Agencies	500	500	500	
Lapsing Balance	(200)			
<b>Total</b>	<b>\$3,317,200</b>	<b>\$3,757,900</b>	<b>\$3,704,800</b>	<b>(\$53,100)</b>
<b>Expenditures</b>				
Personal Services	2,166,200	2,399,800	2,349,800	(50,000)
In-State Travel	41,800	60,800	60,800	
Out of State Travel	18,200	45,600	45,600	
Current Expense	877,500	1,088,900	1,085,800	(3,100)
DP Current Expense	213,500	162,800	162,800	
<b>Total</b>	<b>\$3,317,200</b>	<b>\$3,757,900</b>	<b>\$3,704,800</b>	<b>(\$53,100)</b>
<b>FTE/Other</b>				
Total FTE	39.0	41.6	40.6	(1.0)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The Division’s State Administrative Office directs the service delivery system for Child Welfare and Domestic Violence programs across the state. The State Office oversees the division budgetary procedures and controls, secures federal, state and other funds, monitors and evaluates service delivery, and develops plans.

**3.2 Service Delivery**

**Recommendation**

The Analyst recommends an FY 2004 appropriation of \$56.5 million, including \$29.7 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session did not reduce this budget for the FY 2003 budget. However, the FY 2004 budget is adjusted for the one-time funds provided by the 2002 Legislature, \$52,700 (\$42,600 General Fund), to fund one-time costs of implementing S.B.17 “DCFS Management Information System Amendments.” It is also reduced by \$90,900 General Fund from the information technology cut.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	29,803,600	29,755,900	29,665,000	(90,900)
General Fund, One-time		42,600		(42,600)
Federal Funds	17,127,500	18,942,500	18,932,400	(10,100)
Dedicated Credits Revenue	5,300	20,200	20,200	
Transfers - H - Medical Assistance	9,618,600	7,871,700	7,871,700	
Transfers - Other Agencies	785,900	25,000	25,000	
Beginning Nonlapsing	50,000			
Lapsing Balance	(237,000)			
<b>Total</b>	<b>\$57,153,900</b>	<b>\$56,657,900</b>	<b>\$56,514,300</b>	<b>(\$143,600)</b>
<b>Expenditures</b>				
Personal Services	41,306,600	41,899,100	41,899,100	
In-State Travel	596,200	586,700	586,700	
Out of State Travel	11,300	19,700	19,700	
Current Expense	12,961,900	11,854,400	11,801,700	(52,700)
DP Current Expense	1,746,500	1,731,400	1,640,500	(90,900)
Other Charges/Pass Thru	531,400	566,600	566,600	
<b>Total</b>	<b>\$57,153,900</b>	<b>\$56,657,900</b>	<b>\$56,514,300</b>	<b>(\$143,600)</b>
<b>FTE/Other</b>				
Total FTE	890.2	898.2	898.2	0.0
Vehicles	0.0	0.0	180.0	180.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The regional offices of the division direct and deliver child welfare, youth, and domestic violence services. This budget includes funding for caseworkers, related staff, regional administrative personnel, and training. There are five regions: Northern, Eastern, Western, Southwestern, and Central (Salt Lake County).

**Division requests additional funds to handle growing caseload.**

Division caseload is growing. The number of Child Protective Service (CPS) referrals is increasing by more than five percent annually, by over 1,000 per year. In FY 2002, it grew by about 1,500. About 20,000 referrals are expected in the current fiscal year. Current caseload in the Division is about 14.6 cases per worker. The Legislative Auditor has recommended an average caseload of 12 foster care cases per worker and 15 for CPS and in-home cases. It will continue to be more difficult to meet requirements of the Performance Milestone plan and the Court as caseloads continue to grow. In addition, the Division is attempting to enhance the training and mentoring of new caseworkers in CPS, foster care, adoption and other children’s welfare programs. DCFS claims that the quality of their training is hampered by excessive caseloads of newer workers. New caseworkers with less than nine months experience are currently carrying an average of 12 cases. DCFS is requesting funds to hire an additional 51 caseworkers and trainers, at a projected cost of \$2,946,400 (\$1,882,700 General Fund). This estimate also ties with the recent court directive to estimate what resources are needed implement a scaled down Milestone Plan.

### 3.3 In-Home Services

#### Recommendation

The Fiscal Analyst recommends an FY 2004 budget for In-Home Services totaling approximately \$1.9 million, all from the General Fund. There were no adjustments to this program budget by either the 5<sup>th</sup> or 6<sup>th</sup> Special Sessions.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	1,971,400	1,925,700	1,925,700	
Lapsing Balance	(82,300)			
<b>Total</b>	<u>\$1,889,100</u>	<u>\$1,925,700</u>	<u>\$1,925,700</u>	<u>\$0</u>
<b>Expenditures</b>				
Current Expense	164,900	159,100	159,100	
Other Charges/Pass Thru	1,724,200	1,766,600	1,766,600	
<b>Total</b>	<u>\$1,889,100</u>	<u>\$1,925,700</u>	<u>\$1,925,700</u>	<u>\$0</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

This program provides various services focusing on protecting children while supporting, strengthening and preserving their families. These services are designed to allow children to stay in their homes or facilitate their return to their natural families. Services include:

- ▶ *Homemaker Services:* Provides short-term assistance to parents unable to provide basic care and homemaking needed for the well being of a child.
- ▶ *Youth Advocate Program:* Works one-on-one with youth who have been neglected or abused, and who are at risk of becoming delinquent or ungovernable.
- ▶ *In-Home Services:* Makes resources available to a family when less structured intervention is needed to prevent disruption of the family.
- ▶ *Parenting Skills Training:* Provides classes that teach appropriate communication and discipline skills.
- ▶ *Protective Day Care:* Provides day care for children at risk of abuse or neglect if left at home during the day.
- ▶ *Sexual Abuse Treatment Services:* Provides assessment and treatment to sexually abused children and their families. Also provides treatment for sexually reactive children and juvenile perpetrators who have been identified by DCFS as sex abuse victims.
- ▶ *Day Treatment Services:* This program provides therapeutic management services for emotionally and behavioral disturbed children and adolescents. Services include education, therapy, crisis management, social skills training, recreational services, and daily living skills.

### 3.4 Out-of-Home Care

#### Recommendation

The Fiscal Analyst recommends an FY 2004 budget for Out-of-Home Care totaling approximately \$28.6 million, including \$15.7 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. There were no adjustments to this program during the 6<sup>th</sup> Special Session.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	15,644,100	15,722,200	15,722,200	
Federal Funds	3,188,900	2,897,400	2,897,400	
Dedicated Credits Revenue	2,253,700	2,252,800	2,252,800	
Transfers - H - Medical Assistance	9,546,300	7,693,900	7,693,900	
Transfers - Other Agencies	25,000			
Lapsing Balance	(735,100)			
<b>Total</b>	<b>\$29,922,900</b>	<b>\$28,566,300</b>	<b>\$28,566,300</b>	<b>\$0</b>
<b>Expenditures</b>				
Out of State Travel	1,600			
Current Expense	119,100	112,200	112,200	
Other Charges/Pass Thru	29,802,200	28,454,100	28,454,100	
<b>Total</b>	<b>\$29,922,900</b>	<b>\$28,566,300</b>	<b>\$28,566,300</b>	<b>\$0</b>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

This program provides care for children placed in foster care and other residential programs. There are three levels of foster care: basic, specialized, and structured. Contracts for residential programs include “wrap around” services such as medical and mental health services, career skills development, counseling, etc. The Division experienced a significant increase in the number of children in custody requiring high cost residential treatment in 1999, reaching 582 in December of 1999. Since then, the Division, as part of an effort to bring its budget back into line, reduced those placements to under 380 in 2000. Currently there are 410 such placements. Overall, the number of youth receiving Out-of-Home services hit a peak of 4,708 in 1999. In FY 2002, the number was 3,683. (Part of the decrease is due to a change in how removals of less than 72 hours are now recorded in SAFE.)

### 3.5 Facility Based Services

#### Recommendation

The Fiscal Analyst recommends an FY 2004 budget for Facility Based Services totaling approximately \$3.6 million, including \$2.6 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. There were no adjustments to this program during the 6<sup>th</sup> Special Session.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	3,442,600	2,606,500	2,606,500	
Federal Funds	2,018,800	1,030,500	1,030,500	
Dedicated Credits Revenue	4,900	3,500	3,500	
Transfers - Other Agencies	353,500			
Lapsing Balance	(235,800)			
<b>Total</b>	<b>\$5,584,000</b>	<b>\$3,640,500</b>	<b>\$3,640,500</b>	<b>\$0</b>
<b>Expenditures</b>				
Personal Services	826,200	673,700	673,700	
In-State Travel	1,500	3,600	3,600	
Current Expense	179,200	115,500	115,500	
DP Current Expense	10,600	6,000	6,000	
Capital Outlay	174,400			
Other Charges/Pass Thru	4,392,100	2,841,700	2,841,700	
<b>Total</b>	<b>\$5,584,000</b>	<b>\$3,640,500</b>	<b>\$3,640,500</b>	<b>\$0</b>
<b>FTE/Other</b>				
Total FTE	34.1	28.0	28.0	

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

Facility Based services include short term shelter services, crisis host homes, and other short-term shelter services for abused, neglected, and dependent children and youth, such as the Christmas Box House in Salt Lake County. This program covers the cost of such services provided directly by the Region or through contracts with private providers. The “Youth Services” function and budgets were transferred to the Division of Youth Corrections in FY 2003 as a result of S.B.12 in the 2002 General Session.

Ten Crisis Nurseries statewide allow parents, who feel that they might injure a child due to a crisis, to place the child at the center while the parents resolve the crisis. These centers are available 24 hours a day, 7 days a week. Centers are currently operating in Logan, Midvale, Salt Lake City (Sugarhouse), Ogden, Clearfield, Orem, Brigham City, Roosevelt, Cedar City and St. George.

**3.6 Minor Grants**

**Recommendation**

The Fiscal Analyst recommends about \$4.3 million (\$1.2 million General Fund) for the FY 2004 budget. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$35,900 (all General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	1,092,700	1,206,900	1,206,900	
General Fund, One-time		35,900		(35,900)
Federal Funds	3,035,200	3,045,400	3,045,400	
Lapsing Balance	(18,600)			
<b>Total</b>	<b>\$4,109,300</b>	<b>\$4,288,200</b>	<b>\$4,252,300</b>	<b>(\$35,900)</b>
<b>Expenditures</b>				
Personal Services	1,570,900	1,437,300	1,401,400	(35,900)
In-State Travel	18,900	18,000	18,000	
Out of State Travel	11,900	3,800	3,800	
Current Expense	528,800	485,300	485,300	
DP Current Expense	37,900	20,500	20,500	
Other Charges/Pass Thru	1,940,900	2,323,300	2,323,300	
<b>Total</b>	<b>\$4,109,300</b>	<b>\$4,288,200</b>	<b>\$4,252,300</b>	<b>(\$35,900)</b>
<b>FTE/Other</b>				
Total FTE	26.8	34.5	33.5	(1.0)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

Minor Grants refer to the small grants awarded DCFS, as opposed to the major grants such as Titles IV-E, IV-B, XIX, and SSBG. These minor grants are usually administered by the program manager at the state office, rather than by the regions. Currently, these grants are the Child Abuse Prevention and Treatment Act grants, Promoting Safe and Stable Families, and Independent Living grants.

- ▶ *Child Abuse Prevention and Treatment Act (CAPTA) Grants:* The purpose of the CAPTA basic state grant is to assist the State in improving the child protective services system. Nine areas of improvement are identified in the Act, from which the State must select one or more to target specific grant activities. There is also the Community-Based Family Resource and Support Program Grant authorized through CAPTA - Title II. The purpose of this grant is to support state efforts to develop, operate, expand, and enhance a network of community-based, prevention-focused, family resource and support programs. These programs coordinate resources among existing public and private organizations. Current grant funding provides for community development positions and supports a statewide conference on child abuse and neglect.
- ▶ *Safe and Stable Family grants (Authorized through Title IV-B, Part II, of the Social Security Act):* These funds provide family preservation, family support, time-limited family reunification efforts, and adoption promotion and support services. Ten family support projects have been funded in communities throughout the state. DCFS regions provide family preservation, reunification, and adoption support services.

- ▶ *Independent Living*: The Independent Living program assists youth 16 years and older to learn self-sufficiency skills. Some funds are used for stipends to help youth support themselves while living on their own and participating in the independent living program.

### 3.7 Selected Programs

#### Recommendation

The Analyst recommends a base FY 2004 operating budget for this program totaling \$3.8 million, mostly federal funds. This is the same amount as the current FY 2003 estimated budget. There are no budget changes proposed in this program for FY 2004.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
Federal Funds	3,874,900	3,693,000	3,693,000	
Dedicated Credits Revenue	800	4,700	4,700	
Transfers - Other Agencies	103,800	105,000	105,000	
Lapsing Balance	(26,800)			
<b>Total</b>	<b>\$3,952,700</b>	<b>\$3,802,700</b>	<b>\$3,802,700</b>	<b>\$0</b>
<b>Expenditures</b>				
In-State Travel	300			
Out of State Travel	3,700			
Current Expense	1,661,700	1,386,700	1,386,700	
Other Charges/Pass Thru	2,287,000	2,416,000	2,416,000	
<b>Total</b>	<b>\$3,952,700</b>	<b>\$3,802,700</b>	<b>\$3,802,700</b>	<b>\$0</b>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

Some services previously funded in this program have been shifted to other programs in DCFS. The selected programs remaining in this budget include:

- ▶ *Masters of Social Work (U of U)*: The Division has a contract with the University of Utah where the U of U provides the State funding match and Division draws down the Title IV-E federal funds for some salaries and costs associated with the U of U MSW (Master of Social Work) program. This also includes a number of student stipends.
- ▶ *Attorney General Services*: The Division has an agreement with the State Attorney General to pay for legal costs incurred in behalf of children in DCFS service. The AG Office provides the state match for the federal Title IV-E share that comes through the Division budget.
- ▶ *Drug Court grant*: In FY 2001, the Salt Lake Region of DCFS received a \$105,000 grant from the Division of Substance Abuse for a local dependency drug court program. The grant is continuing in the current FY2003, and is expected to continue into FY2004. The funds are used for direct treatment, testing and case management of individuals who are also involved with DCFS.

**3.8 Special Needs**

**Recommendation**

The Fiscal Analyst recommends a base FY 2004 budget for this program totaling approximately \$1.7 million, with the majority coming from the General Fund. This is the same as the current FY 2003 estimated budget. There are no budget changes proposed in this program for FY 2004.

	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Est/Analyst</b>
	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
<b>Financing</b>				
General Fund	1,537,900	1,525,800	1,525,800	
Federal Funds	129,800	129,600	129,600	
Lapsing Balance	96,300			
<b>Total</b>	<b>\$1,764,000</b>	<b>\$1,655,400</b>	<b>\$1,655,400</b>	<b>\$0</b>
<b>Expenditures</b>				
Out of State Travel	4,600			
Current Expense	564,500	454,900	454,900	
Other Charges/Pass Thru	1,194,900	1,200,500	1,200,500	
<b>Total</b>	<b>\$1,764,000</b>	<b>\$1,655,400</b>	<b>\$1,655,400</b>	<b>\$0</b>
<b>FTE/Other</b>				
*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency				

**Purpose**

This program provides for special needs of children placed in foster homes and other out of home care situation. Special needs might include transportation, special clothing allowances, music lessons, special equipment, baby needs, additional clothing allowance (usually for teens), Christmas gifts, recreation needs, and school expenses (such as yearbook, locker fees, school pictures, tutors, etc). It also includes miscellaneous expenses that DCFS is ordered by the courts to pay for foster children's needs or their parents. This includes interpreter services, long-distance phone calls to facilitate reunification, drug/alcohol screening and treatment for parents, and psychological evaluations of parents. State appropriated funds allow approximately \$120 per child per year for these purposes. Federal Title IV-E funds pay for some transportation costs of eligible children in custody and for some special needs categories.

**3.9 Domestic Violence**

**Recommendation**

The Fiscal Analyst recommends an FY 2004 budget for the Domestic Violence program totaling approximately \$5.1 million, including about \$3.0 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$114,300 (all General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	3,200,300	2,990,100	2,990,100	
General Fund, One-time		114,300		(114,300)
Federal Funds	1,386,700	1,456,400	1,456,400	
Dedicated Credits Revenue	3,100			
GFR - Domestic Violence	650,000	650,000	650,000	
Lapsing Balance	(397,800)			
<b>Total</b>	<u>\$4,842,300</u>	<u>\$5,210,800</u>	<u>\$5,096,500</u>	<u>(\$114,300)</u>
<b>Expenditures</b>				
Personal Services	1,873,400	1,898,600	1,848,600	(50,000)
In-State Travel	26,100	24,300	24,300	
Out of State Travel	200	2,700	2,700	
Current Expense	126,100	152,000	152,000	
DP Current Expense	2,800	11,900	11,900	
Other Charges/Pass Thru	2,813,700	3,121,300	3,057,000	(64,300)
<b>Total</b>	<u>\$4,842,300</u>	<u>\$5,210,800</u>	<u>\$5,096,500</u>	<u>(\$114,300)</u>
<b>FTE/Other</b>				
Total FTE	40.3	41.1	40.1	(1.0)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The Division is charged to provide domestic violence services as follows:

- ▶ *Domestic Violence Outpatient Services* provide treatment to court ordered and voluntary domestic violence perpetrators, victims of domestic violence and child witnesses of domestic violence. This program is funded from the Victims of Domestic Violence Services Account whose revenues come from surcharges on criminal fines, penalties and forfeitures imposed by the courts.

- ▶ *Family Violence Shelters* provide abused adults and their children with a safe short-term refuge. While there, shelter staff can help them assess their situation and evaluate available options to end the abuse. They are also given an opportunity to participate in groups with other battered individuals and to deal with issues of self-esteem and self-sufficiency. There are 16 domestic violence shelters operating in a little over half of the State's 29 counties. While available services vary from shelter to shelter, some provide a 24-hour crisis hot line, a 24-hour mobile crisis team, adult and child support groups, rape crisis intervention, education and training, assistance with protective orders, court advocacy, household goods assistance, bilingual services, transportation, child care and information and referral. While the State does not itself operate any shelters, DCFS contracts for services with such shelters as Salt Lake's YWCA program.

**Victims of Domestic Violence Services Account**

This General Fund Restricted Account receives four percent of surcharges paid on all criminal fines, penalties and forfeitures. The current FY 2003 appropriation from this fund is \$650,000. Actual collections in FY 2002 were \$611,400. The funds are used to augment services paid for with General Funds.

**3.10 Children's Trust Account**

**Recommendation**

The Fiscal Analyst recommends an appropriation of \$350,000 from the Children's Trust Account for this program for FY 2004, same as in the past several years.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
GFR - Children's Trust	350,000	350,000	350,000	
Lapsing Balance	(30,000)			
<b>Total</b>	<u>\$320,000</u>	<u>\$350,000</u>	<u>\$350,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Current Expense	9,000			
Other Charges/Pass Thru	311,000	350,000	350,000	
<b>Total</b>	<u>\$320,000</u>	<u>\$350,000</u>	<u>\$350,000</u>	<u>\$0</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The Children's Trust Account was established by the Legislature in 1986. The legislation placed a \$3.00 surcharge on birth certificates to be used for child abuse prevention programs. Each year, the Child Abuse and Neglect Council receive proposals and awards grants, which require a dollar for dollar match by the sponsoring organizations (schools, church groups, communities, etc). In FY 2002, the fund received about \$339,500. At the beginning of FY 2003, there was a beginning balance in the fund of about \$245,700.

### 3.11 Adoption Assistance

**Recommendation**

The Fiscal Analyst recommends an FY 2004 budget for Adoption Assistance Services totaling approximately \$10.9 million, including \$6.2 million from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session when the program was reduced by \$420,000 (\$320,000 General Fund). There were no adjustments to this program during the 6<sup>th</sup> Special Session.

In the 2002 General Session, the Legislature replaced \$1.8 million of base General Funds in the FY 2003 budget with one-time use of a carry-forward balance from FY 2002. The FY 2004 base budget has been adjusted to restore the \$1.8 million of General Funds.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	5,870,900	6,214,500	6,214,500	
General Fund, One-time		(1,800,000)		1,800,000
Federal Funds	4,563,900	4,956,900	4,956,900	
Transfers - H - Medical Assistance	(266,900)	(432,800)	(432,800)	
Beginning Nonlapsing	944,600	1,963,400	163,400	(1,800,000)
Closing Nonlapsing	(1,963,400)			
Lapsing Balance	(300)			
<b>Total</b>	<u>\$9,148,800</u>	<u>\$10,902,000</u>	<u>\$10,902,000</u>	<u>\$0</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	9,148,800	10,902,000	10,902,000	
<b>Total</b>	<u>\$9,148,800</u>	<u>\$10,902,000</u>	<u>\$10,902,000</u>	<u>\$0</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The State makes available several forms of financial assistance to families adopting children from State custody: 1) One-time assistance for legal costs; 2) Medicaid card for the child; 3) Monthly adoption subsidies; and 4) Supplemental, special needs subsidies, for out-of-home placement care, specialized therapy, dental and medical care not covered by the Medicaid card, and other occasional needs. Subsidies are also available for Guardianship cases.

### 3.12 Child Welfare MIS

**Recommendation**

The Fiscal Analyst recommends an FY 2004 budget for operation of the Child Welfare Management Information System (SAFE) totaling approximately \$2.5 million, including \$977,600 from the General Fund. The FY 2003 Estimated budget was not affected by actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$104,900 (\$41,600 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,232,200	977,600	977,600	
General Fund, One-time		41,600		(41,600)
Federal Funds	1,561,900	1,552,400	1,489,100	(63,300)
Transfers - Other Agencies	38,800			
Beginning Nonlapsing		50,000	50,000	
Closing Nonlapsing	(50,000)			
Lapsing Balance	(109,000)			
<b>Total</b>	<u>\$2,673,900</u>	<u>\$2,621,600</u>	<u>\$2,516,700</u>	<u>(\$104,900)</u>
<b>Expenditures</b>				
Personal Services	630,900	715,400	680,400	(35,000)
In-State Travel	4,300	5,000	5,000	
Current Expense	157,600	227,900	227,900	
DP Current Expense	1,802,600	1,673,300	1,603,400	(69,900)
DP Capital Outlay	78,500			
<b>Total</b>	<u>\$2,673,900</u>	<u>\$2,621,600</u>	<u>\$2,516,700</u>	<u>(\$104,900)</u>
<b>FTE/Other</b>				
Total FTE	9.9	11.8	11.3	(0.5)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The “SAFE” management information system provides statewide electronic case management. The system automatically develops service need lists, develops documents needed for foster care placements, maintains education and other case histories, electronically notifies caseworker of required actions and related time frames, and facilitates report creation. It also electronically connects with other systems such as ORSIS (Office of Recovery Services Information System) and USSDS (Unified Social Services Delivery System). It is the document of record for all child protective service cases. It provides data for division management and federal reports.

**4.0 Additional Information: Division of Child and Family Services**

**4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
General Fund	60,086,900	62,886,900	64,798,500	63,683,000	63,592,100
General Fund, One-time				(1,537,800)	
Federal Funds	41,833,488	37,515,624	39,167,800	40,532,800	40,434,100
Dedicated Credits Revenue	2,467,483	2,340,174	2,267,800	2,388,300	2,388,300
GFR - Children's Trust	350,000	350,000	350,000	350,000	350,000
GFR - Domestic Violence	550,000	550,000	650,000	650,000	650,000
Transfers - H - Medical Assistance	19,743,044	17,379,438	18,931,900	15,168,800	15,168,800
Transfers - Other Agencies	771,742	1,164,179	1,307,500	130,500	130,500
Beginning Nonlapsing	194,495		994,600	2,013,400	213,400
Closing Nonlapsing		(994,600)	(2,013,400)		
Lapsing Balance	(78,156)	(5,196,384)	(1,776,600)		
<b>Total</b>	<b>\$125,918,996</b>	<b>\$115,995,331</b>	<b>\$124,678,100</b>	<b>\$123,379,000</b>	<b>\$122,927,200</b>
<b>Programs</b>					
Administration	6,171,985	4,000,945	3,317,200	3,757,900	3,704,800
Service Delivery	52,682,019	54,571,813	57,153,900	56,657,900	56,514,300
In-Home Services	2,133,318	1,725,543	1,889,100	1,925,700	1,925,700
Out-of-Home Care	35,055,589	28,155,837	29,922,900	28,566,300	28,566,300
Facility Based Services	4,181,781	5,194,240	5,584,000	3,640,500	3,640,500
Minor Grants	2,619,601	2,924,937	4,109,300	4,288,200	4,252,300
Selected Programs	4,431,556	3,103,550	3,952,700	3,802,700	3,802,700
Special Needs	1,447,308	1,536,625	1,764,000	1,655,400	1,655,400
Domestic Violence Services	4,245,614	4,281,092	4,842,300	5,210,800	5,096,500
Children's Trust Fund	334,827	315,829	320,000	350,000	350,000
Adoption Assistance	8,822,894	8,036,735	9,148,800	10,902,000	10,902,000
Child Welfare Management Information System	3,792,504	2,148,185	2,673,900	2,621,600	2,516,700
<b>Total</b>	<b>\$125,918,996</b>	<b>\$115,995,331</b>	<b>\$124,678,100</b>	<b>\$123,379,000</b>	<b>\$122,927,200</b>
<b>Expenditures</b>					
Personal Services	46,128,511	46,427,131	48,374,200	49,023,900	48,853,000
In-State Travel	800,479	617,352	689,100	698,400	698,400
Out of State Travel	113,127	113,367	51,500	71,800	71,800
Current Expense	15,051,037	14,003,703	17,350,300	16,036,900	15,981,100
DP Current Expense	4,849,512	4,054,627	3,813,900	3,605,900	3,445,100
DP Capital Outlay	212,612		78,500		
Capital Outlay	24,986		174,400		
Other Charges/Pass Thru	58,738,732	50,779,151	54,146,200	53,942,100	53,877,800
<b>Total</b>	<b>\$125,918,996</b>	<b>\$115,995,331</b>	<b>\$124,678,100</b>	<b>\$123,379,000</b>	<b>\$122,927,200</b>
<b>FTE/Other</b>					
Total FTE	1,075	1,004	1,040	1,055	1,052
Vehicles					180

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

4.2 Federal Funds

Program	FY 2002 Actual	FY 2003 Authorized	FY 2004 Analyst
Title XX Soc. Svc Block Grant	\$1,804,800	\$4,220,400	\$4,220,400
General Funds	0	0	0
Totals for this grant/contract	\$1,804,800	\$4,220,400	\$4,220,400
Title IVB Child Welfare	\$18,400	\$3,275,000	\$3,275,000
General Funds	0	0	0
Totals for this grant/contract	\$18,400	\$3,275,000	\$3,275,000
Title IVE Foster Care	\$18,540,000	\$17,661,700	\$17,562,500
General Funds	14,285,772	13,609,009	13,532,571
Totals for this grant/contract	\$32,825,772	\$31,270,709	\$31,095,071
Child Abuse Prevention & Treatment	\$242,300	\$251,800	\$251,800
General Funds	0	0	0
Totals for this grant/contract	\$242,300	\$251,800	\$251,800
Foster Care Independence Program	\$618,800	\$506,400	\$506,400
General Funds	154,700	126,600	126,600
Totals for this grant/contract	\$773,500	\$633,000	\$633,000
Title IVE Adoptions	\$5,545,500	\$5,989,400	\$5,989,900
General Funds	3,050,025	3,294,170	3,294,445
Totals for this grant/contract	\$8,595,525	\$9,283,570	\$9,284,345
Runaway Youth	\$414,100	\$0	\$0
General Funds	45,551	0	0
Totals for this grant/contract	\$459,651	\$0	\$0
Family Violence Grant	\$994,200	\$1,033,900	\$1,033,900
General Funds	0	0	0
Totals for this grant/contract	\$994,200	\$1,033,900	\$1,033,900
Adoption Opportunities	\$57,300	\$73,200	\$73,200
General Funds	0	0	0
Totals for this grant/contract	\$57,300	\$73,200	\$73,200
From TANF to SSBG	\$8,815,600	\$5,307,000	\$5,307,000
General Funds	0	0	0
Totals for this grant/contract	\$8,815,600	\$5,307,000	\$5,307,000
Community-Based Family Resource	\$297,000	\$475,800	\$475,800
General Funds	74,250	118,950	118,950
Totals for this grant/contract	\$371,250	\$594,750	\$594,750
Adoption Incentive	\$397,800	\$0	\$0
General Funds	0	0	0
Totals for this grant/contract	\$397,800	\$0	\$0
Promoting Safe and Stable Families	\$1,422,000	\$1,738,200	\$1,738,200
General Funds	469,260	573,606	573,606
Totals for this grant/contract	\$1,891,260	\$2,311,806	\$2,311,806
<b>Total Federal Funds</b>	\$39,167,800	\$40,532,800	\$40,434,100
<b>Total State Funds</b>	18,079,558	17,722,335	17,646,172
<b>Total Funds</b>	\$57,247,358	\$58,255,135	\$58,080,272

**Future Impact of  
Current Federal  
Fund Decisions**

The future of the Social Services Block Grant is tenuous. It has been reduced significantly over the past few years and will possibly be reduced in the future. Although Congress has yet to reauthorize the grant, it is expected not to change significantly in the current session of Congress.

The State has been transferring TANF (Temporary Assistance for Needy Families) "surplus" funds for the past several years. There is currently budgeted \$1,804,800 of these transfers in the DCFS operating budget. The TANF program expired in September, and Congress has not yet reauthorized it; however, it is functioning on continuing resolutions. The Fiscal Analyst expects that the amount of transfers that can be made during the FY 2004 budget year will be the same as last year.

Due to more restrictive Federal rules, the Division has not been collecting Federal Title IV-E funding at the same level as in previous years.







Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Aging and Adult Services**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



**1.0 Summary: Division of Aging and Adult Services**

The Division of Aging and Adult Services (DAAS) is the designated State Agency authorized to coordinate all State activities related to the Older Americans Act of 1965 (amended in the year 2000). It advocates for the elderly, contracts for services, and administers State and federal programs for the elderly. The Division is also responsible for the protection of abused, neglected and exploited adults and elderly, through the Adult Protective Services program. Programs funded through the Older Americans Act must be distributed to the State’s 12 local Area Agencies on Aging (AAA’s) through an approved funding formula.

**Financial Summary**

For FY 2004, the Fiscal Analyst recommends an appropriation for DAAS totaling \$20.1 million, including \$11.7 million from the General Fund. The Analyst’s FY 2004 base budget reflects adjustments made by the Legislature in appropriating the FY 2003 budget during the 2002 General Session and for FY 2003 during the 5<sup>th</sup> and 6<sup>th</sup> Special Sessions. The reduction of \$2,900 shown in the following table is the impact on DAAS of the statewide \$2 million information technology cuts.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing</b>			
General Fund	11,698,000	(2,900)	11,695,100
Federal Funds	8,088,800		8,088,800
Dedicated Credits Revenue	46,700		46,700
Transfers - H - Medical Assistance	207,100		207,100
Transfers - Other Agencies	61,900		61,900
Beginning Nonlapsing	25,000		25,000
<b>Total</b>	<b>\$20,127,500</b>	<b>(\$2,900)</b>	<b>\$20,124,600</b>
<b>Programs</b>			
Administration	1,304,900	(2,900)	1,302,000
Local Government Grants	13,710,800		13,710,800
Non-Formula Funds	2,181,000		2,181,000
Adult Protective Services	2,930,800		2,930,800
<b>Total</b>	<b>\$20,127,500</b>	<b>(\$2,900)</b>	<b>\$20,124,600</b>
<b>FTE/Other</b>			
Total FTE	63.2	0.0	63.2
Vehicles	9.0	0.0	9.0

## 2.0 Issues: Division of Aging and Adult Services

### 2.1 Previous Budget Reductions

During the 2002 General Session, the Legislature's actions resulted in a net reduction of \$363,700 (\$219,500 General Fund) in the base FY 2003 DAAS budget. The General Fund was reduced by \$179,300 in across-the-board cuts. It also reduced the Medicaid waiver program (alternative services to nursing home care) by \$101,600. In the July 2002 Special Session, the Legislature reduced the Adult Protective Services' budget for Adult Day Care by \$140,000, which eliminated most state-funded adult day care services.

### 2.2 December 2002 Special Session

When the Legislature met in its 6<sup>th</sup> Special Session last December, it reduced the base FY 2003 General Fund budget by \$456,100 (\$425,000 General Fund). This reduction includes \$260,000 in State funds passed through to local Area Agencies on Aging. These reductions were replaced by one-time General Fund sources for FY 2003. The FY 2004 base General Fund budget does not include this restoration of funds.

### 2.3 Federal Funding Change

The Federal Medical Assistance Payments (FMAP) match rate changes from 70.93 percent to 71.60 percent effectively for State Fiscal Year 2004. In previous years this match rate has been declining and the State has had to pick up the increased required State match to maintain the same level of services. For FY 2004, this rate change will realize a small projected savings to the division of approximately \$3,900 in General Funds.

### 2.3 Legislative Intent Language

The 2002 Legislature, in the FY 2003 Appropriations Act (S.B. 1) approved the following intent language applicable to the Division of Aging and Adult Services:

*Use of health  
insurance premium  
savings*

*"It is the intent of the Legislature that if House Bill 248 passes, all savings from local health insurance premiums shall be used to provide services for clients of local health departments, mental health, aging services and substance abuse authorities."*

This legislation expanded the types of organizations eligible to participate in the State's health insurance risk pools. It required the Group Insurance Division to move employees of local health departments, local mental health authorities and similar entity employees into the insurance risk pool with State employees instead of the risk pool with political subdivisions. Although the bill passed, the Governor vetoed it.

The 2002 Legislature included the following intent language in the FY 2002 Supplemental Appropriations Act (H.B. 1):

*Use of non-lapsing  
beginning balances*

*“It is the intent of the Legislature that \$25,000 of the FY 2002 non-lapsing beginning balance in the Division of Aging and Adult Services be directed to in-home services.*

The Division reports that actual FY 2002 in-home services totaled \$3,644,828, which is an increase of \$24,828 over the original in-home services budget of \$3,620,000.

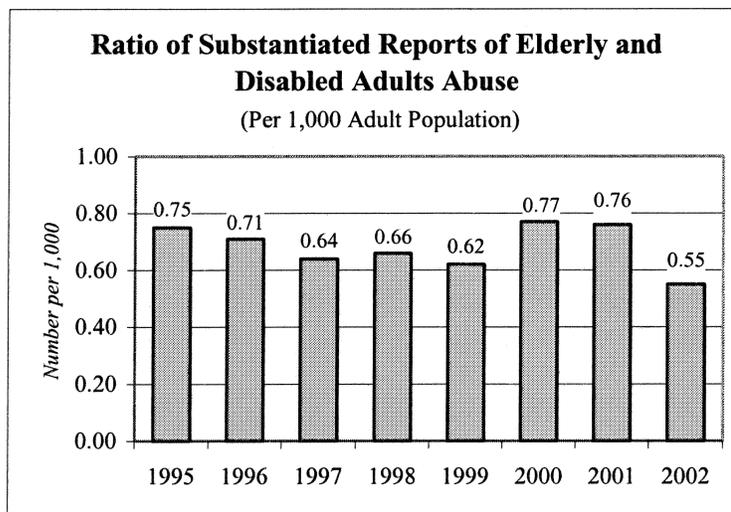
### 3.0 Programs: Division of Aging and Adult Services

#### Performance Measures

While the Division will report in more detail on performance and outcome measures, the Analyst has chosen several measures to highlight in this report. These measures are taken from the Department’s Outcome Measures publication and information provided by the Division.

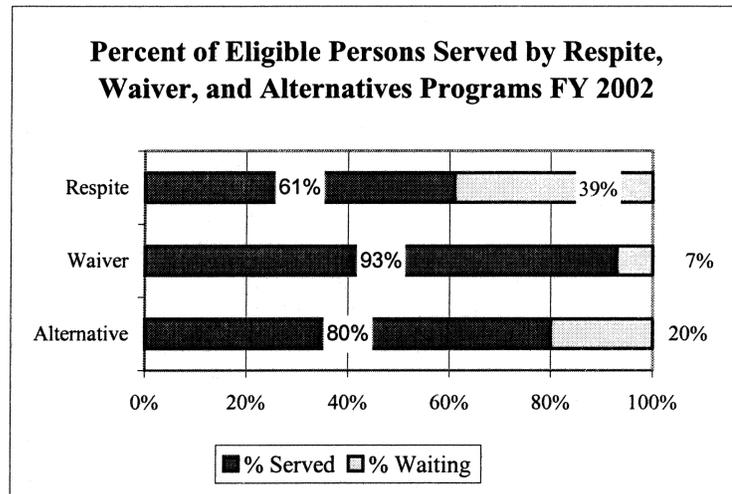
#### *Rate of Reported Elderly Abuse*

The first chart shows the rate of reported abuse of disabled and elderly adults. The rate of abuse per 1,000 adult citizens is affected by many dynamics, including efforts by State and county Aging and Adult Services programs to educate the public about the nature of this problem. After five years of gradual declines, the rate took a jump in FY 2000 with an increase of 200 reported incidents. The rate appears to have leveled off in FY 2001. For FY 2002, the rate of reported abuse per 1,000 has dropped to its lowest level in the past eight years, at 0.55. There has been an increased effort in the last few years to educate the public about the problem and the need to report elder abuse. This includes presentations to churches, civic groups, banks, facilities serving the elderly and disabled, and various ethnic groups. The data system that tracks elder abuse has also been refined.



#### *Percent of Elderly Served and Waiting for Alternative Services*

The second chart shows the percentage of eligible clients receiving services in three programs as of June 30, 2002: 1) the state-funded Alternatives Program and 2) the Waiver Program, both of which provide services to enable individuals to remain home; and 3) the Family Caregiver Support Program which gives the primary care giver rest or relief enabling the caregiver to continue as the primary source of care. The Chart shows that approximately 93 percent of those eligible for the Waiver program and 80 percent of those eligible for the Alternatives program are receiving services. However, there are still about 522 people waiting for services under both programs. Of the 691 individuals eligible for respite care services, only 61 percent, or 419 people, are currently being served.



### 3.1 DAAS Administration

#### Recommendation

The Fiscal Analyst recommends an FY 2004 budget for DAAS Administration totaling \$1.3 including \$567,600 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$46,900 (\$20,700 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget. In addition, this budget is reduced by \$2,900 (General Fund) for the information technology reductions.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
General Fund	648,489	570,500	567,600	(2,900)
General Fund, One-time		20,700		(20,700)
Federal Funds	558,000	601,200	580,000	(21,200)
Dedicated Credits Revenue	44,513	18,900	18,900	
Transfers - H - Medical Assistance	81,928	76,300	73,600	(2,700)
Transfers - Other Agencies	64,170	64,200	61,900	(2,300)
<b>Total</b>	<b>\$1,397,100</b>	<b>\$1,351,800</b>	<b>\$1,302,000</b>	<b>(\$49,800)</b>
<b>Expenditures</b>				
Personal Services	1,119,816	1,090,900	1,050,900	(40,000)
In-State Travel	25,941	25,800	25,800	
Out of State Travel	7,967	12,400	12,400	
Current Expense	149,087	161,400	154,500	(6,900)
DP Current Expense	63,289	53,100	50,200	(2,900)
Other Charges/Pass Thru	31,000	8,200	8,200	
<b>Total</b>	<b>\$1,397,100</b>	<b>\$1,351,800</b>	<b>\$1,302,000</b>	<b>(\$49,800)</b>
<b>FTE/Other</b>				
Total FTE	18.1	18.3	17.7	(0.6)

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The State DAAS Administrative Office develops and monitors programs for older citizens. The Office is responsible for the implementation of the Older American's Act and related State programs. It receives federal funds, distributes them to local agencies, and provides required oversight, technical assistance, training, data collection and monitoring. The Office contracts with local Area Agencies on Aging (AAAs) for the delivery of most services. The office administers the Medicaid Home and Community-based Waiver, State Alternatives/Caregiver Respite programs, Adult Protective Services, and the Ombudsman Program.

**3.2 Local Government Grants – Formula Funds**

**Recommendation**

The Fiscal Analyst recommends an FY 2004 budget for this program totaling \$13.7 including \$7.2 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$260,000 (General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reduction has not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	7,366,813	7,156,700	7,156,700	
General Fund, One-time		260,000		(260,000)
Federal Funds	5,883,393	6,554,100	6,554,100	
Beginning Nonlapsing	344,394			
<b>Total</b>	<u>\$13,594,600</u>	<u>\$13,970,800</u>	<u>\$13,710,800</u>	<u>(\$260,000)</u>
<b>Expenditures</b>				
Other Charges/Pass Thru	13,594,600	13,970,800	13,710,800	(260,000)
<b>Total</b>	<u>\$13,594,600</u>	<u>\$13,970,800</u>	<u>\$13,710,800</u>	<u>(\$260,000)</u>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

Programs funded through the Older Americans Act must be distributed to Area Agencies on Aging (AAAs) through an approved funding formula. In Utah, there are twelve AAAs (local government units) under contract with the State Division. Five counties are separate service providers (Salt Lake, Davis, Tooele, San Juan and Uintah Counties). One provider is a cooperative venture between Weber and Morgan Counties. The other six providers are associations of governments:

- Mountainland (Utah, Summit, Wasatch)
- Five County Assoc. (Kane, Iron, Washington, Garfield, Beaver)
- Six County Assoc. (Juab, Millard, Sevier, Wayne, Piute, Sanpete)
- Southeast Assoc. (Carbon, Emery, Grand)
- Uintah Basin (Daggett, Duchesne)
- Bear River Assoc. (Cache, Box Elder, Rich)

Local formula grants are distributed by formulas developed by the State Board of Aging and Adult Services. The Board has developed separate formulas for the distribution of Older American Act Funds, General Fund appropriated for In-Home Services, and funds for the Ombudsman Program. Some of the services and programs operated by the AAAs are listed below.

- ▶ *Support Services*: This includes outreach, transportation, friendly visitor, telephone reassurance services and other services designed to provide support to individuals in their own homes. For FY 2002, there were about 856,222 units of service provided.
- ▶ *Nutrition*: The Area Agencies on Aging provide both group (congregate) and home delivered meals. Approximately 33,000 people participate in the meals program. Recipients contribute approximately 25 percent of the cost of the meals. Many rural communities do not have meal programs available. Most existing programs have waiting lists for home delivered meals.
- ▶ *Cash In-lieu of Commodities*: This is a federal Department of Agriculture grant that reimburses nutrition providers for a portion of the cost of food.
- ▶ *Elder Abuse Prevention*: Abuse prevention consists of a public relations campaign promoting awareness and the need of reporting abuse, neglect and exploitation of the elderly.
- ▶ *Preventive Health*: Preventive Health is an outreach and educational program designed to promote healthy life styles among the elderly.
- ▶ *Long Term Care Ombudsman*: An Ombudsman program is established in Section 62A-3-201UCA 1953 to assist the elderly in “asserting their civil and human rights as patients, residents, and clients of long-term care facilities . . .” There are currently 7.9 FTEs distributed state wide in the AAAs to handle investigations. There are also 19 volunteers who serve as ombudsmen. They serve residents of nursing homes, residential facilities and adult foster care homes. The Ombudsman program handled 4,157 complaints in FY 2002, a 388 percent increase from 1993.
- ▶ *Caregiver Support Program*: The caregiver support program is a State and federally funded program designed to provide assistance to caregivers of adults suffering from long-term chronic illness. Support services aimed at reducing stress associated with care giving include counseling, training, organized support groups, respite care and other limited supplemental services. During FY2002, the program provided support to 419 caregivers.

- ▶ *Home and Community-based Alternatives:* This program makes available a wide variety of in-home services, personal care, home health aides, respite, day care, transportation, etc. Clients must meet income and eligibility guidelines to receive services and fees are assessed based on ability to pay. During 2002, 1,865 Utah seniors received services under this program that enabled them to remain in their own homes.

### 3.3 Non-formula Funds

#### Recommendation

The Fiscal Analyst recommends an FY 2004 budget for this program totaling approximately \$2.2 including \$1.3 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$52,700 (\$47,800 General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	1,119,478	1,314,600	1,314,600	
General Fund, One-time		47,800		(47,800)
Federal Funds	637,894	689,900	689,900	
Dedicated Credits Revenue	57,240	18,000	18,000	
Transfers - H - Medical Assistance	218,333	138,400	133,500	(4,900)
Beginning Nonlapsing		25,000	25,000	
Closing Nonlapsing	(25,000)			
Lapsing Balance	(32,745)			
<b>Total</b>	<b>\$1,975,200</b>	<b>\$2,233,700</b>	<b>\$2,181,000</b>	<b>(\$52,700)</b>
<b>Expenditures</b>				
In-State Travel	18	100	100	
Current Expense	13,130	10,700	10,700	
Other Charges/Pass Thru	1,962,052	2,222,900	2,170,200	(52,700)
<b>Total</b>	<b>\$1,975,200</b>	<b>\$2,233,700</b>	<b>\$2,181,000</b>	<b>(\$52,700)</b>
<b>FTE/Other</b>				

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

#### Purpose

The Division administers programs that have different funding sources and which do not use the Title III Older American Act funding formula. Each program has its own funds distribution method for the Area Agencies and other subcontractors. These programs include:

- ▶ *National Senior Services Corps:* This is a federally funded program to provide volunteer opportunities for senior citizens, including socialization for homebound seniors or in nursing homes, tutoring school children, working with juvenile offenders, and staffing service agencies. The State office provides funds to assist volunteers with their transportation costs.

- ▶ *Health Insurance Information Program:* This federal program operates in every county in Utah and assists seniors in understanding the complexities of the Medicare/Medicaid and supplemental insurance programs. During FY2002, this program received over 13,000 requests for information.
- ▶ *Employment Services:* This federally funded program subsidizes part-time employment and training for low-income seniors. Last year, this program served 234 elderly citizens.
- ▶ *Advocacy Information:* The Division provides information for inclusion into newsletters specifically targeted to the senior population, such as the federally funded magazine entitled "Utah Spirit." These publications provide information on available services and senior issues.
- ▶ *Home and Community Based Waiver:* This waiver program permits Medicaid funding for services to the elderly in non-institutional settings. These services often allow seniors to maintain their independence and postpone the need for an institutional placement. Medicaid restricts the cost of services to not exceed the cost of nursing homes. Currently, this program serves about 850 Utahns enabling them to continue residing in their own homes.

### 3.4-Adult Protective Services

The Fiscal Analyst recommends an FY 2004 budget for the Adult Protective Services program totaling approximately \$2.9 including \$2.7 from the General Fund. The FY 2003 Estimated amounts reflect actions of the 5<sup>th</sup> Special Legislative Session. The 6<sup>th</sup> Special Session reduced the FY 2003 budget by \$96,500 (General Fund) as part of an across-the-board budget cut. These funds were restored with one-time General Fund sources for FY 2003, but the reductions have not been restored for the FY 2004 budget.

### Recommendation

	2002	2003	2004	Est/Analyst
	Actual	Estimated	Analyst	Difference
<b>Financing</b>				
General Fund	3,016,405	2,656,200	2,656,200	
General Fund, One-time		96,500		(96,500)
Federal Funds		264,800	264,800	
Dedicated Credits Revenue	2,695	9,800	9,800	
<b>Total</b>	<b>\$3,019,100</b>	<b>\$3,027,300</b>	<b>\$2,930,800</b>	<b>(\$96,500)</b>
<b>Expenditures</b>				
Personal Services	2,411,724	2,497,000	2,402,000	(95,000)
In-State Travel	37,109	42,900	42,900	
Out of State Travel	169	200	200	
Current Expense	272,026	303,800	302,300	(1,500)
DP Current Expense	199,582	86,000	86,000	
Other Charges/Pass Thru	98,490	97,400	97,400	
<b>Total</b>	<b>\$3,019,100</b>	<b>\$3,027,300</b>	<b>\$2,930,800</b>	<b>(\$96,500)</b>
<b>FTE/Other</b>				
Total FTE	45.7	47.5	45.5	(2.0)
Vehicles	0.0	0.0	9.0	9.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

## **Purpose**

Adult Protective Services (APS) is both a State and federally mandated program to protect disabled and elderly adults, age 18 and over, from abuse, neglect and exploitation. The State has a mandatory reporting law requiring all citizens to report suspected cases of abuse. APS investigates these referrals and takes action to protect the individual from further harm. Most clients are referred to other agencies for services, but APS has funding to provide a limited number of Adult Foster Care and Adult Day Care placements. APS also provides protective payee services on a voluntary basis to clients who cannot manage their funds without assistance. For clients found incompetent by the courts and who have no one else to serve as their guardian, the Office of Public Guardian may be appointed as their guardian. In addition to its investigative role, APS services include:

- ▶ *Adult Day Care:* This program, which provides a safe place for families to place their relatives during the day, had most funding cut during the 2002 Special Session. In 2001, 25 individuals were receiving state-funded services by day care providers. Most adults and elderly that were in service have been moved to alternative services. There are still a handful of adults receiving day care services.
- ▶ *Adult Foster Care:* In 2002, nine people were provided Adult Foster Care services. This program provides family-based care for adults unable to live independently. The client can pay the provider directly for room and board, or the Division approves the foster home and pays them a service fee to cover the cost of supervision and care.
- ▶ *Protective Payee Services:* Individuals receiving these services are victims of abuse, neglect, or exploitation and lack the ability to manage their own incomes. They have payee services to assist them in learning to become self-sufficient. There are currently about 41 individuals receiving these services.

**4.0 Additional Information: Division of Aging and Adult Services**

**4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Financing</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated*</b>	<b>Analyst</b>
General Fund	11,184,400	11,621,400	12,151,185	11,698,000	11,695,100
General Fund, One-time				425,000	
Federal Funds	6,393,429	6,771,807	7,079,287	8,110,000	8,088,800
Dedicated Credits Revenue	6,790	54,382	104,448	46,700	46,700
Transfers - H - Medical Assistance	263,423	314,066	300,261	214,700	207,100
Transfers - Other Agencies			64,170	64,200	61,900
Beginning Nonlapsing	221,082		344,394	25,000	25,000
Closing Nonlapsing		(344,394)	(25,000)		
Lapsing Balance	(139)		(32,745)		
<b>Total</b>	<b>\$18,068,985</b>	<b>\$18,417,261</b>	<b>\$19,986,000</b>	<b>\$20,583,600</b>	<b>\$20,124,600</b>
<b>Programs</b>					
Administration	1,283,674	1,311,402	1,397,100	1,351,800	1,302,000
Local Government Grants	11,727,137	12,121,695	13,594,600	13,970,800	13,710,800
Non-Formula Funds	1,946,195	1,986,443	1,975,200	2,233,700	2,181,000
Adult Protective Services	3,111,979	2,997,721	3,019,100	3,027,300	2,930,800
<b>Total</b>	<b>\$18,068,985</b>	<b>\$18,417,261</b>	<b>\$19,986,000</b>	<b>\$20,583,600</b>	<b>\$20,124,600</b>
<b>Expenditures</b>					
Personal Services	3,277,348	3,435,894	3,531,540	3,587,900	3,452,900
In-State Travel	63,254	66,155	63,068	68,800	68,800
Out of State Travel	16,442	12,503	8,136	12,600	12,600
Current Expense	476,243	439,718	434,243	475,900	467,500
DP Current Expense	335,543	232,855	262,871	139,100	136,200
Other Charges/Pass Thru	13,900,155	14,230,136	15,686,142	16,299,300	15,986,600
<b>Total</b>	<b>\$18,068,985</b>	<b>\$18,417,261</b>	<b>\$19,986,000</b>	<b>\$20,583,600</b>	<b>\$20,124,600</b>
<b>FTE/Other</b>					
Total FTE	64.2	64.1	63.9	65.8	63.2
Vehicles	0.0	0.0	0.0	0.0	9.0

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.

**4.2-Federal Funds**

<b>Program</b>	<b>FY 2002 Actual</b>	<b>FY 2003 Authorized</b>	<b>FY 2004 Analyst</b>
Title XX Soc. Svc Block Grant	\$101,976	\$291,800	\$291,800
General Funds	0	0	0
Totals for this grant/contract	\$101,976	\$291,800	\$291,800
Title IIIC1 Congebrate Meals*	\$1,750,683	\$1,912,000	\$1,902,400
General Funds	322,617	352,300	350,600
Totals for this grant/contract	\$2,073,300	\$2,264,300	\$2,253,000
Title IIIB Support Svc*	\$1,784,690	\$2,008,800	\$2,002,100
General Funds	1,131,823	1,274,000	1,269,700
Totals for this grant/contract	\$2,916,513	\$3,282,800	\$3,271,800
Title IIIE NFCSP *	\$655,716	\$704,200	\$704,200
General Funds	363,167	390,000	390,000
Totals for this grant/contract	\$1,018,883	\$1,094,200	\$1,094,200
Title V SCSEP **	\$590,413	\$590,900	\$590,900
General Funds	3,833	3,836	3,836
Totals for this grant/contract	\$594,246	\$594,736	\$594,736
Title IIIC Home Meals *	\$1,072,811	\$1,077,100	\$1,072,100
General Funds	1,500,964	1,507,000	1,500,000
Totals for this grant/contract	\$2,573,775	\$2,584,100	\$2,572,100
Cash in lieu of Commodities	\$767,030	\$1,156,200	\$1,156,200
General Funds	0	0	0
Totals for this grant/contract	\$767,030	\$1,156,200	\$1,156,200
Title IIID Preventative Health	\$131,564	\$105,600	\$105,600
General Funds	683	4,945	4,945
Totals for this grant/contract	\$132,247	\$110,545	\$110,545
Misc OHDS Grants	\$154,486	\$183,100	\$183,200
General Funds	14,599	0	0
Totals for this grant/contract	\$169,085	\$183,100	\$183,200
Title VII Elder Abuse Prevention	\$24,313	\$27,200	\$27,200
General Funds	0	0	0
Totals for this grant/contract	\$24,313	\$27,200	\$27,200
DHS Other Grants	\$45,604	\$53,100	\$53,100
General Funds	0	0	0
Totals for this grant/contract	\$45,604	\$53,100	\$53,100
Total Federal Funds	\$7,079,286	\$8,110,000	\$8,088,800
Total State Funds	3,337,686	3,532,081	3,519,081
Total Funds	\$10,416,972	\$11,642,081	\$11,607,881
* 25% match admin, 0% programs. Local Authorities must provide 15% match			
** Some of match by Local Authorities			

### **4.3 Future Impact of Current Federal Fund Decisions**

The future of the Social Services Block Grant (SSBG) is uncertain. It has been reduced significantly over the past few years, and may be reduced in future years. There was an attempt to reduce it by another 60 percent in a recent Congress. In the current Congress, it appears that there will be no significant change in the SSBG appropriation.

The State has been transferring TANF (Temporary Assistance for Needy Families) "surplus" funds for the past few years. There is currently budgeted \$27,000 of these transfers in the DAAS budget, which is also included in the Analyst's recommended FY 2004 budget. The TANF program expired in September, and Congress has not yet reauthorized it; however, it is functioning on continuing resolutions. It is expected that the amount of transfers that can be made during the FY 2004 budget year will be the same as in FY 2003.







Office of the  
Legislative Fiscal Analyst

## **FY 2004 Budget Recommendations**

Joint Appropriations Subcommittee for  
Health and Human Services

Utah Department of Human Services  
**Internal Service Funds**

Contents:

- 1.0 Summary
- 2.0 Issues
- 3.0 Programs
- 4.0 Additional Information



**1.0 Summary: Department of Human Services Internal Service Funds**

The Department of Human Services operates two internal service funds (ISF) that provide shared services to the divisions and bureaus of the Department. These include General Services and Data Processing. General Services collects funds from department divisions for building maintenance and rent for the Department’s main office in Salt Lake City. Data Processing provides programming services for the Department.

**Financial Summary**

The following table summarizes the recommended operating levels for the two funds combined along with recommended staffing levels. The Analyst recommends an FY 2004 appropriation of \$4,046,600 from collection of dedicated credits / intergovernmental revenues. This is expected to generate a net operating income of \$10,600. Accumulated retained earnings for both funds combined are expected to reach \$155,900 by the end of FY2004. No capital acquisitions are planned or recommended for FY 2004.

	<b>Analyst FY 2004 Base</b>	<b>Analyst FY 2004 Changes</b>	<b>Analyst FY 2004 Total</b>
<b>Financing by Source</b>			
Dedicated Credits - Intragvt Rev	4,046,600		4,046,600
<b>Total</b>	<u>\$4,046,600</u>	<u>\$0</u>	<u>\$4,046,600</u>
<b>Expenditures by Program</b>			
ISF - DHS General Services	1,455,600		1,455,600
ISF - DHS Data Processing	2,580,400		2,580,400
<b>Total</b>	<u>\$4,036,000</u>	<u>\$0</u>	<u>\$4,036,000</u>
<b>Profit/Loss</b>	<u>\$10,600</u>	<u>\$0</u>	<u>\$10,600</u>
<b>FTE/Other</b>			
Total FTE	33.0	0.0	33.0
Retained Earnings	\$155,900	\$0	\$155,900

### **3.0 Programs: Internal Service Funds**

#### **Internal Service Funds: General Information**

Internal Service Funds operate similarly to private, non-profit service providers. Over time, income and expense should balance out and the accumulated “retained earnings” should be near zero. One of the basic purposes for internal service funds is to more efficiently allocate scarce resources. If users of these services have to pay for them, they will use those services more prudently. Also, it provides a mechanism to compare the cost and efficiencies of these services with competing private service providers, where available.

Utah Code, Section 63-38-3.5 places the following Legislative controls on the operation of Internal Service Funds:

1. All Internal Service Fund budgets must be approved by the Legislature.
2. The number of full time equivalent (FTE) positions must be approved for each Internal Service Fund.
3. The Legislature must approve all capital acquisitions made by an Internal Service Fund.
4. No capital assets can be transferred to an Internal Service Fund without Legislative approval.
5. Rate structures must be approved by the Legislature.
6. Working capital must be acquired in the following order: First from operating revenues, second from long-term debt, and last from appropriation.
7. Borrowing from the General Fund (long term debt) is allowed as long as:
  - a. The debt is repaid over the useful life of the asset,
  - b. Borrowing does not exceed 90 percent of the net value of its capital asset.

### 3.1 General Service Internal Service Fund

**Recommendation** The Fiscal Analyst recommends an appropriation of \$1,457,100 from collection of dedicated credits / intergovernmental revenues for FY 2004. The Analyst's recommendations include 2.0 authorized FTE employees. No capital acquisitions are planned for FY2004.

Ending retained earnings for FY 2002 was \$70,007 after an operating gain of \$12,660. The Department is projecting operating profits of \$1,100 in FY 2003 and approximately \$1,500 in FY 2004. This would bring the accumulated retained earnings to \$72,600 for FY2004.

	2002	2003	2004	Est/Analyst
<b>Financing</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>	<b>Difference</b>
Dedicated Credits - Intragvt Rev	1,469,995	1,461,100	1,457,100	(4,000)
<b>Total</b>	<b>\$1,469,995</b>	<b>\$1,461,100</b>	<b>\$1,457,100</b>	<b>(\$4,000)</b>
<b>Expenditures</b>				
Personal Services	42,078	27,000	49,600	22,600
Current Expense	1,403,979	1,388,900	1,386,500	(2,400)
DP Current Expense	10,080	37,900	17,700	(20,200)
Other Charges/Pass Thru		5,000		(5,000)
Depreciation	1,198	1,200	1,800	600
<b>Total</b>	<b>\$1,457,335</b>	<b>\$1,460,000</b>	<b>\$1,455,600</b>	<b>(\$4,400)</b>
<b>Profit/Loss</b>	<b>\$12,660</b>	<b>\$1,100</b>	<b>\$1,500</b>	<b>\$400</b>
<b>FTE/Other</b>				
Total FTE	2.0	2.0	2.0	0.0
Retained Earnings	70,007	71,100	72,600	1,500

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose** The Division of Facilities, Construction and Management (DFCM) provides operation and maintenance services for the Human Services administration building in Salt Lake City and charges a per square foot rate. The General Services ISF collects funds from the Department's divisions occupying that building according to their share of space occupied.

**General Services ISF Rates** The charges per square foot of space in the main building in Salt Lake City will not change from FY 2003 to FY 2004.

<b>General Services: Rate Proposal</b>			
	<b>FY 2003</b>	<b>FY 2004</b>	<b>Difference FY 03-04</b>
Admin Building Per Square Foot	\$13.44	\$13.44	n/c

### 3.2 Data Process Internal Service Funds

**Recommendation**

The Analyst recommends an appropriation of \$2,589,500 from collection of dedicated credits / intergovernmental revenues for FY 2004. The recommendation includes an authorized staff level of 31.0 FTEs. No capital acquisitions are planned for FY 2004.

Ending retained earnings for FY 2002 was \$68,000 after an operating gain of \$47,729. The Department is projecting small operating profits of \$6,200 in FY 2003 and approximately \$9,100 in FY 2004. This would bring the accumulated retained earnings to \$83,300 for FY 2004.

	2002 Actual	2003 Estimated	2004 Analyst	Est/Analyst Difference
<b>Financing</b>				
Dedicated Credits - Intragvt Rev	2,334,670	2,490,700	2,589,500	98,800
<b>Total</b>	<u>\$2,334,670</u>	<u>\$2,490,700</u>	<u>\$2,589,500</u>	<u>\$98,800</u>
<b>Expenditures</b>				
Personal Services	2,101,191	2,281,500	2,333,200	51,700
In-State Travel	6,086	15,600	16,600	1,000
Current Expense	75,042	91,900	102,200	10,300
DP Current Expense	86,631	81,400	109,000	27,600
Other Charges/Pass Thru	17,991	14,100	19,400	5,300
<b>Total</b>	<u>\$2,286,941</u>	<u>\$2,484,500</u>	<u>\$2,580,400</u>	<u>\$95,900</u>
<b>Profit/Loss</b>	<u>\$47,729</u>	<u>\$6,200</u>	<u>\$9,100</u>	<u>\$2,900</u>
<b>FTE/Other</b>				
Total FTE	31.0	31.0	31.0	0.0
Retained Earnings	\$68,000	\$74,200	\$83,300	\$9,100

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency

**Purpose**

The Data Processing Internal Service Fund provides new applications development and programming services to various divisions and agencies in the department.

**Data Processing Programming Rates**

The Department requests no increase in the rate for programming services for FY 2004. The rates were last adjusted in FY 2002 when the rates changed from \$50 to \$52 per programmer hour.

	Data Processing: Rate Proposal		
	FY 2003	FY 2004	Difference FY 03-04
Programmers (per hour)	\$52.00	\$52.00	\$0.00

**4.0 Additional Information: Internal Service Funds****4.1 Funding History**

	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
<b>Financing by Source</b>	<b>Actual</b>	<b>Actual</b>	<b>Actual</b>	<b>Estimated</b>	<b>Analyst</b>
Dedicated Credits - Intragvt Rev	4,009,928	3,579,209	3,804,665	3,951,800	4,046,600
Sale of Fixed Assets	(1,382)				
<b>Total</b>	<b>\$4,008,546</b>	<b>\$3,579,209</b>	<b>\$3,804,665</b>	<b>\$3,951,800</b>	<b>\$4,046,600</b>
<b>Financing by Program</b>					
ISF - DHS General Services	1,491,545	1,460,209	1,469,995	1,461,100	1,457,100
ISF - DHS Data Processing	2,517,001	2,119,000	2,334,670	2,490,700	2,589,500
<b>Total</b>	<b>\$4,008,546</b>	<b>\$3,579,209</b>	<b>\$3,804,665</b>	<b>\$3,951,800</b>	<b>\$4,046,600</b>
<b>Expenditures</b>					
Personal Services	2,198,006	2,044,299	2,143,269	2,308,500	2,382,800
In-State Travel	12,556	16,393	6,086	15,600	16,600
Current Expense	1,367,954	1,755,665	1,479,021	1,480,800	1,488,700
DP Current Expense	108,488	120,821	96,711	119,300	126,700
Other Charges/Pass Thru	17,186	16,529	17,991	19,100	19,400
Depreciation		1,198	1,198	1,200	1,800
<b>Total</b>	<b>\$3,704,190</b>	<b>\$3,954,905</b>	<b>\$3,744,276</b>	<b>\$3,944,500</b>	<b>\$4,036,000</b>
<b>Profit/Loss</b>	<b>\$304,356</b>	<b>(\$375,696)</b>	<b>\$60,389</b>	<b>\$7,300</b>	<b>\$10,600</b>
<b>FTE/Other</b>					
Total FTE	34.5	33.0	33.0	33.0	33.0
Retained Earnings	\$452,776	\$20,271	\$138,007	\$145,300	\$155,900

\*General and school funds as revised by Supplemental Bills I-V, 2002 General and Special Sessions. Other funds as estimated by agency.