



DEPARTMENT OF HUMAN SERVICES

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: STEPHEN JARDINE

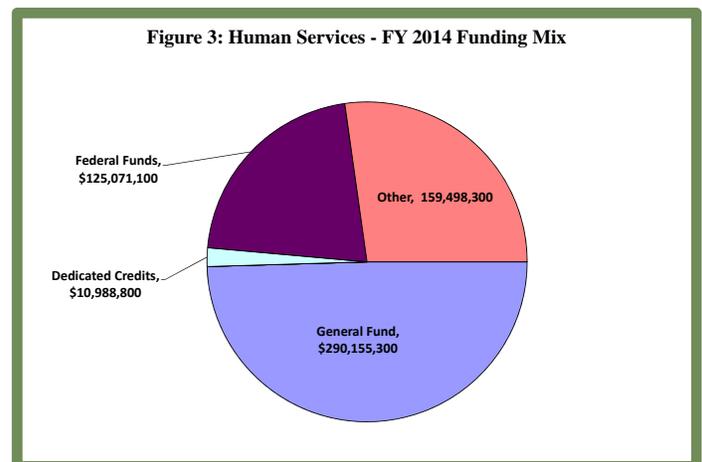
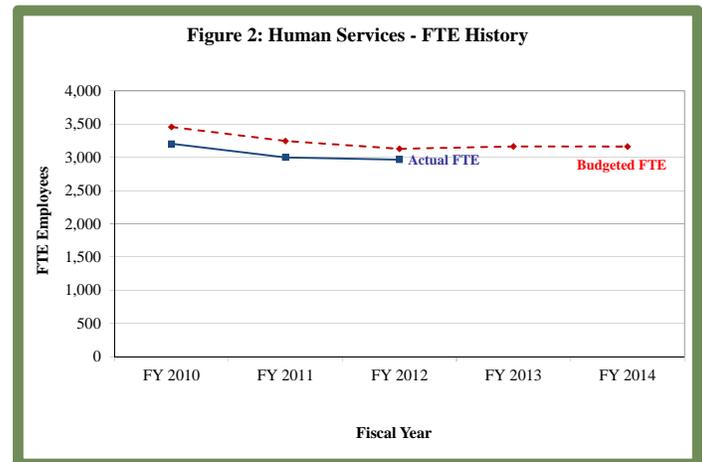
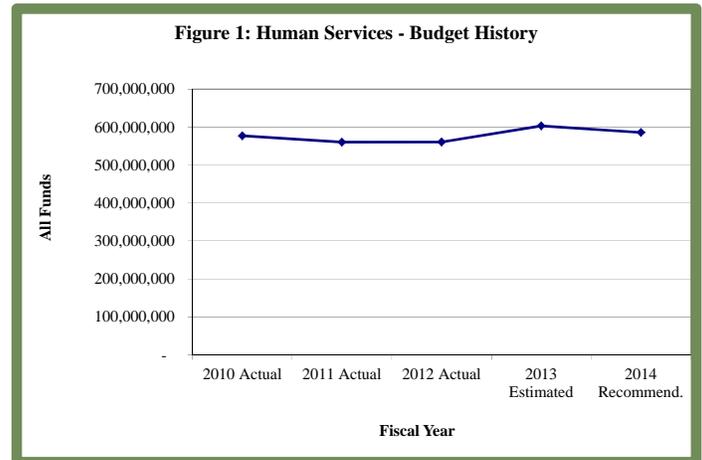
BUDGET BRIEF

SUMMARY

The Fiscal Analyst’s FY 2014 recommended budget is \$585,713,300 for the Department of Human Services (DHS). This recommendation is \$17,561,400 lower than the FY 2013 revised budget. This funding level supports 3,162 FTE. This brief highlights some issues in the Department of Human Services as well as some uses of the funding provided. The Subcommittee annually reviews each base budget to propose any changes and to vote to approve it. The Fiscal Analyst recommends the Subcommittee approve the \$585,713,300 recommended budget, the department fee schedule, the reduced General Fund and increased federal funds associated with the Federal Medical Assistance Percentage (FMAP) and other internal adjustments, and authorize the department to accept federal funds.

LEGISLATIVE ACTION

1. For the Department of Human Services, the Fiscal Analyst recommends a FY 2014 budget of \$585,713,300 as shown in Table 2 on page 4.
2. After review and any adjustments, adopt the fee schedule referenced on page 2. UCA 63J-1-504 states, “the Legislature may approve, increase or decrease and approve, or reject any fee submitted to it by a fee agency.”
3. The Fiscal Analyst further recommends the Subcommittee approve a decrease of \$512,500 from the General Fund and offsetting increases in Transfers from Medicaid and federal funds for the change in the Federal Medical Assistance Percentage (FMAP) shown in Table 1 on page 3.
4. After review and adjustment, authorize the Department of Human Services to accept federal funds for the respective years presented in the issue brief *Department of Human Services Federal Funds* as referenced on page 3. In conjunction with this action, direct the Fiscal Analyst to include the authorized federal funds and associated federal programs in the annual appropriations act for final approval by the Legislature.



OVERVIEW

The Department of Human Services, 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 2013 General Session at:

http://le.utah.gov/lfa/reports/cobi2013/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 and the State Hospital
3. The Division of Services for People with Disabilities (DSPD), including the State Developmental Center
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)

Mental health, substance abuse, and aging programs are primarily 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. The department also includes the Division of Juvenile Justice Services (DJJS). While DJJS is part of the Department of Human Services, its budget is reviewed in the Executive Offices and Criminal Justice Appropriations Subcommittee.

ISSUES

The subcommittee should consider the following items in its deliberations:

FY 2014 Budget Adoption

Adoption of the FY 2014 budget enables the programs to continue for the next fiscal year at the level outlined. Some changes in the budget may occur, 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

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

Adoption of Fees

In accordance with UCA 63J-1-504 requiring the department to “submit its fee schedule . . . to the Legislature for its approval on an annual basis”, the Department of Human Services requested fee schedule is presented in the issue brief *Fees – Department of Human Services* (2013 General Session). UCA 63J-1-504 also states, “the Legislature may approve, increase or decrease and approve, or reject any fee submitted to it by a fee agency.”

FMAP Rate Change

The Federal Medical Assistance Percentage (FMAP) represents the federal share of the programmatic costs for Medicaid and federal Title IV-E (of the *Social Security Act*) programs. Title IV-E funds are used to support foster care and adoption assistance in the Division of Child and Family Services. The federal government utilizes a formula to determine its annual percent of FMAP 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 2014 is 70.158 percent. This represents a 0.2025 percent increase from the State Fiscal Year 2013 FMAP rate. The federal FMAP rate shown in Table 1 has been adjusted to reflect the state fiscal year. The following table shows the impact of the FY 2014 FMAP rate change. Of the \$512,500 total FMAP rate change, 79 percent is within the Division of Services for People with Disabilities (DSPD):

FY 2014 FMAP Rate Adjustments for Human Services				
Division	Program	General Fund	Medicaid Funds	Title IVE Funds
DSAMH	Utah State Hospital	(\$31,400)	\$31,400	
DSPD	State Developmental Center	(\$66,400)	\$66,400	
DSPD	Community Waiver Services	(\$330,300)	\$330,300	
DSPD	Brain Injury Waiver	(\$5,900)	\$5,900	
DSPD	Physical Disabilities Waiver	(\$3,700)	\$3,700	
DCFS	Out of Home Care	(\$39,400)	\$20,200	\$19,200
DCFS	Special Needs	(\$500)		\$500
DCFS	Adoption Assistance	(\$26,800)	\$9,100	\$17,700
DAAS	Aging Waiver	(\$8,100)	\$8,100	
DHS Total		(\$512,500)	\$475,100	\$37,400

Table 1

Federal Funds

UCA 63J-5-201 states, “the Legislative Fiscal Analyst shall submit a federal funds request summary for each agency . . . for review during each annual general session. Each legislative appropriations subcommittee shall review the federal funds request summary and may recommend that the agency accept the federal funds . . . or recommend that the agency not accept the federal funds. . . .” A detailed listing of the Department of Human Services request for federal funds authorization for FY 2013 and FY 2014 is found in the issue brief *Department of Human Services Federal Funds* (2013 General Session).

ACCOUNTABILITY DETAIL

For an eight year history of accountability measures used by the department, see the various division issue briefs regarding performance measures.

CONTRACT PROVIDER COLAS

Statutory language found in the *Budgetary Procedures Act* requires both the Governor and the Legislature to “consider an amount sufficient to grant” certain named providers “the same percentage increase for wages and benefits that is included in the budget for persons employed by the state.” The Governor, after considering this item, did not include an increase for these statutorily named providers in his FY 2014 budget recommendation. The cost of a one percent increase for these statutorily named providers is found in the issue brief *Contract Provider COLAs* (2013 General Session).

BUDGET DETAIL

The following table shows the budget history for the Department of Human Services and its FY 2014 Recommended Budget. This proposed FY 2014 Budget consists of the ongoing portion of FY 2013 state funds (General Fund and various restricted funds) plus the most recent estimates of other funds (federal funds, dedicated credits collections and various transfer or carry over funds). Estimated expenditures are then proposed based upon available funding.

Human Services						
Sources of Finance	FY 2012 Actual	FY 2013 Appropriated	Changes	FY 2013 Revised	Changes	FY 2014* Recommended
General Fund	275,726,800	289,167,800	0	289,167,800	(512,500)	288,655,300
General Fund, One-time	393,100	4,943,300	(1,500,000)	3,443,300	(1,943,300)	1,500,000
Federal Funds	121,482,400	124,097,900	4,365,300	128,463,200	(3,392,100)	125,071,100
American Recovery and Reinvestment Act	30,200	0	0	0	0	0
Dedicated Credits Revenue	11,011,900	10,858,700	140,200	10,998,900	(10,100)	10,988,800
GFR - Children's Account	400,000	400,000	0	400,000	0	400,000
GFR - Choose Life Adoption Support Account	25,000	25,000	0	25,000	0	25,000
GFR - Domestic Violence	959,500	968,600	0	968,600	0	968,600
GFR - Intoxicated Driver Rehab	1,500,000	1,500,000	0	1,500,000	0	1,500,000
GFR - Tobacco Settlement	2,325,400	2,325,400	0	2,325,400	0	2,325,400
GFR - Account for People with Disabilities	100,000	100,000	0	100,000	0	100,000
Transfers - Child Nutrition	0	71,600	(71,600)	0	75,000	75,000
Transfers - Commission on Criminal and Juvenile	305,100	305,100	(155,100)	150,000	0	150,000
Transfers - Indirect Costs	0	11,200	(11,200)	0	0	0
Transfers - Medicaid	145,011,100	148,841,200	7,925,200	156,766,400	(4,595,500)	152,170,900
Transfers - Other Agencies	1,160,200	1,157,900	(219,600)	938,300	(91,300)	847,000
Transfers - State Office of Education	73,500	0	75,000	75,000	(75,000)	0
Transfers - Within Agency	392,200	429,700	(64,500)	365,200	1,200	366,400
Beginning Nonlapsing	8,141,300	292,600	7,865,200	8,157,800	(7,587,800)	570,000
Closing Nonlapsing	(8,157,800)	0	(570,000)	(570,000)	570,000	0
Lapsing Balance	(399,600)	0	0	0	0	0
Total	\$560,480,300	\$585,496,000	\$17,778,900	\$603,274,900	(\$17,561,400)	\$585,713,500
Line Items						
Executive Director Operations	14,225,900	15,425,400	(1,445,800)	13,979,600	(563,000)	13,416,600
Substance Abuse & Mental Health	126,242,500	130,319,500	4,201,300	134,520,800	(3,459,300)	131,061,500
Services for People w/ Disabilities	202,120,200	215,316,800	7,165,500	222,482,300	(8,330,700)	214,151,600
Office of Recovery Services	41,639,600	43,597,700	(17,900)	43,579,800	0	43,579,800
Child and Family Services	153,213,300	157,559,100	7,621,000	165,180,100	(4,805,700)	160,374,400
Aging and Adult Services	23,038,800	23,277,500	254,800	23,532,300	(402,700)	23,129,600
Total	\$560,480,300	\$585,496,000	\$17,778,900	\$603,274,900	(\$17,561,400)	\$585,713,500
Categories of Expenditure						
Personnel Services	176,063,900	186,429,900	(1,132,400)	185,297,500	(82,200)	185,215,300
In-state Travel	812,700	803,500	121,300	924,800	(30,700)	894,100
Out-of-state Travel	175,600	111,900	146,600	258,500	3,500	262,000
Current Expense	45,160,800	46,376,000	166,200	46,542,200	(1,686,500)	44,855,700
DP Current Expense	17,573,700	16,507,400	4,329,600	20,837,000	(917,000)	19,920,000
DP Capital Outlay	139,300	52,300	147,700	200,000	0	200,000
Capital Outlay	385,100	50,000	420,000	470,000	0	470,000
Other Charges/Pass Thru	320,169,200	335,165,000	13,579,900	348,744,900	(14,848,500)	333,896,400
Total	\$560,480,300	\$585,496,000	\$17,778,900	\$603,274,900	(\$17,561,400)	\$585,713,500
Other Data						
Budgeted FTE	3,128	3,210	(46)	3,164	(2)	3,162
Actual FTE	2,965	0	0	0	0	0
Vehicles	351	350	1	351	0	351

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

Table 2