



FEES – THE DEPARTMENT OF HUMAN SERVICES

2016 GENERAL SESSION

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
STAFF: STEPHEN JARDINE

ISSUE BRIEF

SUMMARY

In accordance with UCA 63J-1-504 requiring the agency to “submit its fee schedule . . . to the Legislature for its approval on an annual basis”, the following fees are proposed for the services of the Department of Human Services (DHS). These fees will generate an estimated \$6,300,400 in FY 2017, \$4,907,100 or 78 percent of the total amount coming from five child support collection related fees. However, \$4,046,000 of this amount relates to a fee changed during the 2014 General Session which will not become effective until July 1, 2016 because of delayed system programming changes explained at the time the fee was changed.

LEGISLATIVE ACTION

1. The Fiscal Analyst recommends the Subcommittee, after review and any adjustments, adopt the fee schedule referenced on page 2, Table 1. 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.
2. Given that a 2014 General Session fee increase within the Office of Recovery Services (ORS) is intended to be used for 18 additional staff if approved, the Legislature may want to consider rolling back the fee increase or redirect the use of the fee increase to another purpose within ORS.

STATUTORY GUIDANCE FOR SETTING FEES

UCA 63J-1-504 states the following for setting fees:

“(2) Each fee agency shall adopt a schedule of fees assessed for services provided by the fee agency that are:

- (a) reasonable, fair, and reflect the cost of services provided; and
- (b) established according to a cost formula determined by the executive director of the Governor's Office of Management and Budget and the director of the Division of Finance in conjunction with the agency seeking to establish the fee.”

“(4) Each fee agency that is proposing a new fee or proposing to change a fee shall:

- (a) present each proposed fee at a public hearing.”

PROPOSED DEPARTMENT OF HUMAN SERVICES FY 2017 FEES

Table 1 shows the proposed fee rates for FY 2017:

**Department of Human Services Fees
FY 2017**

Unit	Fee	Additional information	Old Fee	New Fee	Fee Change	Quantity	Rev. Change	Est. FY16 Revenue
Government Records Access and Management Act (GRAMA) Fees (all of these GRAMA fees apply for the entire Department of Human Services)	Paper	All of these GRAMA fees apply for the entire Department of Human Services	0.25	0.25	-	1,000	-	300
	Audio tape		5	5	-	20	-	100
	Video tape		15	15	-	10	-	150
	Compiling and reporting in another format		25	25	-	10	-	250
		If programmer/analyst assistance is required (per hour)	50	50	-	10	-	500
	Mailing	Actual cost	0	0	-	1	-	-
EDO Licensing	Initial license	Any new Human Services program	900	900	-	125	-	112,500
	FBI Rapback	HB 145 (2015 GS) established fee.	0	13	13	1,000	13,000	13,000
	Western Identification Network (WIN) States Rapback	HB 145 (2015 GS) established fee.	0	5	5	16,165	80,800	80,800
	Recovery Residences	HB 211 (2014 GS) established fee.	1295	1295		8	-	10,400
	Adult Day Care	0-50 consumers per program	300	300	-	12	-	3,600
		More than 50 consumers per program	600	600	-	1	-	600
		Per licensed capacity	9	9	-	250	-	2,300
	Child Placing		250	250	-	50	-	12,500
	Day Treatment		450	450	-	225	-	101,300
	Outpatient Treatment		300	300	-	400	-	120,000
	Residential Support		300	300	-	225	-	67,500
	Residential Treatment	Basic	600	600	-	175	-	105,000
		Per licensed capacity	9	9	-	3,900	-	35,100
	Social Detoxification		600	600	-	10	-	6,000
	Life Safety Pre-inspection		600	600	-	50	-	30,000
	Outdoor Youth Program	Basic	1408	1408	-	12	-	16,900
	Federal Bureau of Investigation Fingerprint Check	Hard copy passed through to the FBI	36.50	36.50				
		Live scan passed through to the FBI	36.50	34.75	(1.75)	4,200	(7,400)	146,000
	Intermediate Secure Treatment	Basic	750	750	-	10	-	7,500
		Per licensed capacity	9	9	-	700	-	6,300
Therapeutic School Program	Basic	600	600	-	5	-	3,000	
	Per licensed capacity	9	9	-	150	-	1,400	

Unit	Fee	Additional information	Old Fee	New Fee	Fee Change	Quantity	Rev. Change	Est. FY16 Revenue	
DSAMH Admin.	Alcoholic Beverage Server	On Premise Sales	3.50	3.50	-	15,000	-	52,500	
		Off Premise Sales	3.50	3.50	-	11,050	-	38,700	
Utah State Hospital	Use of USH Facilities	Photo Shoots Per 2 hours	20	20	-	100	-	2,000	
		Groups of up to 50 people (per day)	75	75	-	80	-	6,000	
		Groups over 50 people (per day)	150	150	-	80	-	12,000	
DSAMH Sub Abuse Services	Alcoholic Beverage Server	On Premise Sales	3.50	3.50	-	1,667	-	5,800	
		Off Premise Sales	3.50	3.50	-	503	-	1,800	
Utah State Developmental Center (USDC)	USDC Theater Rental	Full Day	0.00	0.10	-	200,000	-	20,000	
		Theater Technician	0.00	20.00	-	40	-	800	
		Hourly	0.00	0.0175	-	1,142,900	-	20,000	
		Half Day	0.00	0.07	-	2,857,100	-	200,000	
DSPD Non-Waiver Services	Graduated	Critical Support Services for People with Disabilities who are non-Medicaid matched. The fee ranges between 1% to 3% of Gross Family Income.	630	630	-	9	-	5,700	
ORS Child Support	Collections Processing	6 percent of payment being disbursed up to a maximum of \$24 per month.	24	20	(4)	202,299	(809,200)	4,046,000	
		Automated Credit Card Convenience	2	2	-	16,800	-	33,600	
		Assisted Credit Card Convenience	6	6	-	10,000	-	60,000	
		\$25 Federal Offset	Retained	25	25	-	4,200	-	105,000
		Fee		25	25	-	26,500	-	662,500
DCFS Service Delivery	Live Scan Testing		10	10	-	14,500	-	145,000	
Total Estimated Revenue for FY 2015								6,300,400	

Table 1

OFFICE OF RECOVERY SERVICES (ORS) – DELAY IN IMPLEMENTING 2014 SESSION INCREASE IN PAYMENT PROCESSING FEE

[UCA 63J-1-504](#) states that “Each fee agency shall adopt a schedule of fees assessed for services provided by the fee agency that are: reasonable, fair, and reflect the cost of services provided . . .” In its July 9, 2013 interim meeting, the Social Services Appropriations Subcommittee heard a presentation by agencies regarding [fees](#) charged and how the revenues collected from fees compared to the associated cost of those fees. As part of that effort, several fees were identified and reviewed in the Department of Human Services (DHS). DHS was asked to provide information on possible ways to have fee revenues match costs or to reasonably increase the percentage of costs covered by the fees.

One fee reviewed was the ORS payment processing fee which at that time covered only 7 percent of the costs associated with the fee. During the 2014 General Session the Legislature changed the fee from a flat rate to a fee based upon 6 percent of the payment being disbursed up to a maximum of \$24 per month (which is an upper limit based upon not exceeding the average cost per case). The Legislature was informed that the programming changes required to change the fee would take several years to implement due to prior federally mandated system changes taking priority. DHS currently estimates the fee change implementation date as July 1, 2016.

In a September 11, 2015 Social Services Appropriations Subcommittee interim meeting, the Office of Recovery Services (ORS) reported, in compliance with intent language, regarding “a detailed listing of the intended uses of the additional fee revenue with associated amounts” (S.B. 2, Item 84). ORS estimated the fee increase to be \$1,422,200 and proposed using the fee increase to fund an additional 18 staff in order to “lower the cases per agent ratio” and “provide additional customer service agents.” Given that the fee increase will be used for 18 additional ORS staff, the Legislature may want to consider making the fee change cost neutral to what the old fee was.

Office of Recovery Services Fees – Limitations Due to Federal Regulations

The Office of Recovery Services (ORS) states, “Fees charged by a [Child Support Collections] program are subject to limitations placed by Federal regulations. Three critical regulations are: [1] fees collected are considered program income and are not subject to the 66% Federal match; [2] fees cannot be used to supplant a state’s required General Fund contribution; and [3] fees charged cannot exceed the actual cost per case calculated at \$24 per case/per month for FY 2013.”

Given that “fees cannot be used to supplant a state’s required General Fund contribution,” without the federal match, “fees initially cause a decrease in the funding available to the program unless the fees collected are high enough to compensate for all of the lost Federal funding.” For example:

- \$1.00 fee = \$1.00 available to spend
- \$1.00 General Fund = \$2.94 available to spend

APPENDIX – DESCRIPTION OF FEES

GRAMA Records paper, audio tape, video tape, reporting in another format, and records mailing – Department-wide - Fees are for the costs associated with producing, providing, or compiling information requests and the delivery of that information.

Initial License (new program) - \$112,500 – Office of Licensing – \$900 per facility, initial licensing fee for new treatment programs not previously licensed by the department.

FBI Rapback – \$13,000 - Office of Licensing - \$13 per individual applicant to pay for a Utah background screening subscription.

Western Identification Network (WIN) States Rapback - \$80,800 – Office of Licensing - \$5 per individual applicant to pay for a Utah background screening subscription.

Recovery Residences - \$10,400 – Office of Licensing - \$1,295 per facility for initial or renewal of a license to provide services related to substance abuse disorder at a recovery residence.

Adult Day Care (0-50 consumers/program) - \$3,600 – Office of Licensing - \$300 per facility providing day care services to fewer than 50 vulnerable adults.

Adult Day Care (>50 consumers/program) - \$600 – Office of Licensing - \$600 per facility providing day care services to more than 50 vulnerable adults.

Adult Day Care per licensed capacity - \$2,300 – Office of Licensing - \$9 per person times the facility capacity added to base fee.

Child Placing - \$12,500 – Office of Licensing - \$250 per agency providing adoption and/or foster care.

Day Treatment - \$101,300 – Office of Licensing - \$450 per non-residential facility providing specialized treatment services to clients during the day.

Outpatient Treatment – \$120,000 – Office of Licensing - \$300 per facility providing individual therapy, group, or family counseling services.

Residential Support - \$67,500 – Office of Licensing - \$300 per facility providing residential support (i.e., supervised living environment, shelter care, sober living, etc.) services.

Residential Treatment - \$105,000 – Office of Licensing - \$600 per facility providing 24-hour specialized treatment services to persons with emotional, psychological, developmental, or behavioral dysfunctions, impairments, or chemical dependencies.

Residential Treatment per licensed capacity - \$35,100 - Office of Licensing - \$9 per person times the facility capacity added to base fee.

Social Detoxification - \$6,000 – Office of Licensing - \$600 per facility providing non-medical detoxification services.

Life Safety Pre-inspection - \$30,000 – Office of Licensing - \$600 for a Life-Safety inspection per facility providing residential services for disabled persons as required by federal law.

- Outdoor Youth Program - \$16,900 – Office of Licensing - \$1,408** per program providing youth wilderness therapy services.
- FBI Fingerprint Check (Live Scan) — \$146,000 - Office of Licensing - \$34.75** per person requiring a fingerprint-based background screen via Live Scan.
- Intermediate Secure Treatment - \$7,500 – Office of Licensing - \$750** per facility providing residential treatment services in a secure setting.
- Intermediate Secure Treatment per licensed capacity - \$6,300 – Office of Licensing - \$9** per person times the facility capacity added to base fee.
- Therapeutic School Program - \$3,000 – Office of Licensing - \$600** per facility providing therapeutic boarding school services.
- Therapeutic School Program per licensed capacity - \$1,400 - Office of Licensing - \$9** per person times the facility capacity added to base fee.
- Alcoholic Beverage Server Fee (Off Premise) – \$38,700 – Division of Substance Abuse and Mental Health - A \$3.50** fee charged to maintain a database of individuals who have completed off-premise alcohol sales training.
- Alcoholic Beverage Server Fee (On Premise) - \$52,500 – Division of Substance Abuse and Mental Health - A \$3.50** fee charged to maintain a database of individuals who have completed on-premise alcohol sales training.
- Photo Shoots - \$2,000 – Utah State Hospital – A \$20** fee per two hours charged for use of the grounds for photo shoots.
- Use of USH Facilities - \$6,000 – Utah State Hospital – A \$75** fee charged per day for outside groups (up to 50 individuals) for use of portions of the State Hospital grounds in non-patient areas.
- Use of USH Facilities - \$12,000 – Utah State Hospital – A \$150** fee charged per day for outside groups (over 50 individuals) for use of portions of the State Hospital grounds in non-patient areas.
- USDC Theater Full Day - \$20,000 – Utah State Developmental Center (USDC) – A \$0.10** fee charged per square foot for rental of the USDC Theater for a full day. Units are based on estimate and subject to change.
- USDC Theater Technician - \$800 – Utah State Developmental Center (USDC) – A \$20** fee charged per hour for use of sound, lighting, and/or stage equipment for a technician assistant. Units are based on estimate and subject to change.
- USDC Theater Hourly - \$20,000 – Utah State Developmental Center (USDC) – A \$0.0175** fee charged per square foot for one hour rental of the USDC Theater. Units are based on estimate and subject to change.
- USDC Theater Half Day - \$200,000 – Utah State Developmental Center (USDC) – A \$0.07** fee charged per square foot for half-day (up to 4 hours) rental of the USDC Theater. Units are based on estimate and subject to change.
- Graduated Fee - Critical Support Services for People with Disabilities (Non-Medicaid Matched) - \$5,700 – Division of Services for People with Disabilities –** Graduated fee is assessed based on ability to pay and is used to pay part of the cost of support services incurred by an individual with severe disabilities who does not participate in one of the division’s federal Medicaid waiver programs.
- Recovery Services Collections Processing Fee - \$4,046,000 - Office of Recovery Services –** Fee based upon **6 percent** of the payment being disbursed up to a maximum of **\$20** per month.
- Automated Credit Card Convenience Fee - \$33,600 – Office of Recovery Services –** A **\$2** assessed (collected) when ORS accepts a credit/debit card payment over an automated system (internet or automated phone system) for child support or other payments made by non custodial/custodial parents or other non child support payments owed the State of Utah.
- Assisted Credit Card Convenience Fee - \$60,000 – Office of Recovery Services –** A **\$6** fee assessed (collected) when ORS accepts a credit/debit card payment requiring worker assistance for child support or other payments made by non-custodial/custodial parents or other non-child support payments owed the State of Utah.
- Recovery Services Federal Tax Offset (Retained) - \$105,000 - Office of Recovery Services –** Fee retained by ORS cover federal services charges for federal offset (e.g. federal tax refund) payments related to owed child support.

\$25 Annual Collection Fee - \$662,500 - Office of Recovery Services – Annual one-time fee collected from child support payments made by non-custodial parent.

Live Scan Testing Fees (DCFS) - \$145,000 - Division of Child and Family Services – Fees are charged to foster parents, adoptive parents, kinship caregivers, proctor parents and contracted provider employees who will have direct access to children. These individuals have an electronic scan of finger prints sent to the Department of Public Safety Bureau of Criminal Identification to be run against Utah criminal records and the FBI criminal database. This testing fulfills State and federal law requirements. The fee partially offsets the cost for DCFS staff to administer the tests.