

Budget Brief – Division of Child and Family Services

HHS-05-16

SUMMARY

The Division of Child and Family Services' primary purpose is to provide child welfare services and to protect children from abuse and neglect. This includes child abuse and neglect investigations, child abuse prevention services, family preservation services, child protective services, shelter care, foster care, residential treatment care, adoption services, independent living programs, and domestic violence related services.

ISSUES AND RECOMMENDATION

Caseload Growth

The Division is seeing significant caseload growth as the state's population grows. The Analyst recommends an increase of \$4,098,200 (General Fund) for FY 2006 in the areas of Out-of-Home Care, Adoption Assistance and the need for additional caseworkers. This amount is allocated below: (See also Issue Brief: HHS-05-28)

Out of Home Care

The number of children receiving out of home services (foster homes and therapeutic residential services) is increasing by about six percent per year. The costs of the various services are also increasing. Even with an expected surplus balance of about \$1.1 million from FY 2005, which can be authorized as non-lapsing carry-forward into FY 2006, the Analyst recommends an increase of \$1,642,800 from the General Fund in FY 2006 for Out of Home Care growth.

Adoption Assistance

The Division estimates an additional 330 subsidized adoptions and guardianships in FY 2006. In addition, mental health costs have increased sharply as these children are no longer required to get Medicaid services inside the local mental health centers' capitated systems. The Analyst recommends a base increase of \$2,055,400 (General Fund) for FY 2006. The Analyst is also recommending a supplemental appropriation of \$801,200 (General Fund) for FY 2005.

Additional Case Workers

The Division estimates a need for 36 additional caseworkers in FY 2006 to keep up with caseload averages recommended in a recent Legislative Auditor's report. The Analyst recommends funding for about 10 new caseworkers, at a cost of \$487,800 (\$400,000 General Fund).

Figure 1: Human Services - Child and Family Services - Budget History

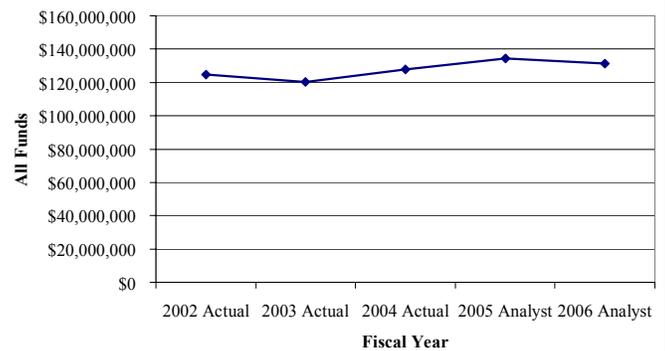


Figure 2: Human Services - Child and Family Services - FTE History

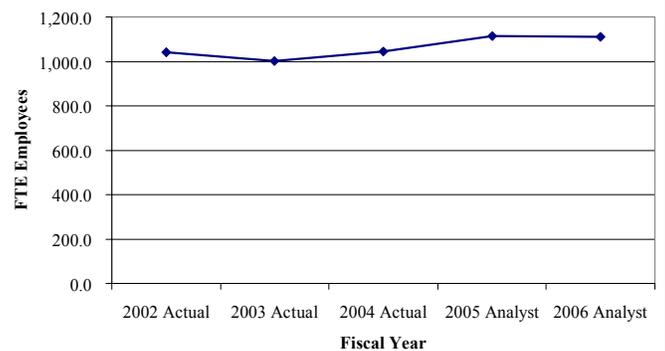
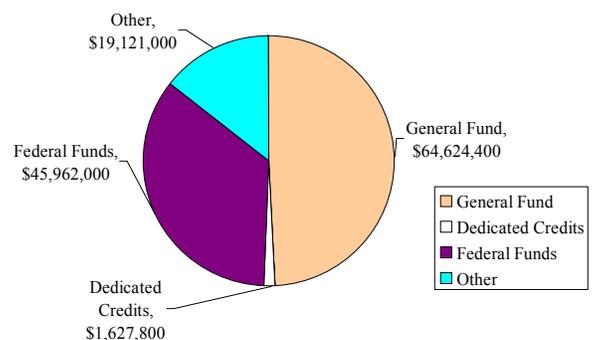


Figure 3: Human Services - Child and Family Services - FY 2006 Funding Mix



David C. Settlement Court Litigation Costs

The David C. court settlement requires that DCFS funds an independent monitor to assess the Division and to report to the Court on progress in meeting the plan's requirements. The Analyst recommends the Legislature funds the Division's request of \$328,600 (\$269,500 General Fund, one-time) in FY 2006. This is similar to amounts the Division has paid annually for the past four years.

Federal Match Rate Change (FMAP)

The FMAP rate change will reduce the federal matching funds available to DCFS by \$408,700 in FY 2006. The Analyst recommends the Legislature replace this loss with ongoing General Funds. (See Issue Brief: HHS-05-24)

Comments on Above Recommendations

The above Analyst recommendations are NOT currently built into the Analyst's recommendations in the tables in this brief, as the Executive Appropriations Committee has not yet allocated additional funds to the subcommittee. The Analyst recommends these items be prioritized highly if/when additional funds become available.

Transfer Funds to Dept of Workforce Services

The Department has requested that \$100,800 of General Funds for the Commission for Women and Families be transferred to the Department of Workforce Services. In the past these funds have been transferred annually through an IAT (inter-agency transfer) document. While not reflected in the recommended FY 2006 budget tables in this brief, the Analyst's recommends this transfer. (See Issue Brief: HHS-05-29.)

Foster Care Youth – Extended Medicaid Coverage

Governor Walker's "Transition to Adult Living" initiative is aimed at assisting youth in the transition from foster care to adult living when they turn 18. Many of the approximately 160 youth who "age out" of foster care each year have significant medical conditions (both physical and mental) that require continued care. The Legislature would need to appropriate an increase in the base budget of \$626,000 from the General Fund for the State match required to extend their Medicaid coverage for two more years.

Domestic Violence Services

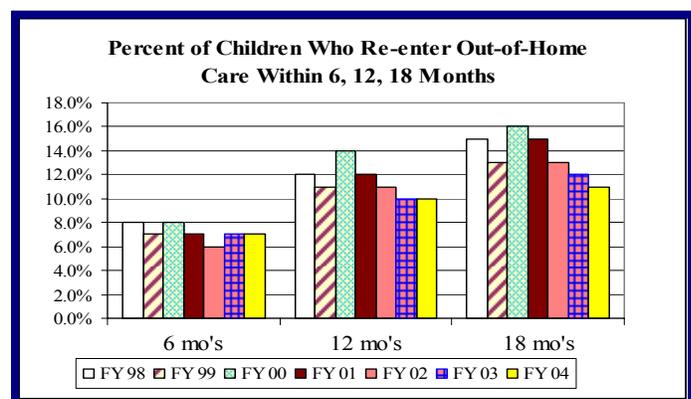
There is a lack of domestic violence treatment services in the eastern sections of the State. The Division has unsuccessfully tried to find private providers willing to serve the area. The Division has budgeted for a licensed clinical therapist for that region, but has been unable to fill it. The Division requests \$100,000 of new General Funds. This amount will be used, along with funding from the unfilled position, to hire two domestic violence case workers in the Uintah Basin and in the Grand and San Juan counties area.

Private Providers Staff Cost of Living Adjustment

A one percent cost of living adjustment for staff of DCFS private contract services providers is estimated to cost \$335,100 (\$187,000 General Fund). A decision on this issue will be made by the Executive Appropriations Committee as it considers state employee compensation.

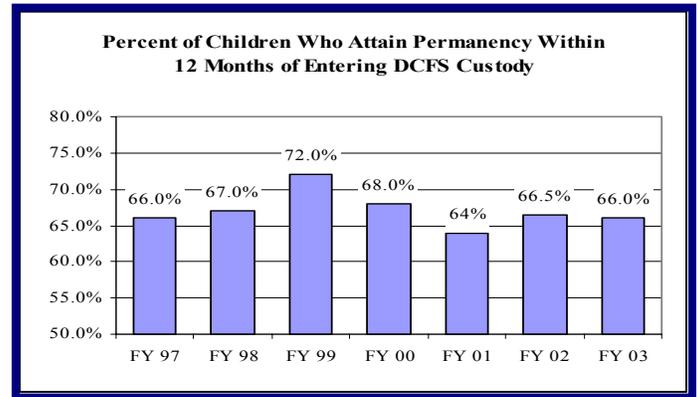
ACCOUNTABILITY DETAIL***Percent of Children Who Re-enter Out-of-Home Care***

The chart on the right shows a general decrease in the percent of children re-entering out-of-home care at different time periods after first leaving care since FY 1998. For FY 2004, the re-entry rate was 7%, 10% and 11% respectively for those who left care 6, 12, and 18 months earlier.



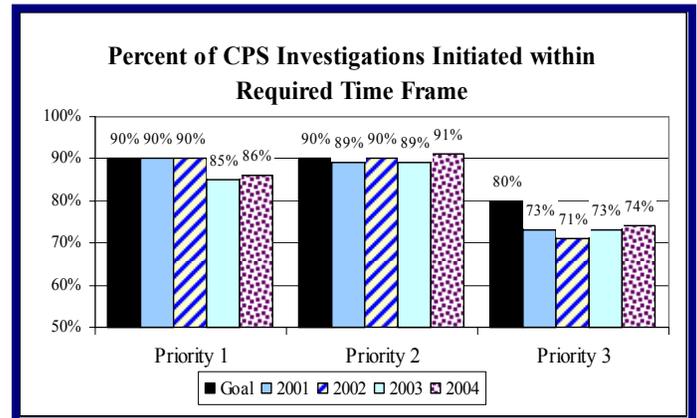
Percent of Children Who Achieve Permanency within 12 Months of Entering Custody

These data show the Division's ability to meet its goal of a permanent situation for children in custody within 12 months. Since FY 2000, about two out every three children are in such permanent situation within 12 months of entering out-of-home care. About 83% of the permanent placements involve returning the child to the child's home or to a relative placement.



Percent of CPS Timely Initiated Investigations

This chart shows a four year trend in timely responses to reported child abuse cases. In the most serious cases (Priority 1,) workers saw the child within 60 minutes 86% of the time in FY04 (the goal is 90%). In Priority 2 cases (where there are no immediate protection or safety needs), the child was seen within 24 hours 91% of the time in FY04. When there is a low probability of further harm, the child must be seen by midnight of the third working day (Priority 3). Priority 4 cases are not shown.



BUDGET DETAIL

Budget Recommendation

The Analyst recommends an FY 2006 appropriation for the Division of Child and Family Services (DCFS) totaling \$131.3 million (2.3 percent below the current FY 2005 authorized budget). The FY 2006 recommendation includes \$64.6 million from the General Fund, (0.6 percent below FY 2005 due to one-time compensation funding in FY 2005). The FY 2005 estimated budget includes approximately \$2,161,800 carried over as non-lapsing from FY 2004, as authorized by the 2004 Legislature. A driving force in budget considerations for DCFS is the continuing court oversight of Utah's child welfare programs. Additional funding recommendations by the Fiscal Analyst are not built into the tables and charts in this budget brief.

Intent Language – FY 2006

It is the intent of the Legislature that funds appropriated for the Adoption Assistance program and the Out of Home Care program in the Division of Child and Family Services not lapse at the end of FY 2006. It is further the intent of the Legislature that these funds be used for Adoption Assistance and Out of Home Care programs.

Funds appropriated to the Division of Child and Family Services for Adoption Assistance may be used to hire up to six positions to provide post-adoption support. This support will provide adoptive parents with information, services, and counseling in an effort to prevent adoptive placements from failing, and to ensure efficient and appropriate services and accountability of funds. The division will track Adoption Assistance funds transferred as well as estimated savings resulting from this effort and report back to the Health and Human Services Appropriations Subcommittee during the 2006 General Session to determine the value of continuing this post-adoption support effort.

LEGISLATIVE ACTION

1. The Analyst recommends a base budget for the Division of Child and Family Services of \$131,335,200 (\$64,624,400 General Funds) as detailed in the "Budget Detail Table."
2. Consider additional budget issues as recommended by the Analyst and as considered by the subcommittee.
3. Consider a base budget transfer of \$100,800 General Funds from DCFS (Administration) to Department of Workforce Services. (Commerce and Revenue Appropriations Subcommittee will also vote on this.)
4. Consider the above listed intent language for non-lapsing funds status for the Out of Home Care and the Adoption Assistance programs, and authority to hire up to six post-adoption support workers.

BUDGET DETAIL TABLE

Human Services - Child and Family Services						
	FY 2004	FY 2005		FY 2005		FY 2006
Sources of Finance	Actual	Appropriated	Changes	Revised	Changes	Analyst*
General Fund	62,905,400	64,596,500	0	64,596,500	27,900	64,624,400
General Fund, One-time	0	434,200	0	434,200	(434,200)	0
Federal Funds	45,852,000	45,948,300	355,100	46,303,400	(341,400)	45,962,000
Dedicated Credits Revenue	1,726,400	1,401,600	246,500	1,648,100	(20,300)	1,627,800
GFR - Children's Trust	350,000	400,000	0	400,000	0	400,000
GFR - Domestic Violence	650,000	700,000	0	700,000	0	700,000
Transfers - H - Medical Assistance	19,388,500	17,333,300	585,800	17,919,100	(102,700)	17,816,400
Transfers - Other Agencies	183,800	105,000	99,600	204,600	0	204,600
Beginning Nonlapsing	763,000	238,700	1,923,100	2,161,800	(2,161,800)	0
Closing Nonlapsing	(2,161,800)	0	0	0	0	0
Total	\$127,707,300	\$131,157,600	\$3,210,100	\$134,367,700	(\$3,032,500)	\$131,335,200
Programs						
Administration	2,861,300	3,477,200	70,500	3,547,700	(79,800)	3,467,900
Service Delivery	57,475,600	59,965,200	(900,400)	59,064,800	(471,800)	58,593,000
In-Home Services	2,000,500	1,925,700	123,800	2,049,500	0	2,049,500
Out-of-Home Care	30,410,100	29,831,300	3,617,000	33,448,300	(2,099,200)	31,349,100
Facility Based Services	3,743,300	3,606,500	205,500	3,812,000	(3,600)	3,808,400
Minor Grants	4,647,400	4,706,300	265,500	4,971,800	(139,900)	4,831,900
Selected Programs	2,558,400	3,563,000	(686,500)	2,876,500	0	2,876,500
Special Needs	1,853,600	1,752,300	95,200	1,847,500	0	1,847,500
Domestic Violence Services	5,051,700	5,179,400	587,800	5,767,200	(12,500)	5,754,700
Children's Trust Fund	301,000	400,000	0	400,000	0	400,000
Adoption Assistance	11,242,500	11,897,100	(238,000)	11,659,100	(217,600)	11,441,500
Child Welfare Management Information System	5,561,900	4,853,600	69,700	4,923,300	(8,100)	4,915,200
Total	\$127,707,300	\$131,157,600	\$3,210,100	\$134,367,700	(\$3,032,500)	\$131,335,200
Categories of Expenditure						
In-State Travel	705,800	683,800	24,700	708,500	0	708,500
Out of State Travel	43,500	43,400	14,000	57,400	0	57,400
Current Expense	16,183,200	16,455,500	13,200	16,468,700	294,000	16,762,700
DP Current Expense	4,697,100	3,835,900	275,100	4,111,000	(54,100)	4,056,900
DP Capital Outlay	47,400	0	0	0	0	0
Other Charges/Pass Thru	54,832,000	56,670,800	2,672,300	59,343,100	(2,733,500)	56,609,600
Total	\$127,707,300	\$131,157,600	\$3,210,100	\$134,367,700	(\$3,032,500)	\$131,335,200
Other Data						
Total FTE	1,043.4	1,072.3	41.2	1,113.6	(1.4)	1,112.1
Vehicles	189	189	0	189	0	189
*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.						