



# DEPARTMENT OF HUMAN SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE  
STAFF: STEPHEN JARDINE

## BUDGET BRIEF

### SUMMARY

The Department of Human Services (DHS), under Section 62A of the Utah Code Annotated, administers various social services programs in the state of Utah. For additional detailed information on the Department of Human Services, see the Compendium of Budget Information prepared for the 2011 General Session at: [http://le.utah.gov/lfa/reports/cobi2011/agcy\\_200.htm](http://le.utah.gov/lfa/reports/cobi2011/agcy_200.htm)

DHS includes the following entities:

1. Executive Director Operations (EDO)
2. The Division of Substance Abuse and Mental Health (DSAMH), including Drug Courts
3. The Division of Services for People with Disabilities (DSPD)
4. The Office of Recovery Services (ORS)
5. The Division of Child and Family Services (DCFS)
6. The Division of Aging and Adult Services (DAAS)
7. The Division of Juvenile Justice Services (DJJS)

While DJJS is part of the department, its budget is reviewed in the Executive Offices and Criminal Justice Appropriations Subcommittee. Therefore, its budget is not included in this budget brief.

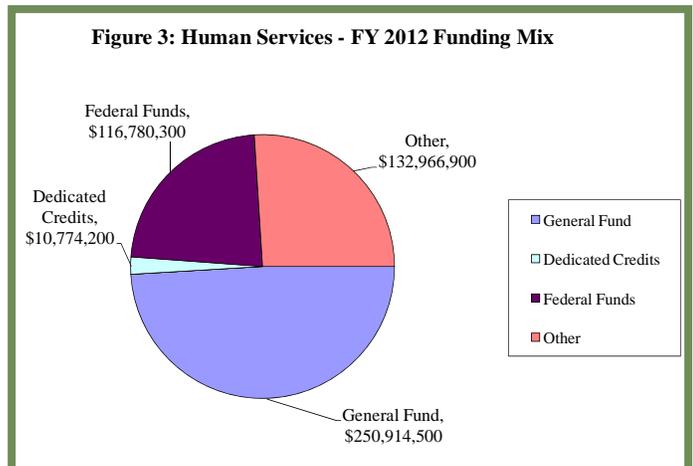
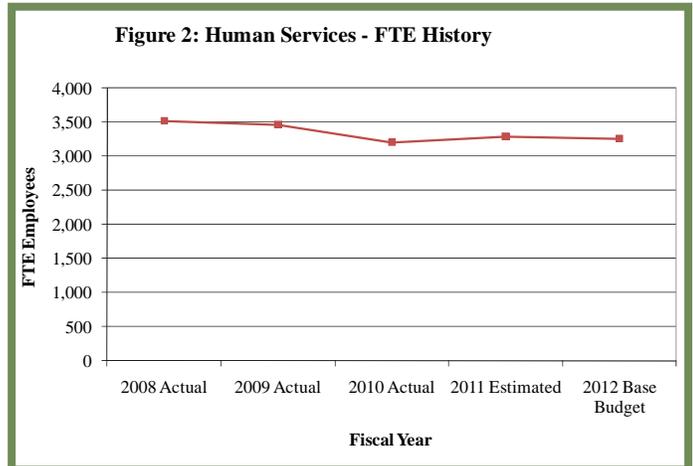
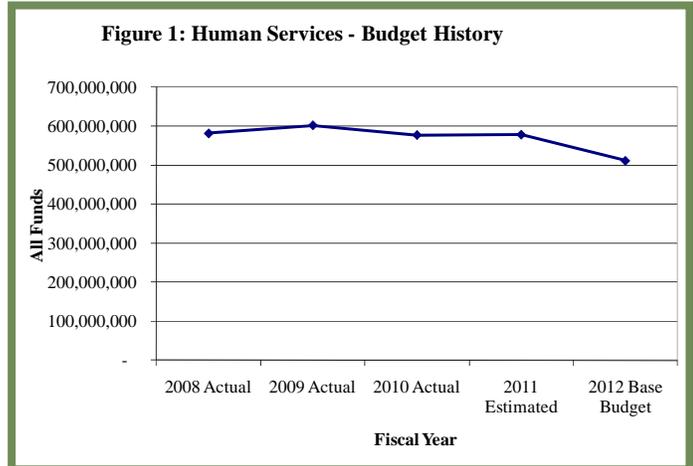
Mental health, substance abuse, and aging programs are operated at the county level under the direction of the Division of Aging and Adult Services and the Division of Substance Abuse and Mental Health.

### ISSUES

The subcommittee should consider the following items in its deliberations:

#### Base Budget Adoption

Adoption of the base budget enables the programs to continue for the next fiscal year. Some changes in the base budgets may occur outside of formal Legislative action, namely non-state fund increases or decreases (i.e. federal funds, transfers, dedicated credits, and non-lapsing balances), and program shifts within a line item.



**Department Requests for Consideration**

Requests will be discussed in the various budget and issue briefs associated with the Department of Human Services.

**Adoption of Fees**

The following table shows the proposed fee rates for FY 2012:

| Department of Human Services Fees   |              |                     |                   |                       |
|---|--------------|---------------------|-------------------|-----------------------|
| FY 2012   |              |                     |                   |                       |
| Fee description   | FY 2012 Fees | Change from FY 2011 | Est. No. of Units | Est. FY 2012 Revenues |
| Initial License (new program)   | \$300.00     | No Change           | 50                | \$15,000              |
| Adult Day Care (0-50 consumers/program)   | \$100.00     | No Change           | 12                | \$1,200               |
| Adult Day Care (>50 consumers/program)  | \$200.00     | No Change           | 1                 | \$200                 |
| Adult Day Care per licensed capacity  | \$3.00       | No Change           | 250               | \$750                 |
| Child Placing   | \$250.00     | No Change           | 100               | \$25,000              |
| Day Treatment   | \$150.00     | No Change           | 150               | \$22,500              |
| Outpatient Treatment  | \$100.00     | No Change           | 250               | \$25,000              |
| Residential Support   | \$100.00     | No Change           | 130               | \$13,000              |
| Residential Treatment   | \$200.00     | No Change           | 175               | \$35,000              |
| Residential Treatment per licensed capacity   | \$3.00       | No Change           | 3,300             | \$9,900               |
| Social Detoxification   | \$200.00     | No Change           | 10                | \$2,000               |
| Life Safety Pre-inspection  | \$200.00     | No Change           | 50                | \$10,000              |
| Outdoor Youth Program   | \$300.00     | No Change           | 10                | \$3,000               |
| Outdoor Youth Program per licensed capacity   | \$5.00       | No Change           | 700               | \$3,500               |
| Intermediate Secure Treatment   | \$250.00     | No Change           | 10                | \$2,500               |
| Intermediate Secure Treatment per licensed capacity   | \$3.00       | No Change           | 700               | \$2,100               |
| Therapeutic School Program  | \$200.00     | No Change           | 5                 | \$1,000               |
| Therapeutic School Program per licensed capacity  | \$3.00       | No Change           | 200               | \$600                 |
| FBI Fingerprint Check (Live Scan) *   | \$39.25      | No Change           | 600               | \$23,550              |
| FBI Fingerprint Check (Hard Copy) *   | \$39.25      | No Change           | 300               | \$11,775              |
| Office of Licensing Live Scan   | \$10.00      | No Change           | 275               | \$2,750               |
| Alcoholic Beverage Server Fee (Off Premise)   | \$3.50       | No Change           | 6,514             | \$22,800              |
| Alcoholic Beverage Server Fee (On Premise)  | \$2.50       | No Change           | 11,080            | \$27,700              |
| Alcoholic Beverage Server Fee (On Premise)  | \$2.50       | No Change           | 1,000             | \$2,500               |
| Graduated Fee - Critical Support Services for People with Disabilities (Non-Medicaid Matched) **  |              | No Change           |                   | \$10,000              |
| Credit Card Convenience Fee   | \$5.00       | No Change           | 3,820             | \$19,100              |
| Recovery Services Collections Processing Fee  | \$5.00       | No Change           | 528,180           | \$2,640,900           |
| Recovery Services Federal Tax Intercept Fee (Retained)  | \$25.00      | No Change           | 6,400             | \$160,000             |
| \$25 Collection Fee   | \$25.00      | No Change           | 16,000            | \$400,000             |
| Live Scan Testing Fees (DCFS)   | \$10.00      | No Change           | 4,275             | \$42,750              |
| Drug Testing (DCFS)   | \$10.00      | No Change           | 210               | \$2,100               |
| Foster Care Cost of Reimbursement ***   | \$337.20     | No Change           | 5,912             | \$1,993,526           |
| Domestic Violence Treatment Fees  | \$10.00      | No Change           | 580               | \$5,800               |
| GRAMA Records paper (per side of sheet) ****  | \$0.25       | No Change           | -                 | \$0                   |
| GRAMA Records (EDO) audio tape (per tape) ****  | \$5.00       | No Change           | -                 | \$0                   |
| GRAMA Records (EDO) video tape (per tape) ****  | \$15.00      | No Change           | -                 | \$0                   |
| GRAMA Records (EDO) compiling and reporting in another format (per hour) ****   | \$25.00      | No Change           | -                 | \$0                   |
| GRAMA Records (EDO) compiling and reporting in another format (if programmer/analyst assistance required) (per hour) ****   | \$50.00      | No Change           | -                 | \$0                   |
| GRAMA Records (EDO) mailing ****  | actual cost  | No Change           | -                 | \$0                   |
| <b>Total Estimated Revenues for FY 2012</b>   |              |                     |                   | <b>\$5,537,501</b>    |
| * Billed back from the Department of Public Safety  |              |                     |                   |                       |
| ** For persons who do not meet Medicaid waiver eligibility requirements and are open for Non-Medicaid Matched Services, a graduated fee is assessed amounting to 1% of gross family income (GFI) if income is between 300% and 399% of Poverty; 2% of GFI if income is between 400% and 499% of Poverty; and 3% of GFI if income is more than 500% of Poverty. One twelfth of the calculated yearly fee is collected monthly. |              |                     |                   |                       |
| *** Rate varies by child and amount of SSA/SSI they collect monthly. Rate used is an estimate of an average amount collected per client.  |              |                     |                   |                       |
| **** These GRAMA fees apply for the entire Department of Human Services, including Juvenile Justice Services  |              |                     |                   |                       |

**FMAP Rate Change**

The Federal Medical Assistance Percentage (FMAP) represents the federal share of the programmatic costs for Medicaid and federal Title IV-E funds for foster care and adoption assistance. The federal government utilizes a formula to determine the annual percent of medical assistance based on a rolling three year average of per capita income levels compared to the national average. By law the FMAP rate cannot be lower than 50 percent or higher than 83 percent. The projected FMAP rate for State Fiscal Year 2012 is 71.025 percent. This represents a decrease of 0.2425 percent from the State Fiscal Year 2011 FMAP rate. The FMAP rate has been adjusted to reflect the state fiscal year. The following table shows the impact of the FMAP rate change department-wide for FY 2012:

| FY 2012 FMAP Rate Adjustments for DHS |                              |                  |                    |                   |
|---------------------------------------|------------------------------|------------------|--------------------|-------------------|
| Division                              | Program                      | General Funds    | Medicaid Funds     | Title IVE Funds   |
| DSAMH                                 | Utah State Hospital          | \$40,000         | (\$40,000)         |                   |
| DSPD                                  | State Developmental Center   | \$75,600         | (\$75,600)         |                   |
| DSPD                                  | Community Waiver Services    | \$328,600        | (\$328,600)        |                   |
| DSPD                                  | Brain Injury Waiver          | \$7,200          | (\$7,200)          |                   |
| DSPD                                  | Physical Disabilities Waiver | \$4,500          | (\$4,500)          |                   |
| DCFS                                  | Out of Home Care             | \$33,400         | (\$20,500)         | (\$12,900)        |
| DCFS                                  | Special Needs                | \$600            |                    | (\$600)           |
| DCFS                                  | Adoption Assistance          | \$25,600         | (\$4,100)          | (\$21,500)        |
| DAAS                                  | Aging Waiver                 | \$9,300          | (\$9,300)          |                   |
| <b>DHS Total</b>                      |                              | <b>\$524,800</b> | <b>(\$489,800)</b> | <b>(\$35,000)</b> |

**Additional Federal Stimulus Funds for Medicaid and Increased Federal Stimulus Funds for Aging Programs**

On August 10, 2010, President Obama signed into law the *Education, Jobs and Medicaid Assistance Act* (P.L. 111-226). Among other things, the legislation extends the increased Federal Medicaid matching rates (FMAP) under Section 5001 of the *American Recovery and Reinvestment Act* (ARRA) from the original expiration date of December 31, 2010 to the new expiration date of June 30, 2011. The following table displays the estimated additional authorization needed by the Department of Human Services in order to use the additional federal stimulus funds approved in the *Education, Jobs and Medicaid Assistance Act*:

| Department of Human Services<br>Enhanced Federal Match for Medicaid, Foster Care, and Adoption Assistance<br>Additional Legislative Authorization Requested |                                 |                                |  |
|---|---------------------------------|--------------------------------|--|
| Line Item   | FY 2011<br>Original<br>Estimate | FY 2011<br>Current<br>Estimate | Additional<br>Legislative<br>Authorization<br>Needed |
| Substance Abuse and Mental Health   | 763,700                         | 1,036,400                      | 272,700  |
| Services for People with Disabilities   | 8,294,700                       | 11,440,100                     | 3,145,400  |
| Aging and Adult Services  | 201,600                         | 251,500                        | 49,900   |
| <b>Total Human Services</b>   | <b>9,260,000</b>                | <b>12,728,000</b>              | <b>3,468,000</b>                                     |

For the Department of Human Services, the Governor is recommending the Legislature approve the use of \$6,184,800 in additional federal ARRA FMAP rate adjustments. The Analyst recommends the Legislature approve the use of \$3,468,000. This revised number is calculated based upon the difference between the department's total estimated receipt of enhanced federal FMAP and the amount the Legislature previously authorized.

***Federal Funds***

Other federal funds for DHS requiring legislative approval are shown in the Issue Brief *Department of Human Services Federal Funds*.

**ACCOUNTABILITY DETAIL**

For a listing and six year history of accountability measures used by the department, see the *Department of Human Services In-depth Budget Review Appendix 3*, pages 65 through 74 found at:

<http://le.utah.gov/interim/2010/pdf/00001615.pdf>.

**BUILDINGS**

For a discussion of buildings used by the department, see the *Department of Human Services In-depth Budget Review* found at <http://le.utah.gov/interim/2010/pdf/00001613.pdf> pages 79 through 86. For a listing of those buildings see the *Department of Human Services In-depth Budget Review Appendix 3*, pages 23 through 33 found at <http://le.utah.gov/interim/2010/pdf/00001614.pdf>.

**REPORTS REQUIRED BY STATUTE**

For DHS required reports, see the Issue Brief *Department of Human Services - Required Reports*.

**BUDGET DETAIL**

The following table shows the budget history for the Department of Human Services. To eliminate the structural imbalance and as directed by the Executive Appropriations Committee, the *FY 2012 Base Budget* column includes 93% of FY 2011 ongoing General and Education Fund appropriations across the board. Targeted budget changes, reflecting policymaker direction, will likely replace the pro-rata reductions shown here.

| Human Services                             |                      |                         |                       |                      |                       |                         |
|--|----------------------|-------------------------|-----------------------|----------------------|-----------------------|-------------------------|
| Sources of Finance                         | FY 2010<br>Actual    | FY 2011<br>Appropriated | Changes               | FY 2011<br>Revised   | Changes               | FY 2012*<br>Base Budget |
| General Fund                               | 263,570,300          | 269,800,400             | 0                     | 269,800,400          | (18,885,900)          | 250,914,500             |
| General Fund, One-time                     | (18,474,200)         | 5,524,200               | 0                     | 5,524,200            | (5,524,200)           | 0                       |
| Federal Funds                              | 113,919,800          | 124,424,900             | (4,955,100)           | 119,469,800          | (2,689,500)           | 116,780,300             |
| American Recovery and Reinvestment Act     | 31,193,900           | 21,009,700              | (4,163,400)           | 16,846,300           | (16,992,900)          | (146,600)               |
| Dedicated Credits Revenue                  | 11,833,100           | 11,630,400              | (747,600)             | 10,882,800           | (108,600)             | 10,774,200              |
| GFR - Children's Account                   | 900,000              | 400,000                 | 0                     | 400,000              | 0                     | 400,000                 |
| GFR - Domestic Violence                    | 1,940,700            | 840,700                 | 0                     | 840,700              | 0                     | 840,700                 |
| GFR - Intoxicated Driver Rehab             | 1,500,000            | 1,500,000               | 0                     | 1,500,000            | 0                     | 1,500,000               |
| GFR - Tobacco Settlement                   | 2,166,300            | 2,325,400               | 0                     | 2,325,400            | 0                     | 2,325,400               |
| GFR - Account for People with Disabilities | 481,900              | 100,000                 | 0                     | 100,000              | 0                     | 100,000                 |
| Transfers                                  | 0                    | 50,000                  | (50,000)              | 0                    | 0                     | 0                       |
| Transfers - Child Nutrition                | 73,900               | 65,800                  | 2,700                 | 68,500               | 5,500                 | 74,000                  |
| Transfers - Commission on Criminal and Juv | 242,200              | 242,700                 | (242,700)             | 0                    | 0                     | 0                       |
| Transfers - H - Medical Assistance         | 173,039,500          | 164,505,500             | (19,372,000)          | 145,133,500          | (18,740,100)          | 126,393,400             |
| Transfers - Other Agencies                 | 1,104,200            | 630,100                 | 274,400               | 904,500              | (18,600)              | 885,900                 |
| Transfers - Within Agency                  | 623,400              | 406,000                 | 111,700               | 517,700              | 0                     | 517,700                 |
| Beginning Nonlapsing                       | 7,818,400            | 500,000                 | 3,396,400             | 3,896,400            | (3,527,400)           | 369,000                 |
| Closing Nonlapsing                         | (3,896,400)          | 0                       | (369,000)             | (369,000)            | 76,400                | (292,600)               |
| Lapsing Balance                            | (11,122,800)         | 0                       | 0                     | 0                    | 0                     | 0                       |
| <b>Total</b>                               | <b>\$576,914,200</b> | <b>\$603,955,800</b>    | <b>(\$26,114,600)</b> | <b>\$577,841,200</b> | <b>(\$66,405,300)</b> | <b>\$511,435,900</b>    |
| <b>Line Items</b>                          |                      |                         |                       |                      |                       |                         |
| Executive Director Operations              | 15,530,900           | 16,511,300              | (67,600)              | 16,443,700           | (821,000)             | 15,622,700              |
| Substance Abuse & Mental Health            | 128,467,400          | 126,619,000             | 200,200               | 126,819,200          | (8,865,600)           | 117,953,600             |
| Services for People w/ Disabilities        | 203,799,200          | 197,949,000             | (1,743,700)           | 196,205,300          | (25,364,300)          | 170,841,000             |
| Office of Recovery Services                | 48,734,600           | 62,300,600              | (10,086,400)          | 52,214,200           | (8,713,000)           | 43,501,200              |
| Child and Family Services                  | 157,246,400          | 178,833,100             | (13,333,100)          | 165,500,000          | (21,719,900)          | 143,780,100             |
| Aging and Adult Services                   | 23,135,700           | 21,742,800              | (1,084,000)           | 20,658,800           | (921,500)             | 19,737,300              |
| <b>Total</b>                               | <b>\$576,914,200</b> | <b>\$603,955,800</b>    | <b>(\$26,114,600)</b> | <b>\$577,841,200</b> | <b>(\$66,405,300)</b> | <b>\$511,435,900</b>    |
| <b>Categories of Expenditure</b>           |                      |                         |                       |                      |                       |                         |
| Personnel Services                         | 191,234,000          | 200,216,300             | (9,679,100)           | 190,537,200          | (13,458,700)          | 177,078,500             |
| In-state Travel                            | 674,500              | 962,900                 | (60,700)              | 902,200              | (1,900)               | 900,300                 |
| Out-of-state Travel                        | 70,300               | 93,400                  | 17,600                | 111,000              | 0                     | 111,000                 |
| Current Expense                            | 49,841,300           | 53,184,900              | (1,678,300)           | 51,506,600           | (3,791,400)           | 47,715,200              |
| DP Current Expense                         | 19,556,200           | 32,275,500              | (9,401,100)           | 22,874,400           | (6,115,500)           | 16,758,900              |
| DP Capital Outlay                          | 8,300                | 83,300                  | (31,000)              | 52,300               | 0                     | 52,300                  |
| Capital Outlay                             | 195,900              | 50,000                  | 0                     | 50,000               | 0                     | 50,000                  |
| Other Charges/Pass Thru                    | 315,333,700          | 317,089,500             | (5,282,000)           | 311,807,500          | (43,037,800)          | 268,769,700             |
| <b>Total</b>                               | <b>\$576,914,200</b> | <b>\$603,955,800</b>    | <b>(\$26,114,600)</b> | <b>\$577,841,200</b> | <b>(\$66,405,300)</b> | <b>\$511,435,900</b>    |
| <b>Other Data</b>                          |                      |                         |                       |                      |                       |                         |
| Budgeted FTE                               | 3455.7               | 3245.9                  | 45.8                  | 3291.7               | (31.5)                | 3260.2                  |
| Vehicles                                   | 350                  | 351                     | (1)                   | 350                  | 0                     | 350                     |

\*Does not include amounts in excess of subcommittee's state fund allocation that may be recommended by the Fiscal Analyst.

## LEGISLATIVE ACTION

The Analyst recommends the Legislature:

1. Adopt a total FY 2012 base appropriation for the Department of Human Services of \$511,435,900 with the plan of financing shown directly above.
2. Adopt the fee schedule found on page 2.
3. Approve the change in the Federal Medical Assistance Percentage (FMAP) shown on page 3.
4. Approve the additional \$3,468,000 of enhanced federal match for Medicaid and increased federal stimulus funding for Aging programs in FY 2011 as shown on page 3.
5. Allow the Department of Human Services to accept federal funds for the respective years presented in the Issue Brief *Department of Human Services Federal Funds* and direct the Fiscal Analyst to include the federal funds and associated federal programs in the annual appropriations act for approval by the Legislature.