

## Issue Brief – DCFS Caseload Growth

NUMBER HHS-05-28

### SUMMARY

The Division of Child and Family Services (DCFS) is seeing significant caseload growth as the state's population grows. This Brief discusses three areas of case growth: Out-of-Home Care, Subsidized Adoptions and the need for additional caseworkers. The Division is still under scrutiny of the David C. lawsuit settlement agreement by the Court. For FY 2006, the Analyst recommends that the subcommittee consider increasing funding in these three areas by a combined total of \$4,098,200 from the General Fund. Note that these recommended budget increases are not included in any Budget Brief chart or table reflecting the Analyst's recommended FY 2006 budget, as the Executive Appropriations Committee has not allocated additional funds to the subcommittee.

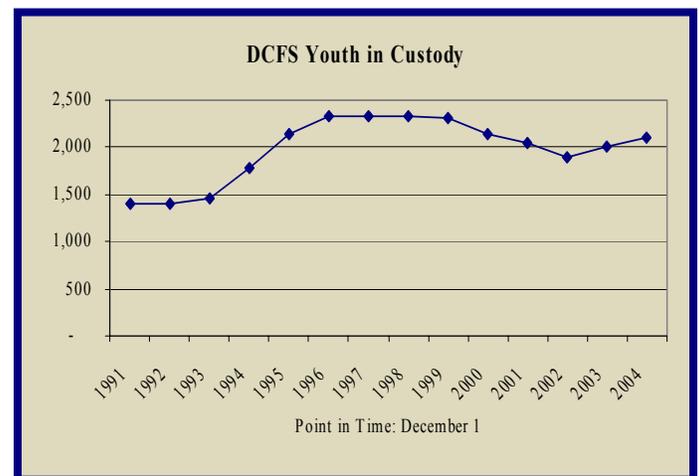
### OBJECTIVE

The recommendations of this Issue Brief are intended to enable the Division to keep up with growing demand for services and enable timely and appropriate compliance with federal and state requirements. The Division needs to continue its progress toward full compliance with the court ordered Milestone Plan and an eventual return of Division oversight to State agencies.

### DISCUSSION AND ANALYSIS

#### *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. Another \$1,377,600 is expected to be drawn from various federal sources. The chart to the right shows a decline in the number of youth in custody from 1998 to 2002. This number is now growing again and exceeded 2,100 in 2004.



#### *Subsidized Adoptions*

The Division places about 330 children in State custody with adoptive parents each year. Children in foster care longer than 15 months without a permanency plan are in violation of State and Federal guidelines. Several factors are driving up the funding needs of the subsidized adoption program. One is simply the growth in numbers. In FY 1997, there were 1,061 adopted children whose families receive some kind of subsidy. In FY 2004, that number reached 3,401. Another factor is the reduction in percentage of adopted children eligible for federal Title IVE funding, from over 70% to about 55% in FY 2004. This means the State has to pick up a greater share of the program cost. From FY 2000 to FY 2004, the number of non-IVE eligible adopted children receiving monthly subsidies doubled from 425 to 860. Recently, the State changed its policy of mental health coverage for adopted children from State custody. Prior to 2003, these children were required to receive mental health services through the "capitated" local public mental health centers. The 2002 Legislature allowed these children to be "carved out" of the "capitated" system and could obtain services from any available Medicaid provider. This has significantly raised the cost of mental health services. In FY 2004, the Health Department

began billing the Division for the match for Medicaid services for these “carved out” children. The Division paid \$914,000 to Medicaid for the State match that year.

Still, the cost of subsidizing adoptions is much less than the cost of foster care. Adoption assistance averages about \$3,800 per year while foster care costs about \$30,000 per year. If the child’s permanency plan indicates the child will not return home, besides being in the child’s best interest, there are cost savings of moving the child from foster care to an adoptive situation as soon as possible.

The Analyst recommends a base increase in the subsidized adoptions program of \$2,055,400 (General Fund) for FY 2006. The Analyst also recommends 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 table on the right shows actual number of cases for FY 2003 and FY 2004 and projected cases for the current and next year. The table then shows the calculated number of caseworkers needed using the standard caseloads recommended in a recent Auditor’s General report. The total cost of funding the full estimated need of 36 caseworkers is about \$1.7 million, with about 82% coming from the General Fund. The Analyst recommends funding for about 10 new caseworkers, at a cost of \$487,800 (\$400,000 General Fund).

<b>DCFS PROJECTED CASELOAD AND CASEWORKER NEEDS</b>							
	--TOTAL DCFS CASES FOR THE YEAR--				Case-	Current	
Service	Actual	Actual	Projected	Projected	Workers	# Case-	
(Std. Caseload)	FY 2003	FY 2004	FY 2005	FY 2006	Needed*	Workers	Diff.
Child Protective							
Services (15)	19,633	21,160	22,687	24,214	134.5	114.3	20.2
Foster							
Care (12)	1,761	1,896	2,031	2,166	180.5	157.8	22.7
In-Home							
Services (15)	4,226	4,284	4,342	4,400	73.3	76.8	-3.5
Family							
Preserv. Svc. (4)	534	516	498	480	30.0	32.7	-2.7
					418.4	381.6	36.8

\*Calculated using Legislative Auditor's recommended caseload.

### **LEGISLATIVE ACTION**

The Analyst recommends that the Health and Human Services Appropriations Subcommittee highly prioritize these case growth related items totaling \$4,098,200 if/when additional funds become available.