



**Report to the
SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
Senator Allen M. Christensen, Chair
Representative Paul Ray, Chair**

February 8, 2016

Submitted by:

Kelly Peterson, LCSW
CEO, Utah Foster Care Foundation

and

Utah Foster Care Board of Directors
Executive Committee:

Lisa Watts Baskin, Chair
Erik Ence, Vice Chair
Libby Biittner, Treasurer
Lloyd Hardcastle, Secretary
David R. Webster SR, Member

FEBRUARY 8, 2016

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- Utah Foster Care was created by statute to fulfill a government function and provide the services of recruiting, training and supporting foster, adoptive and kinship families. We have successfully fulfilled that need since its inception.
- The Division of Child and Family Services had that responsibility prior to our creation, but had difficulty fulfilling the need due to many other responsibilities. Also, there were third parties who, rather than a state agency, preferred working with a nonprofit to make donations, or to provide referrals to help recruit foster families.
- There are functions that a non profit can more easily fulfill than state government, like fundraising to provide services the State cannot fund.
- DCFS is doing a good job carrying out their responsibilities, and Utah Foster Care is doing a good job in our role to assist DCFS in their work of protecting children and strengthening families.
- The funding for our contracted services has remained relatively flat. From FY04 until now, 12 years later, there has only been a 2.81% total increase in our budget.
- Knowing that money is tight for DCFS, we have subsidized the government contract for the past few years, but the math just got out of whack and we can no longer do it.
- I've watched this committee receive requests for funding, and observed fiscal responsibility. I would not have come to you, but it's unreasonable for UFC to provide services any longer without an increase.
- In all honesty, we're not yet at zero in our reserves, but we have come to an amount that the Board feels it would take to pay off all obligations if it becomes necessary to shut our doors on June 30th.
- We understand that DCFS could take what we do back in-house, or contract with another entity. But why would the state want to create another organization to provide services that we have successfully provided since 1999? All the same parties would be involved and it may even cost more to start over. We already have the professional staff in place, the donor relationships, the statewide structure, and more than 16 years of experience.
- Staff at Utah Foster Care are committed to providing the services to assist DCFS in their difficult role. We love what we do; we're good at what we do; and we hope to continue our work for many years into the future. Nevertheless, it isn't reasonable to continue any longer without an increase. We are asking for \$400,000 for FY17 and incremental increases thereafter to cover rising costs.

Exhibit B

Contract Period	Fiscal Year	DCFS \$	Contract Percent of Increase	DCFS Goal	Total # of Families	Type of Family
1 Year	FY04	\$2,659,261		541	584	Includes Kin
Sole Source	Increase	\$18,667	0.70%			
1 Year	FY05	\$2,677,928		478	603	Includes Kin
Sole Source	Increase	\$18,478	0.69%			
2 Year	FY06	\$2,696,406		515	609	Includes Kin
Sole Source	Increase	\$34,320	1.27%			
	FY07	\$2,730,726		552	705	Includes Kin
	Increase	\$111,960	4.10%			
3 Year	FY08	\$2,842,686		610	809	Includes Kin
Sole Source	Increase	\$58,844	2.07%			
	FY09	\$2,901,530		500	515	Plus 157 Kin
	Decrease	-\$101,554	-3.50%			
	FY10	\$2,799,976		470	558	Plus 239 Kin
	Decrease	-\$83,999	-3.00%			
5 Year	FY11	\$2,715,976		450	517	Plus 183 Kin
Sole Source	Same	\$0	0.00%			
	FY12	\$2,715,976		450	514	Plus 204 Kin
	Same	\$0	0.00%			
	FY13	\$2,715,976		450	461	Plus 209 Kin
	1-time increase	\$18,001	0.66%			
	FY14	\$2,733,977		450	456	Plus 212 Kin
	Same	\$0	0.00%			
	FY15	\$2,733,977		450	502	Plus 209 Kin
	Same	\$0	0.00%			
5 Year	FY16	\$2,733,977		495		
(RFP)	Same	\$0	0.00%			
	FY17	\$2,733,977				
	Same	\$0				
	FY18	\$2,733,977				
	Same	\$0				
	FY19	\$2,733,977				
	Same	\$0				
	FY20	\$2,733,977				
TOTAL INCREASE SINCE FY04:		\$74,716	2.81%			

The Utah Foster Care Foundation has subsidized the DCFS Contract to recruit, train and support foster, adoptive and kinship families using reserve funds and community donations, by more than half a million dollars - significantly depleting those funds. At the conclusion of FY16, it is estimated that the subsidized total will exceed \$800,000.

Proposed FY 2017 Budget

Software/Technology	20,401
Accounting	23,000
Corporate Insurance	17,665
Equipment Maintenance	15,500
Equipment Leases	29,000
Legal Fees	3,000
Occupancy	209,194
Personnel	2,363,976
Telephone/Internet	36,453
Membership/Subscription	5,618
Postage	9,100
Printing/Publication	52,530
Professional Development	8,500
Office Supplies	27,000
Mileage	115,000
Travel-Other	45,000
Direct Services	330,915
Community Outreach	80,905
Bank Fees	6,000
CC Processing Fees	2,600
Capital Purchases	25,000
Budgeted Organization Expenses:	3,426,357
Less: Fundraising for value-added:	\$ (244,166)
Estimated costs for FY17:	3,182,191
DCFS Contract Amount	\$ 2,733,977
Requested Additional Funding	\$ 400,000
Est. Subsidy from UFC Reserves	\$ 48,214

MEASURING SUCCESS: With adequate funding for Utah Foster Care, the most important success measure will be that the resources will be available for UFC to continue serving DCFS by recruiting, training, and supporting quality foster families statewide throughout the duration of the five-year contract currently in place.

FEBRUARY 3, 2016

Report to the Social Services Appropriations Subcommittee

Kelly Peterson, LCSW, CEO, Utah Foster Care Foundation

My name is Kelly Peterson; I am the CEO of the Utah Foster Care Foundation. Lisa Watts Baskin, Board Chair, apologized for her absence due to other work obligations as an Administrative Law Judge.

- As part of the Settlement Agreement just referenced by Mr. Stephen Jardine, SB 163 was passed in the 1998 General Session, authorizing the Department of Human Services (DHS) to contract with a private nonprofit organization to recruit, train and support foster care families. There was no such organization in place, so the Utah Foster Care Foundation (UFC) was created specifically to reverse the trend of declining numbers of foster families and to help end litigation and court ordered oversight of the program. It has no other objective or purpose.
- UFC is a statewide organization with 28 FT and 12 PT staff. Successfully providing services for more than 15 consecutive years, we have met or exceeded the performance-based goals set by the Division of Child & Family Services (DCFS) for the number of families recruited and trained.
- UFC supports the “System of Care” model and the “Home Works” Program as currently embraced by DHS and DCFS. We strongly believe that if children can remain *SAFELY* in their own homes, they should never be removed from their biological families. Ideally, it would be wonderful if all children were safe and there was no need for foster care services.
- Sadly, there IS a need. UFC exists to strengthen families. Each recruited foster family is pre-screened and trained in trauma-informed curriculum. Ongoing support is then delivered as families provide safe homes for children who have been hurt and find themselves in State custody.
- From having one of the most troubled foster care systems in the country in 1993, Utah is now recognized as having one of the best foster care systems in the nation. We have come so far. As an important provider to DCFS, we have been successful in improving the quality of foster families. Our goal and mission is to continue to provide our services far into the future.
- Historically UFC was a line item in the DCFS budget, and received an annual COLA to offset the rising costs of doing business. That is no longer the case. To maintain quality services, sufficient resources are necessary.
- After functioning as provider for 15 years, last summer an RFP was announced for all state providers. There was no one else in Utah who provided similar services so we applied and were pleased to be awarded a five-year contract. However, we were surprised and disappointed to see the new contract included a budget of almost the same amount it was in FY07. Although an inadequate budget was attached, additional requirements were added to the Scope of Work, all of which necessitated additional funding.
- As a non profit, UFC staff and board members are involved in vigorous fundraising. These private donations are largely restricted to value-added services to support children & foster families. The State **can** not and **should** not fund value-added services currently offered by UFC. We will continue in our fundraising efforts to cover these additional costs.

- As in government and private business, there are fixed operational costs of running an organization. Foreseeing increasing costs, and recognizing insufficient funding, and after efficiently cutting every possible line item, our UFC Board of Directors elected to subsidize the costs of providing essential services. Subsequently, UFC has supplemented the DCFS inadequate budget for the last few years, *significantly depleting UFC reserve funds*.
- UFC provides unique services which strengthen Utah's foster care system by reducing the critical shortage of families. After meeting with the DHS and DCFS Directors, the Board agreed to subsidize the contract for one more year to give us time to approach the legislature.
- We know we've created a bit of a moving target, but after a long hard review of the budget it was determined that in order for UFC to continue providing services – at a minimum we are in need of an additional \$400,000 for FY17 and then small incremental increases thereafter to cover rising costs.
- With an insufficient budget, our reserves have dwindled to the point we can no longer sustain the organization. It would be fiscally irresponsible to continue services in an organization knowing the funds are quickly running out. As a non-profit entity, we are unable to continue doing business at a loss.
- Thank you.