

# ACCOUNTABLE BASE BUDGET REVIEW



June 2019 Preliminary Analysis, Phase 1 of 3

## OVERVIEW: HOUSE JOINT RESOLUTION 18

- Requires each appropriations subcommittee to create an accountable budget process
- Approximately 20 percent of each subcommittee's budget is to be reviewed in depth each interim
- All areas will be reviewed in depth every five years
- Each subcommittee is charged with creating a separate base budget bill for the 20 percent reviewed each interim
- The subcommittee will then create a base budget bill for the 80 percent not reviewed during the following General Session

WELCOME TO  
BUDGET NERD  
BLISS!



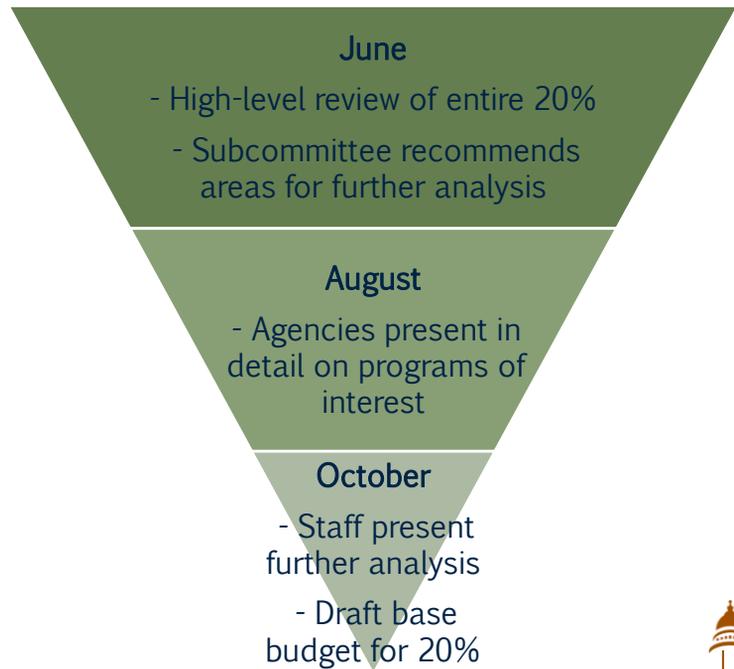
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2019	2020	2021	2022	2023
<b>Administration; Unemployment Insurance; Public Guardian</b>	<b>Behavioral Health; Opioid Misuse Prevention; Suicide Prevention; Homelessness; Housing</b>	<b>Medicaid Eligibility, Operations, and Recovery Services; Workforce Operations; Local Health Departments; Aging Services</b>	<b>Long-Term Care and Community-Based Waivers; Disability and Aging Services; Primary and Family Care</b>	<b>Medicaid Services; Child Welfare; Welfare Assistance; Development Funds</b>
DOH - Executive Director's Operations	DHS - Substance Abuse and Mental Health	DOH - Medicaid and Health Financing	DHS - Services for People with Disabilities	DOH - Medicaid Services
DWS - Administration	DOH - Disease Control and Prevention	DHS - Office of Recovery Services	DOH - Intermediate Care Facilities	DOH - Children's Health Insurance Program
DWS - Unemployment Insurance	DOH - Qualified Patient Enterprise Fund	DOH - Local Health Departments	DOH - Nursing Home	DHS - Child and Family Services
DWS - Unemployment Compensation Fund	DOH - Vaccine Commodities	DWS - Operations and Policy	DWS - Utah State Office of Rehabilitation	DWS - General Assistance
DHS - Executive Director Operations (including Human Services Client Trust Fund)	DOH - Spinal Cord and Brain Injury Rehabilitation Fund	DHS - Aging and Adult Services (not including Aging Waiver)	DOH - Family Health and Preparedness	DWS - Nutrition Assistance
DHS - Office of Public Guardian	DOH - Traumatic Brain Injury Fund		DOH - Primary Care Workforce Financial Assistance	DWS - Navajo Revitalization Fund
	DWS - Housing and Community Development		DOH - Rural Physicians Loan Repayment Assistance	DWS - Uintah Basin Revitalization Fund
	DWS - Olene Walker Housing Loan Fund		DOH - Organ Donation Contribution Fund	DWS - Special Service Districts
	DWS - Qualified Emergency Food Agencies Fund		DWS - Utah Community Center for the Deaf Fund	DWS - Permanent Community Impact Bonus Fund
	DWS - Intermountain Weatherization Training Fund		DWS - Individuals with Visual Impairment Fund	DWS - Permanent Community Impact Fund
			DHS - Aging and Adult Services (Aging Waiver only)	DWS - Community Development Capital Budget

4

SOCIAL SERVICES  
APPROPRIATIONS  
SUBCOMMITTEE  
APPROACH

5



RECOMMENDATIONS FOR HEALTH'S EXECUTIVE DIRECTOR'S  
OPERATIONS

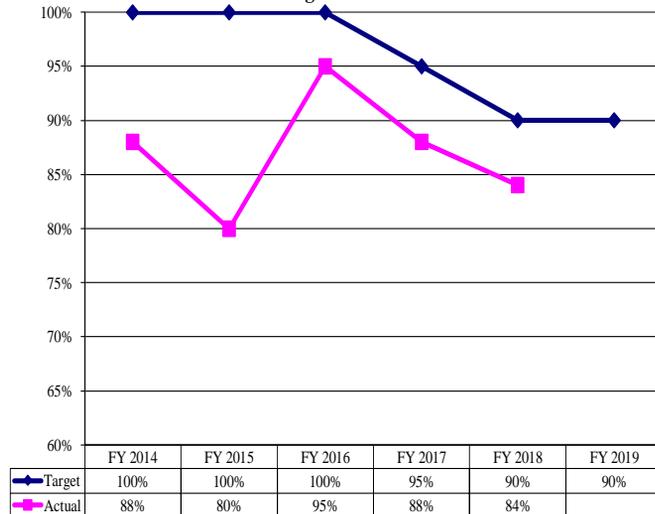
1. Performance Measure Changes
2. Are There Functions That Others Could Deliver Better?
3. Is the Office of Internal Audit Staffed at the Appropriate Level?
4. Does the Subcommittee Want Any More Information on Topics of Interest?
5. Areas for Health to present on at August meeting
  - a. Health Care Statistics
  - b. Organizational Development & Performance Improvement
6. Questions for Health to answer in August

6



#1 PERFORMANCE  
MEASURE CHANGES  
– 100% FOR  
INFORMATION SYSTEMS  
REVIEWED FOR RISKS

Percent of UDOH Restricted Applications/Systems That Have  
Reviewed, Planned For, or Mitigated Identified Risks  
According to Procedure



#1 PERFORMANCE MEASURE CHANGES – 100% FOR  
INFORMATION SYSTEMS REVIEWED FOR RISKS

- The Department of Health explains the lowering its goal from 100% of systems reviewed to 90% from FY 2016 to FY 2018 with “programs don't have the resources necessary to mitigate as needed within the same fiscal year as the review conducted.”



## #1 PERFORMANCE MEASURE CHANGES – 100% FOR INFORMATION SYSTEMS REVIEWED FOR RISKS

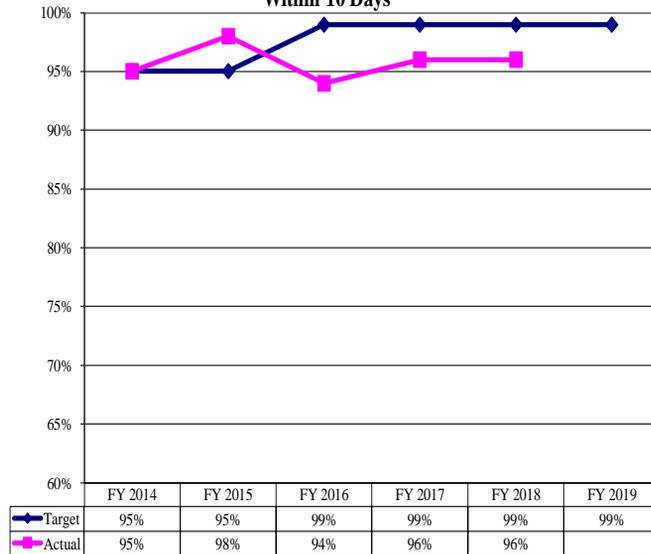
- The Department of Health is still working towards 100%, but because of the time frame used (within one fiscal year) for measurement, it looks like it is not.
- By changing the time frame, such as systems will be reviewed for risks and mitigations planned within 24 months of review, the target could be reset to 100%.
- The Department is neutral on this recommendation.



9

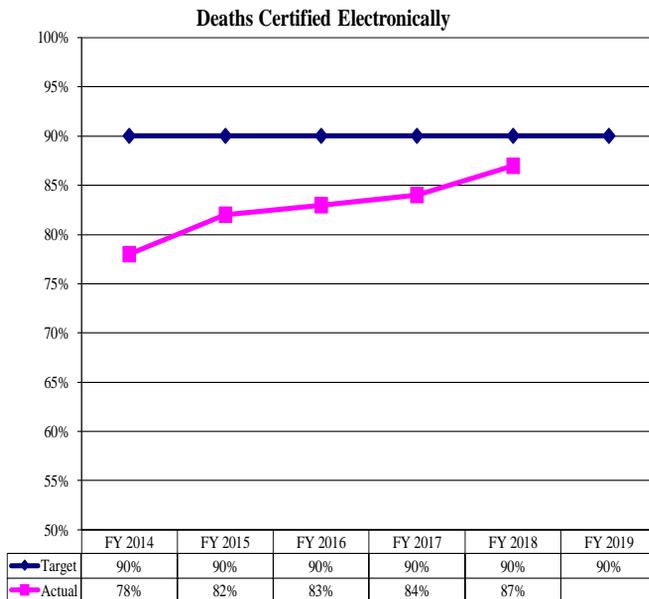
## #1 OTHER PERFORMANCE MEASURES IN HEALTH'S EXECUTIVE DIRECTOR'S OPERATIONS

95% of Births in Hospitals Entered Accurately Electronically Within 10 Days



10

## #1 OTHER PERFORMANCE MEASURES IN HEALTH'S EXECUTIVE DIRECTOR'S OPERATIONS



11



## #1 OTHER PERFORMANCE MEASURES IN HEALTH'S EXECUTIVE DIRECTOR'S OPERATIONS

- Percentage of all deaths registered certified using the electronic death registration system
  - Explanation of trend by agency: "Two initiatives of CHD offices (the Office of Vital Records and Statistics and the Office of Public Health Informatics) working together account for the upward trend in Deaths Certified Electronically.
    1. The software for registering deaths, the Electronic Death Entry Network (EDEN) was modified in FY 2014 in close consultation with Utah physicians to improve ease of use. We call this modified version of the software "EDEN MD." This improvement caused an increase in the percentage of death certificates certified electronically in FY 2014 and we believe it's impact continued into FY 2018.
    2. In FY 2014, the Office of Public Health Informatics teamed up with Intermountain Healthcare to develop the capability for Intermountain physicians to create the death certificate information inside of the Intermountain HELP2 software that physicians already use. These death records are sent to the Utah Department of Health, using health industry standard electronic messages, where they link with information that funeral directors have gathered from the family to become official death certificates. The number of Intermountain physicians using this innovative electronic system increased in FY 2014 and the trend continued into FY 2017."

12



## #1 PERFORMANCE MEASURE CHANGES – ADJUST TO MATCH SUCCESS MEASURE

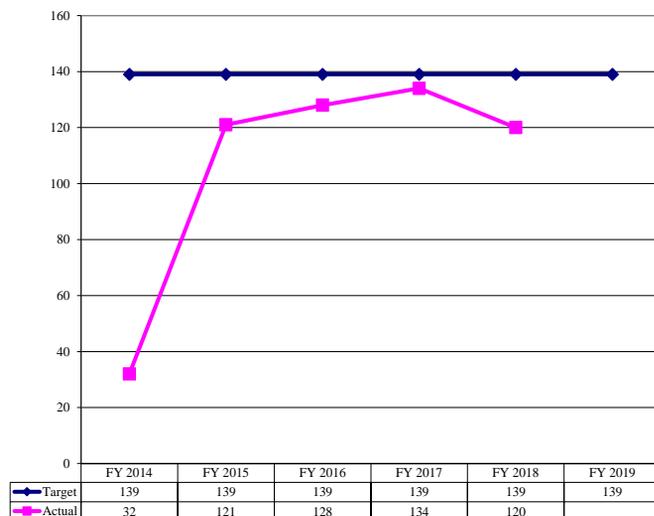
- The Department of Health is already measuring the electronic recording of death records via a SUCCESS measure with a 5-day target.
  - By changing the tracked measure to match SUCCESS this would streamline this reporting requirement.
  - The Department supports this recommendation.

13



## #1 OTHER PERFORMANCE MEASURES IN HEALTH'S EXECUTIVE DIRECTOR'S OPERATIONS

# of Requests for Data Products Produced



14



## #1 OTHER PERFORMANCE MEASURES IN HEALTH'S EXECUTIVE DIRECTOR'S OPERATIONS

- Number of requests for data products produced by the Office of Health Care Statistics (OHCS)
  - Explanation of trend by agency: "In SFY15, new data products from the All Payer Claims Database [were] developed and made available to the public. The increase in overall data products available for purchase along with this being, the first time that claims data was made available to OHCS users; we experienced a significant spike in overall users of the data from SFY14 to SFY16. In addition, beginning in September 2014, OHCS improved their methods for tracking data user requests. Consequently, users represented prior to SFY15 may not be total representation of actual data requests."

15



## #1 FINANCE REVIEW OF TRANSACTIONS

Sample Size	Any finding	% finding	Significant	% Significant	Moderate	% Moderate	Minor	% Minor	quarter
162	5	3%	5	3%	0	0%	0	0%	3rd 2018
128	3	2%	1	1%	2	1%	0	0%	4th 2018
138	3	2%	0	0%	1	1%	2	1%	1st 2019
110	2	1%	0	0%	2	1%	0	0%	2nd 2019

16



## #1 RESULTS OF MOVING CONTRACT CREATION PROCESS ONLINE

- Contracts prior to FY 2015 took on average of 117 days to review and approve after initial creation
  - Health moved the contract review process to an online system and set a standard of 35 days, below are the results
    - FY 2015 – 17 days (transition year)
    - FY2016 – 13 days (transition year)
    - FY 2017 – 18 days
    - FY 2018 – 20 days

17



## #1 MOVE GRANT MANAGEMENT PROCESS ONLINE

- “The problems we face currently with grant management include:
  1. Portions of the current internal grant application process are not standardized.
  2. There have been delays at different stages of the process, including Governance and division approvals.
  3. The Governance website is not user friendly.
  4. There has been no centralized database or repository for the all of the grant information necessary for management of the grants.
  5. We are not able to track a grant through the stages of the application and approval process.”

18



## #1 MOVE GRANT MANAGEMENT PROCESS ONLINE

- “The new Grant Management System will help alleviate these issues by:
  1. Providing a standardized process for turnaround times, approvals, and steps to be completed.
  2. Redesigning Governance website to be more user friendly and identify required information and documentation.
  3. All grant information will be in one central location and can be used to analyze trends, identify errors, and improve turnaround time.
  4. We will be able to track all grant applications entered into the system and identify where they are at in the process including bottlenecks.”

19



## #2 ARE THERE FUNCTIONS THAT OTHERS COULD DELIVER BETTER?

- Health Care Statistics (\$893,000 in FY 2018)
  - “This program was created to provide a central repository of health system data and to make that data available to stakeholders and researchers.”
  - In some other states hospital associations collect health system data
    - The Department of Health explains why the state government does this in Utah as having a state agency oversee the collection, analysis and dissemination of this data, states with mandatory reporting are better able to ensure that the data is available for a wide range of appropriate uses by qualified users and researchers, including applications in public policy and public health.

20



### #3 IS THE OFFICE OF INTERNAL AUDIT STAFFED AT THE APPROPRIATE LEVEL?

- Each auditor costs about \$54,700 General Fund and \$54,700 federal funds annually
- With one more auditor the Department of Health would likely review the following issues in FY 2021
  - “Increased monitoring of subrecipients / contractors”
  - “Adequacy of controls to protect systems and data”
  - “Ensure more programs are achieving Department goals”

21



### #3 IS THE OFFICE OF INTERNAL AUDIT STAFFED AT THE APPROPRIATE LEVEL?

- The additional reviews may help with the following:
  - “Improve oversight of funds passed through outside entities”
  - “Ensure sensitive data is sufficiently protected”
  - “Increase performance for programs to achieve desired outcomes”

22



### #3 IS THE OFFICE OF INTERNAL AUDIT STAFFED AT THE APPROPRIATE LEVEL?

- With one less auditor the Department of Health would likely not review the following issues in FY 2021
  - “Future high risks not yet identified”
  - “Monitoring of Local Health Departments”
  - “Smaller programs”

23



### #3 IS THE OFFICE OF INTERNAL AUDIT STAFFED AT THE APPROPRIATE LEVEL?

- Fewer reviews would likely have the following impacts
  - “Increased overall risk to the Department”
  - “Decreased oversight of funds passed through to Local Health Departments”
  - “Increase risk that programs are not achieving desired outcomes or compliant with requirements”

24



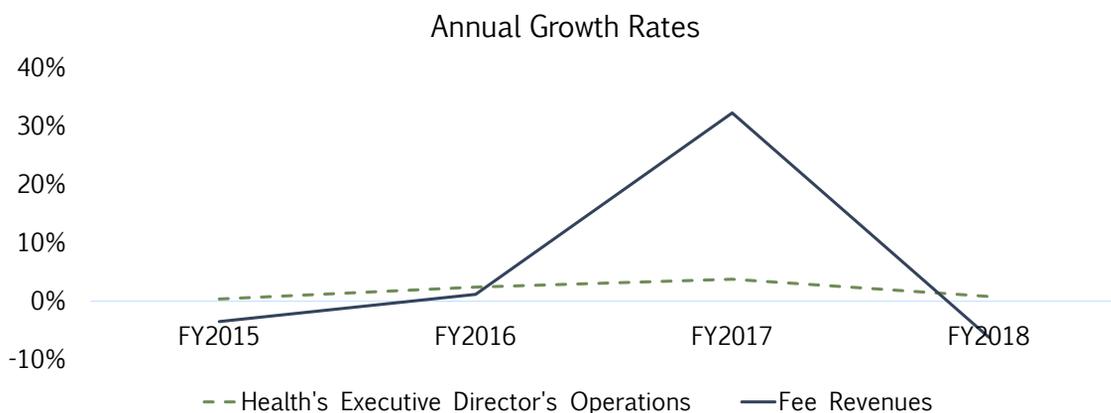
## #4 DOES THE SUBCOMMITTEE WANT ANY MORE INFORMATION ON TOPICS OF INTEREST?

- The Department of Health is part of a teleworking pilot project to put at least 30% of all employees working remotely three or more days by December 2019.
- We found the following trends that differed significantly from the overall line item growth rate.

25



## #4 FEE REVENUES - CENTER FOR HEALTH DATA AND INFORMATICS



26



## #4 FEE REVENUES - CENTER FOR HEALTH DATA AND INFORMATICS

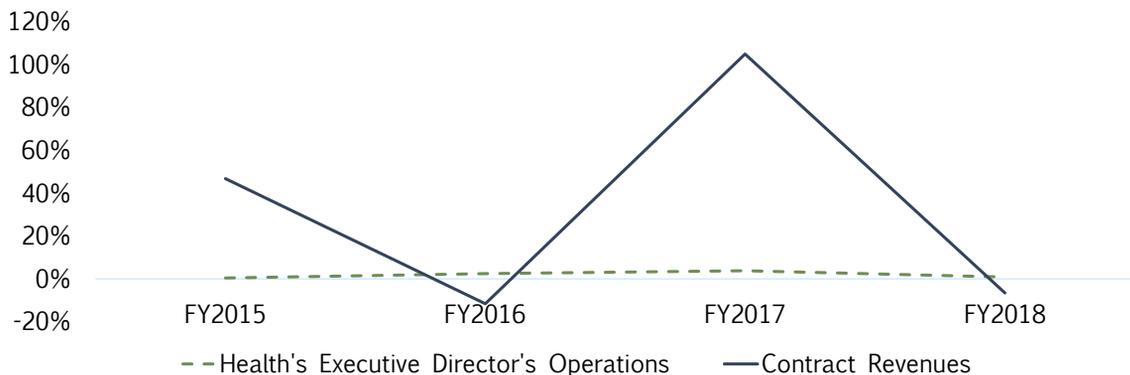
- Fee revenues increased \$263,000 or 21% from FY 2014 to FY 2018.
  - Health’s response and explanation of the use of the increased revenue: “In FY14 OVRS was just beginning to offer online birth certificates. As on-line record purchases have increased fee revenues increased, but that funding was utilized to pay for the associated online costs and shipping.”

27



## #4 CONTRACT REVENUES - CENTER FOR HEALTH DATA AND INFORMATICS

Annual Growth Rates



28



## #4 CONTRACT REVENUES - CENTER FOR HEALTH DATA AND INFORMATICS

- Contract revenues increased \$125,000 or 148% from FY 2014 to FY 2018.
  - Health’s response and explanation of the use of the increased revenue: “This revenue was an agreement between the Local Health Departments (LHDs) and OVRs for the LHDS to help with the VRAP update costs. The revenues went to DTS development.”

29



## #4 6138 ATTORNEY FEES

- Attorney General contract increased \$123,000 or 29% from FY 2014 to FY 2015
  - Health’s response: “UDOH and the Attorney General renegotiated our Memorandum of Understanding for FY 2015. The increase was a result of these negotiations.”

30



## #4 1304 DOH ALL PAYER DATABASE

- How do your FY 2018 expenditures for All Payer Claims Database compare to the original legislative appropriations and fee revenue available for the database when the program was created?
  - Health’s response: “Original revenue in 2009 was approximately \$615,000 in general fund and \$185,000 in Medicaid match. We didn’t collect fees at that time. Currently we have approximately \$586,000 in general fund and \$120,000 in Medicaid match. The rest has been generated through fees. Our current expenditures are approximately \$722,000.”

31



## #4 1601 DOH CHD VITAL RECORDS; 6135 OTHER CONTRACTUAL SERVICES-NON-MEDICAL

- When does the contract to rewrite your vital records application end?
  - Health’s response: “The contract to finish development on phase I ends June 30th, but there will be a new one that covers the testing, bug fixing, and deployment starting July 1, 2019. Phase I upgrades the death registration system that is jointly used by OVRS and the OME. Once Phase I is released then we will assess how to proceed with updates to other parts of the VRAP system.”

32



## #4 1601 DOH CHD VITAL RECORDS; 6135 OTHER CONTRACTUAL SERVICES-NON-MEDICAL

- How much does the contract cost and what are your plans with that funding for the future?
  - Health’s response: “The DTS annual costs have varied over the years from approximately, \$330,000 to \$622,000 and DTS costs for maintenance of the system will continue into the future. Some of these years included funding that was transferred from the Division of Disease Control and Prevention and the Office of the Medical Examiner to help fund their portions of the program. Funding would come from carry over authority within CHDI. OVRs and the LHDs have also discussed possibility of a \$2 increase in birth certificate fees, \$1 of which would go towards ongoing enhancement and maintenance of VRAP. This would be pending public comment and legislative approval.”

33



## #4 6158 UTAH INTERACTIVE INTERNET TRANSACTION FEES

- Utah Interactive Costs and online offerings have increased some costs for issuing birth certificates, does the online option outweigh the new costs?
  - Health’s response: “Our contract with Utah Interactive to provide online birth certificate application is of no cost to us. There is a \$4 additional fee to the customer for online ordering that pays for the Utah Interactive service.”

34



## #4 1629 DOH SURVEY CENTER; 5101 REGULAR SALARIES & WAGES

- Why did the survey center costs in FY 2018 increase so dramatically compared to prior years (between \$50,000 and \$100,000+ more)?
  - Health’s response: “Amounts billed in survey center costs can vary by number of surveys conducted, number of questions included on the surveys, response rate, and number of completes obtained. Expenditures in FY18 were higher due to an additional survey on traumatic brain injury, additional completes on a smoker callback survey, and longer BRFSS survey length. Additionally FY2014-2017 were our lowest years of federal funding in the past decade which resulted in lower completes from prior years. In FY2018 federal funding provided was higher.”

35



## #5 AREAS FOR HEALTH TO PRESENT ON AT AUGUST MEETING

1. Health Care Statistics (\$893,000 or 5.1% of line item in FY 2018)
2. Organizational Development & Performance Improvement (\$276,000 or 1.6% of line item in FY 2018)

36



## #5 WHAT ARE WE ATTEMPTING TO ACCOMPLISH?

- What have you directed Health's Executive Director's Operations to do via Statute?
  - UCA 26-2 Creates the Vital Statistics Act which is the State's repository of birth and death certificates.
  - UCA 26-3 Empowers the Department to collect and maintain health data and utilize that data for analytical purposes.
  - UCA 26-33a Creates the Utah Health Data Authority Act and the Health Data Committee which uses the data collected through UCA 26-3.

37



## #5 WHAT ARE WE ATTEMPTING TO ACCOMPLISH?

- The Department of Health states its Executive Director's Operations mission as:
  - “Protect the public's health through preventing avoidable illness, injury, disability, and premature death; assuring access to affordable, quality health care; and promoting health lifestyles by providing services and oversight of services which are applicable throughout all divisions and bureaus of the Department.”

38



## #6 QUESTIONS FOR HEALTH TO ANSWER IN AUGUST

1. How does this program help the state's citizens?
2. Justify the program's current level of funding.
3. How is the funding currently used?

39



## RECOMMENDATIONS FOR ACTION NOW

1. Performance Measure Changes
  - a. Information Systems Reviewed for Risks
    - i. By changing the time frame, such as systems will be reviewed for risks and mitigations planned within 24 months of review, the target could be reset to 100%.
  - b. Deaths registered certified using the electronic death registration system
    - i. By changing the tracked measure to match SUCCESS this would streamline this reporting requirement.

40



## RECOMMENDATIONS FOR FURTHER STUDY

2. Are There Functions That Others Could Deliver Better?
3. Is the Office of Internal Audit Staffed at the Appropriate Level?
4. Does the Subcommittee Want Any More Information on Topics of Interest?
5. Areas for Health to present on at August meeting
  - a. Health Care Statistics
  - b. Organizational Development & Performance Improvement
6. Questions for Health to answer in August

41



END OF HEALTH  
SLIDES



42



DEPARTMENT OF HUMAN SERVICES  
EXECUTIVE DIRECTOR OPERATIONS AND OFFICE OF PUBLIC GUARDIAN

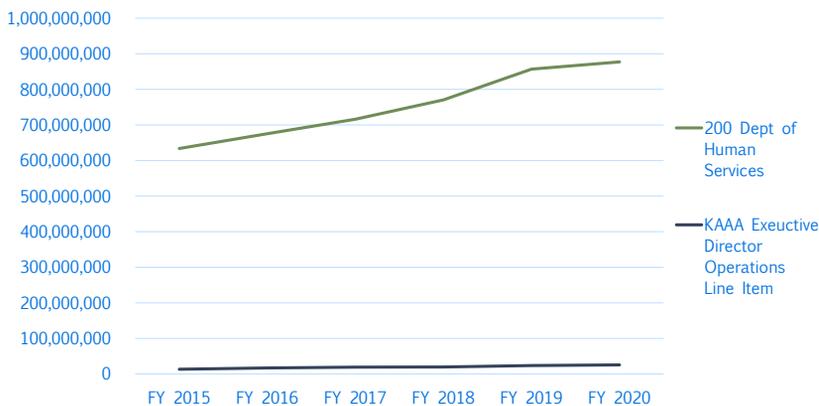
1. Overview
2. Recommendations for Further Study
  1. Juvenile Competency Evaluations
  2. Office of Licensing
  3. Bureau of Internal Review and Audit
  4. Performance Measures
3. Significant Funding and Program Changes
4. Committee Action



43

OVERVIEW — EXECUTIVE DIRECTOR OPERATIONS (EDO)

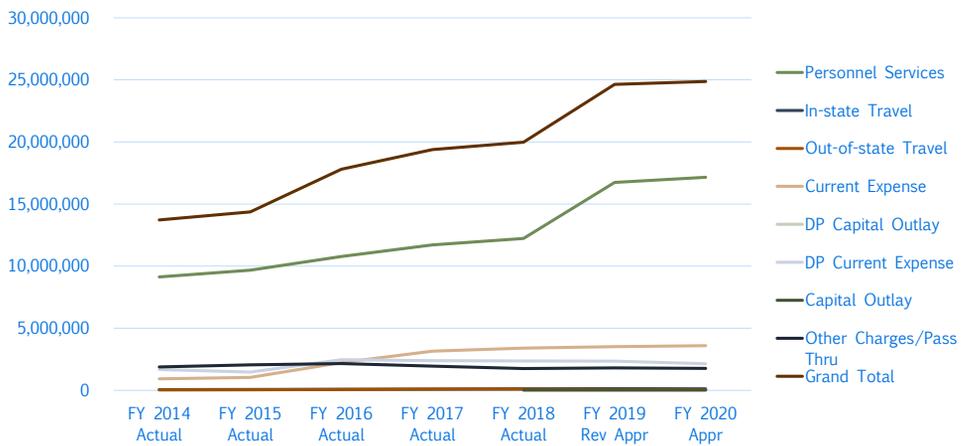
Human Services and EDO Expenditures



44

## OVERVIEW — EXECUTIVE DIRECTOR OPERATIONS (EDO)

### EDO Expenditures by Category

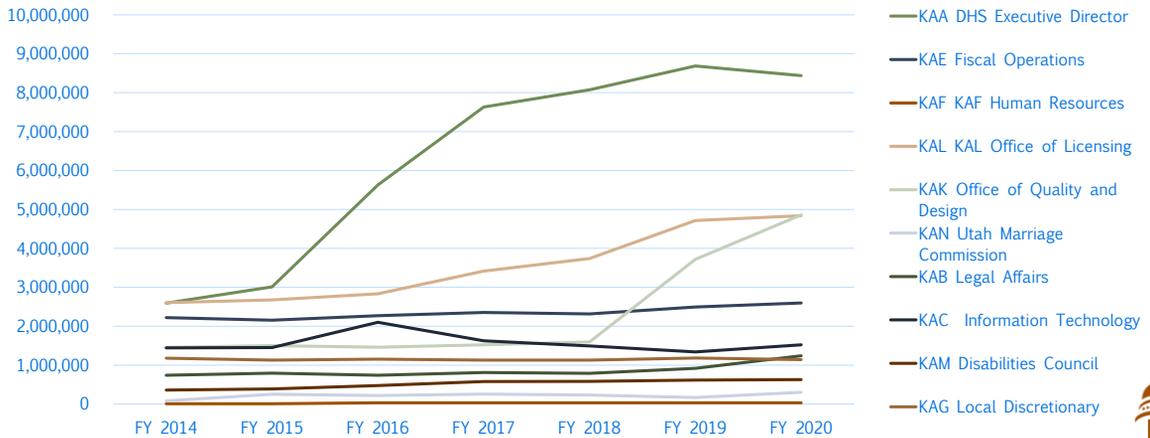


45



## OVERVIEW — EXECUTIVE DIRECTOR OPERATIONS (EDO)

### EDO Expenditures by Program

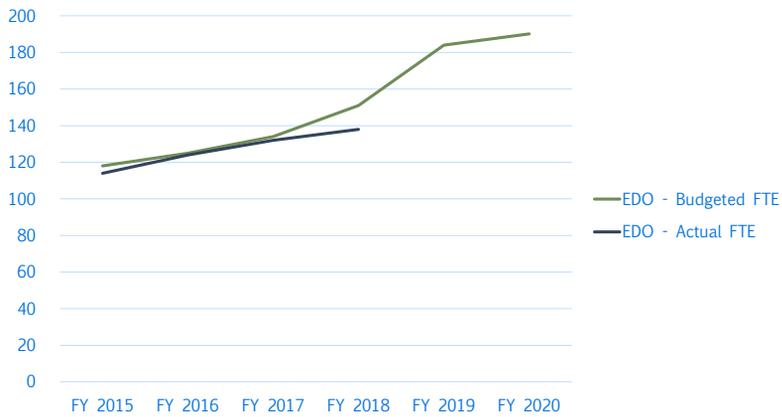


46



## OVERVIEW — EXECUTIVE DIRECTOR OPERATIONS (EDO)

### EDO Full-Time Equivalent (FTEs)

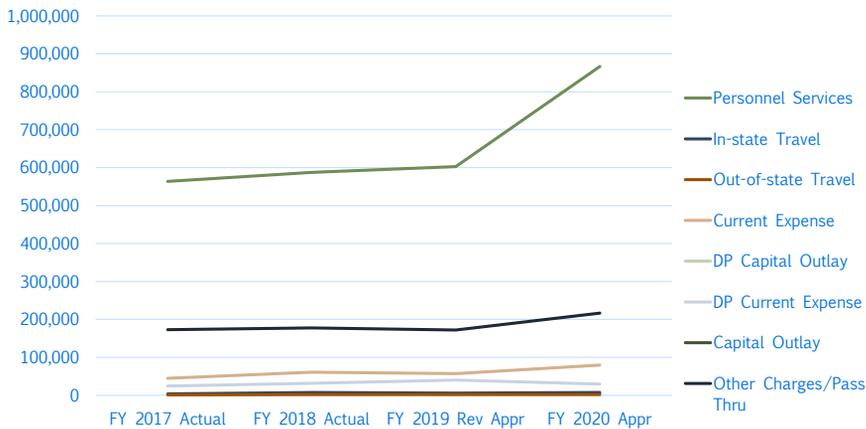


47



## OVERVIEW — OFFICE OF PUBLIC GUARDIAN (OPG)

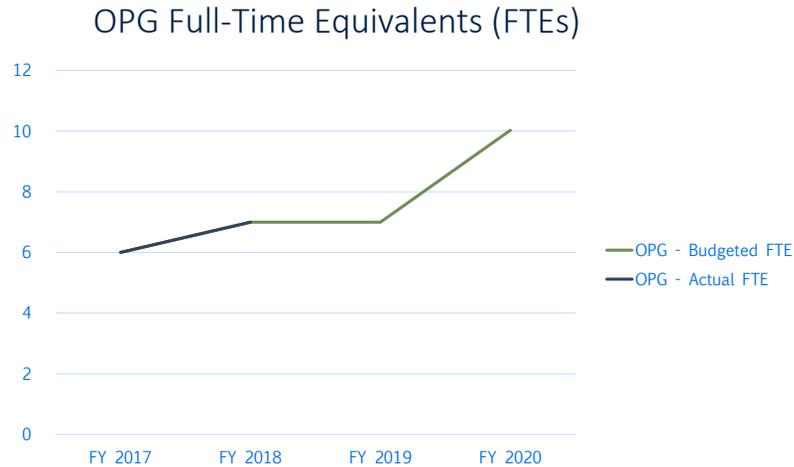
### OPG Expenditures by Category



48



## OVERVIEW — OFFICE OF PUBLIC GUARDIAN (OPG)



49



### RECOMMENDATIONS FOR FURTHER STUDY

#### #1. JUVENILE COMPETENCY EVALUATIONS

1. Should juvenile competency evaluations be organized in the Executive Director's Office or in the Division of Substance Abuse and Mental Health?
2. What are the challenges with juvenile competency evaluation quality and workforce? How can they be mitigated?
3. Designate a "Juvenile Competency" accounting unit for budget tracking.

Human Services response: Support

50



## SHOULD JUVENILE COMPETENCY EVALUATIONS BE ORGANIZED IN THE EXECUTIVE DIRECTOR'S OFFICE OR IN THE DIVISION OF SUBSTANCE ABUSE AND MENTAL HEALTH?

- Process of juvenile competency (or attainment)

	Youth Evaluated	Evaluations Ordered
FY13	51	57
FY14	54	57
FY15	60	60
FY16	81	86
FY17	96	98
FY18	82	88

- Budget: \$525,600 for FY 2020
- Adult evaluations are in the Division of Substance Abuse and Mental Health

51



## WHAT ARE THE CHALLENGES WITH JUVENILE COMPETENCY EVALUATION QUALITY AND WORKFORCE? HOW CAN THEY BE MITIGATED?

- DHS reported that “Trends over the last few years for juvenile competency show we have not been able to meet statutory requirements for competency evaluations.”
  - Contracted evaluators are not submitting evaluations on time.

52



## WHAT ARE THE CHALLENGES WITH JUVENILE COMPETENCY EVALUATION QUALITY AND WORKFORCE? HOW CAN THEY BE MITIGATED?

- Increase evaluation rates
  - 2018 General Session funding for forensic competency - \$364,300
    - Raised rates from \$500 to \$662.20
- Improve curriculum, training, and programming
  - Contracts with the University of Utah and National Youth Screening & Assessment Partners
- Hire internal evaluators

53



## DESIGNATE A “JUVENILE COMPETENCY” ACCOUNTING UNIT FOR BUDGET TRACKING.

- This unit is within the Executive Director’s Office program.
- Juvenile competency evaluations are a unique activity that should have a distinct accounting unit.

54



RECOMMENDATIONS FOR  
FURTHER STUDY

#2. OFFICE OF LICENSING

1. Should the Office of Licensing retain all license fees as dedicated credits, rather than receiving General Fund for those activities?
2. Should administration of Interstate Compacts on the Placements of Children (ICPC) be moved from the Division of Child and Family Services to the Office of Licensing? Should the office institute a fee on providers when administering an ICPC?
3. Update how fees are listed in the annual appropriations act for clarity.

Human Services response: Support



55

SHOULD THE OFFICE OF LICENSING RETAIN ALL LICENSE FEES AS DEDICATED CREDITS, RATHER THAN RECEIVING GENERAL FUND FOR THOSE ACTIVITIES?

- The office collected \$649,200 in FY 2018, which was then remitted to the General Fund.
- The Legislature appropriated \$3.1 million to the office for FY 2020.
- Using dedicated credits instead would encourage accuracy in fee amounts and tie revenue to actual workload.



56

SHOULD ADMINISTRATION OF INTERSTATE COMPACTS ON THE PLACEMENTS OF CHILDREN (ICPC) BE MOVED FROM THE DIVISION OF CHILD AND FAMILY SERVICES TO THE OFFICE OF LICENSING? SHOULD THE OFFICE INSTITUTE A FEE ON PROVIDERS WHEN ADMINISTERING AN ICPC?

- ICPCs are federally required for children placed in a different state, and impact multiple areas of child welfare.
- One area is private providers in Utah who serve children from out-of-state.
- The Division of Child and Family Services (DCFS) administers ICPCs for these providers with state and federal dollars.
- Administration of ICPCs is more similar to the work of the office than DCFS.

57



UPDATE HOW FEES ARE LISTED IN THE ANNUAL APPROPRIATIONS ACT FOR CLARITY.

- The current fee schedule does not clearly differentiate between initial and renewal fees.

58



RECOMMENDATIONS FOR  
FURTHER STUDY

#3. BUREAU OF INTERNAL  
REVIEW AND AUDIT

1. Is the number of FTEs and amount of resources sufficient to ensure “adequate internal audit coverage”? (UCA 631-5-201(1)(c))

Human Services response: Support

59



IS THE NUMBER OF FTEs AND AMOUNT OF RESOURCES SUFFICIENT TO ENSURE “ADEQUATE INTERNAL AUDIT COVERAGE”? (UCA 631-5-201(1)(c))

- Fewer full-time equivalent employees (FTEs) than in the past
  - 5.5 FTEs in 2019
  - ~10 FTEs in 2009
- Significant risk potential
  - ~2,985 individuals in custody
  - ~3,000 employees
  - Many contract providers

60



## RECOMMENDATIONS FOR FURTHER STUDY

### #4. PERFORMANCE MEASURES

61

1. Develop and/or add performance measures to COBI for these programs:
  - System of Care
  - Juvenile Competency Evaluations
  - Bureau of Internal Review and Audit
  - Office of Licensing
  - Office of Quality and Design
  - Marriage Commission
  - Developmental Disabilities Council
  - Office of Public Guardian
2. What 3 measures should be included as line item measures for Executive Director Operations and Office of Public Guardian?

Human Services response: Support



## SIGNIFICANT FUNDING AND PROGRAM CHANGES

62

- System of Care
- Marriage Commission
- Developmental Disabilities Council
- Office of Public Guardian



## SYSTEM OF CARE

- Change in funding sources
  - Previously funded with a federal grant and TANF
  - For FY 2020, funded with reallocated Social Services Block Grant and dollars from participating divisions

63



## MARRIAGE COMMISSION

- S.B. 54 (2018 G.S.) created an additional \$20 fee on marriage licenses to fund the commission.
  - Only for counties with online systems
  - No counties yet have an online system, so no fees have been collected
- The commission continues to be funded with TANF.

64



## DEVELOPMENTAL DISABILITIES COUNCIL

- The federal Administration on Community Living is undergoing a significant re-organization, to be announced August 1.

65



## OFFICE OF PUBLIC GUARDIAN

- Recent funding to transition 250 individuals from Intermediate Care Facilities to community-based settings included \$116,000 ongoing General Fund for the office.
  - Guardians will support informed decision-making for residents, in addition to potentially acting as guardians.

66



## RECOMMENDATIONS FOR ACTION NOW

1. Designate a “Juvenile Competency” accounting unit for budget tracking.
2. Update how fees are listed in the annual appropriations act for clarity.

67



## RECOMMENDATIONS FOR FURTHER STUDY

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5. Is the number of FTEs and amount of resources sufficient to ensure “adequate internal audit coverage”? (UCA 631-5-201(1)(c))

68



## RECOMMENDATIONS FOR FURTHER STUDY

6. Develop and/or add performance measures to COBI for these programs:
  - System of Care
  - Juvenile Competency Evaluations
  - Bureau of Internal Review and Audit
  - Office of Licensing
  - Office of Quality and Design
  - Marriage Commission
  - Developmental Disabilities Council
  - Office of Public Guardian
7. What 3 measures should be included as line item measures for Executive Director Operations and Office of Public Guardian?

69



END OF HUMAN  
SERVICES SLIDES



70



## ADMINISTRATION RECOMMENDATIONS AND FOLLOW-UP

- Establish 1-2 more performance measures for the line item
  - Examples
    - Percent of other DWS performance measures that meet or exceed target – target: 90%
    - Administration budget growth remains below departmental budget growth
    - Internal audit risk assessment findings
- Executive Director growth primarily due to Operation Rio Grande and support vacancy (overtime), but budgeted expenditures in FY19 and FY20 do not return to previous years' baseline
- Compare DWS' internal audit staffing and operations to DHS and DOH

71



## DEPARTMENT OF WORKFORCE SERVICES - ADMINISTRATION

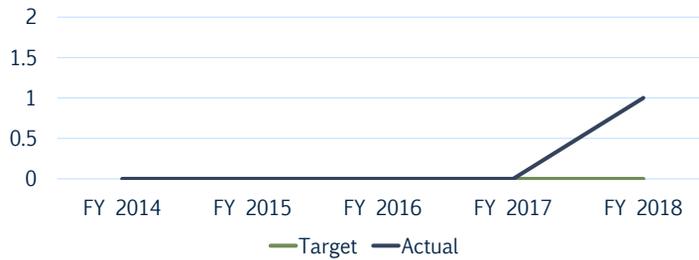
- Executive and administrative department-wide functions
- Five programs
  - Executive Director's Office
    - Includes deputy directors
  - Administrative Support
    - Accounting, fiscal grants management, information security, purchasing, contracts, facilities
  - Communications
  - Internal Audit
  - Human Resources

72



## ADMINISTRATION PERFORMANCE MEASURES

- Timely fiscal closeout with no audit findings – target: 0

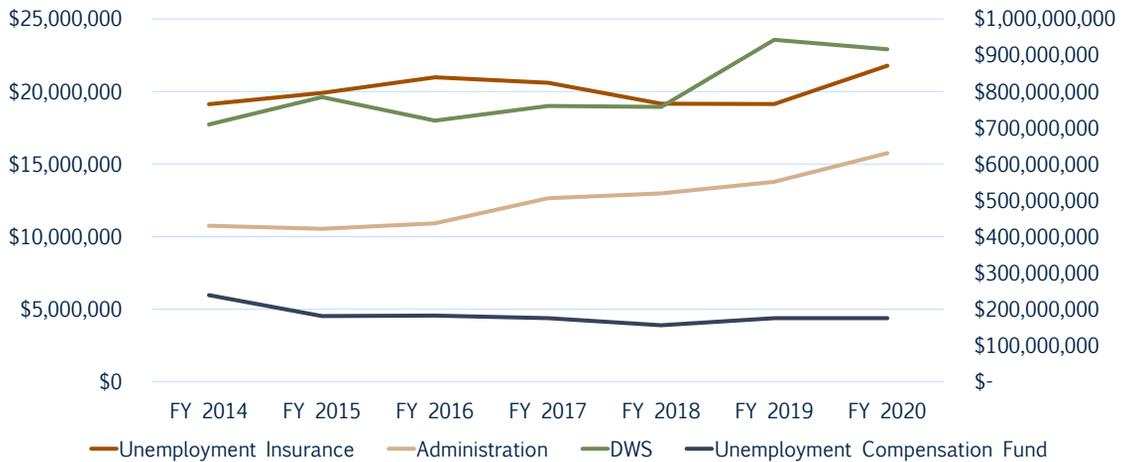


- State audit finding related to cost allocation
  - Some transactions coded to incorrect cost centers
  - Finding addressed and additional controls implemented



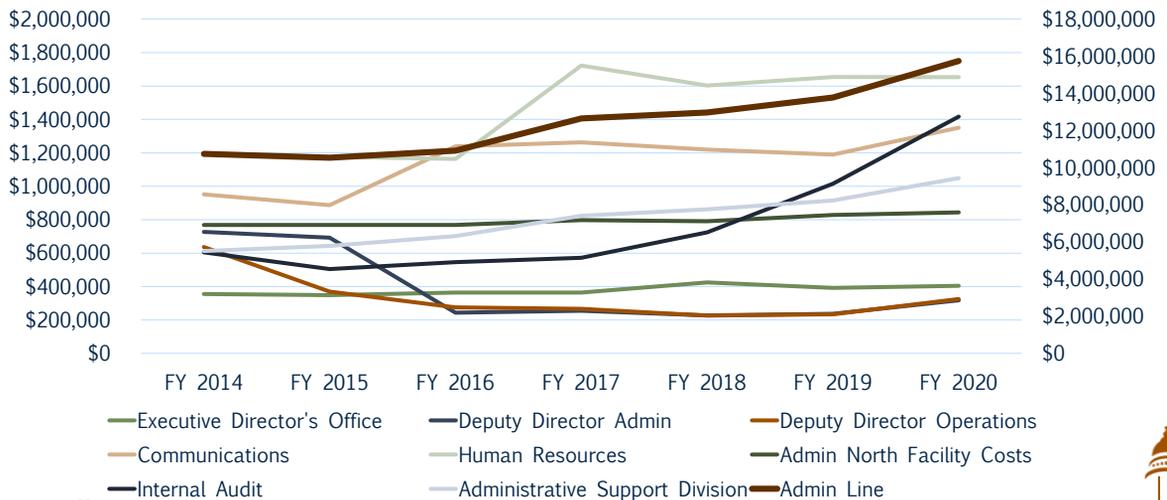
73

## ADMINISTRATION VS. DWS TRENDS



74

## ADMINISTRATION TRENDS – UNIT LEVEL



75



## ADMINISTRATION - TRENDS

- Increase in Executive Director's Office
  - Increase in hours worked, primarily due to Operation Rio Grande and a support staff vacancy
- Decreases in Deputy Directors
  - Administrative restructuring (i.e. positions moved to different line items), two positions eliminated or vacant
- Increase in Communications
  - Absorption of two FTEs from Deputy Director units
  - New FTE in 2016 – public information officer
- Increase in HR (ISF rate paid to DHRM)
  - Charges increased when DWS absorbed USOR

76



## ADMINISTRATION - TRENDS

- Increase in Administrative Support
  - Increased FTEs to comply with DTS' external audit recommendations regarding information security practices
  - Absorption of some FTEs from USOR transition
  - New FTE due to change in finance process
- Increase in Internal Audit
  - Director position increased from ~0.75 FTE to 1 FTE (hours worked)
  - New internal audit manager hired to support timely audit performance, following absorption of HCD and USOR

77



## UNEMPLOYMENT INSURANCE RECOMMENDATIONS AND FOLLOW-UP

- Increase performance measure targets to match current performance
  - Percent of employers registered with department within 90 days of becoming liable – target: 95.5% -> 97.5%
  - Percent of employers filing timely contribution reports – target: 96.1% -> 98%

78



## DEPARTMENT OF WORKFORCE SERVICES – UNEMPLOYMENT INSURANCE

- Collection of employer contributions, payment of benefits to unemployed workers, adjudication of appeals
- Two programs
  - Adjudication
  - Unemployment insurance administration

79



## UNEMPLOYMENT INSURANCE PERFORMANCE MEASURES

- Percent of employers registered with department within 90 days of becoming liable – target: 95.5%

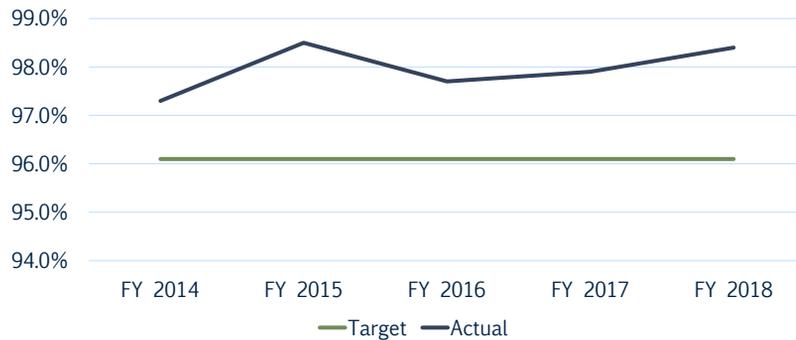


80



## UNEMPLOYMENT INSURANCE PERFORMANCE MEASURES

- Percent of employers filing timely contribution reports – target: 96.1%

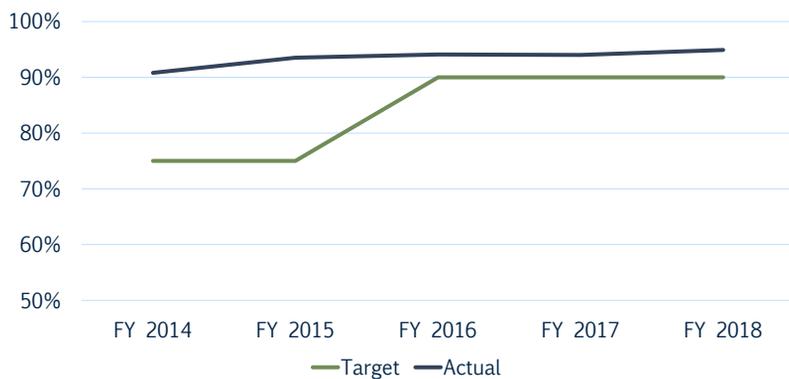


81



## UNEMPLOYMENT INSURANCE PERFORMANCE MEASURES

- Separation determinations with quality scores equal to or greater than 95 points – target: 90%

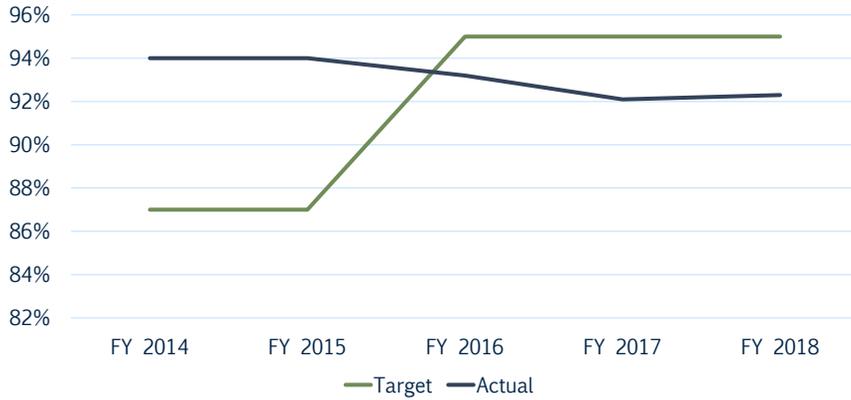


82



# UNEMPLOYMENT INSURANCE PERFORMANCE MEASURES

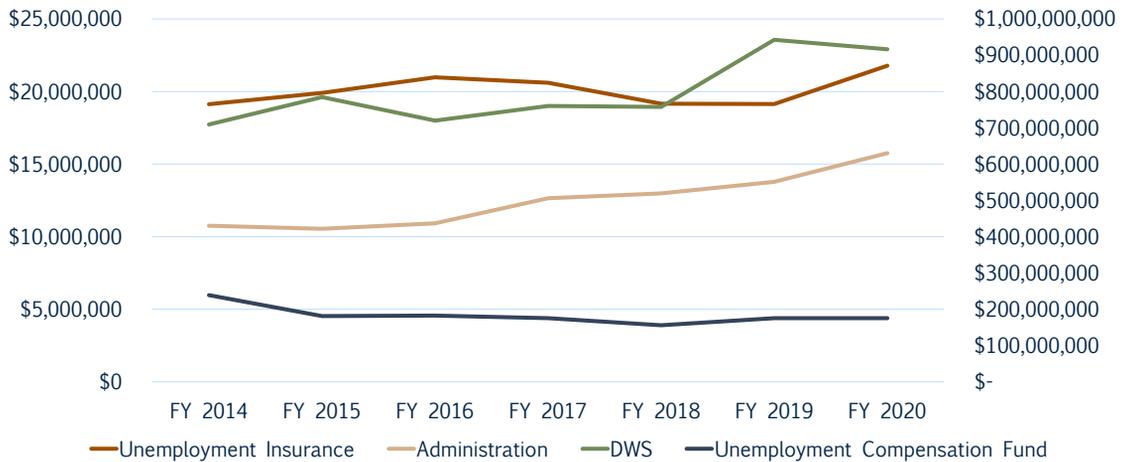
- Benefit payments made within 14 days – target: 95%



83

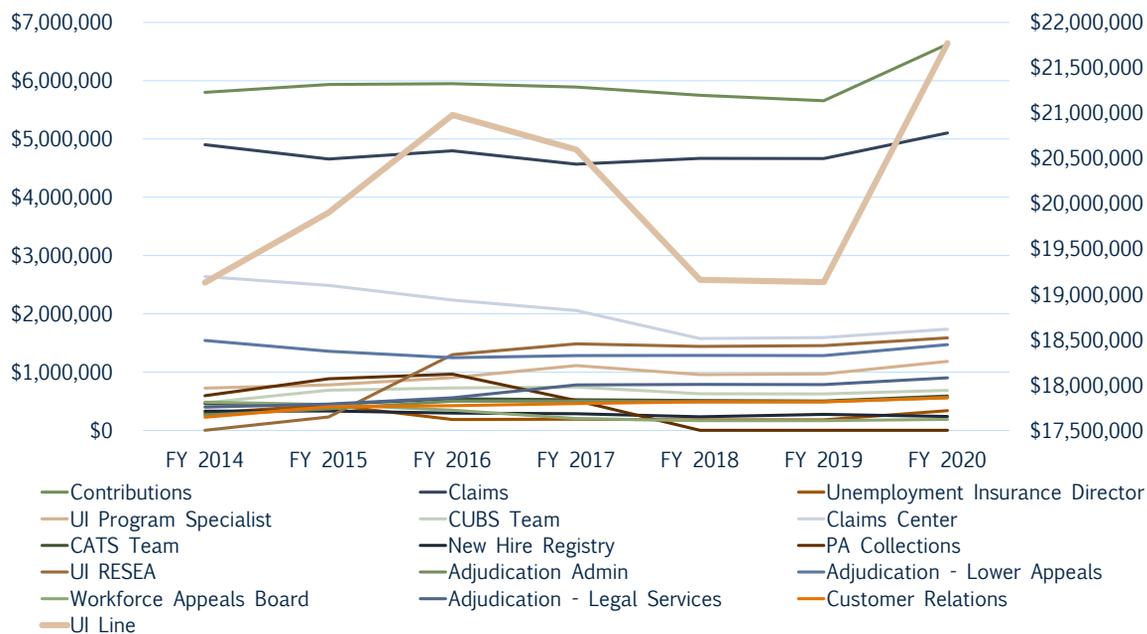


# UNEMPLOYMENT INSURANCE VS. DWS TRENDS



84





85

## UNEMPLOYMENT INSURANCE - TRENDS

- FTEs
  - Organizational restructuring has resulted in some increases and some decreases in FTEs
  - FTEs added to updated Comprehensive Unemployment Benefits System
- Unemployment insurance is countercyclical
  - Some expenditure decreases also due to improved economy
- Modernization and data analytics
  - System modernization allowed for internet filing, which resulted in 40% decrease in Claims Center expenditures
  - Enhancing use of data analytics to proactively identify and investigate potential misuse of public assistance benefits in response to 2015 audit has increased investigation and hearing costs

86



## UNEMPLOYMENT COMPENSATION FUND RECOMMENDATIONS AND FOLLOW-UP

- Staffing efficiency for countercyclical program
  - What is the staff turnover rate in claims processing?
  - How quickly are claims processed during high and low times? Do backlogs develop?
  - How do claims staff spend their time when claims are low?
  - How do staffing practices maintain appropriate staff levels during both high and low times?
    - Are staff in other areas trained to help manage demand during economic downturns? Are claims staff trained in other areas during economic upturns?

87



## DEPARTMENT OF WORKFORCE SERVICES — UNEMPLOYMENT COMPENSATION FUND

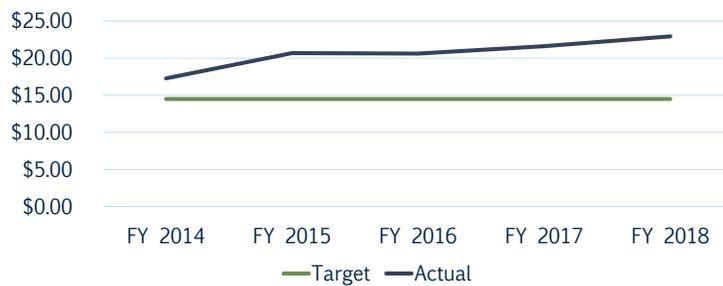
- Funded almost exclusively through a dedicated contribution paid by employers
- Additional funds may be provided by the federal government in times of high unemployment
- Pays benefits to eligible claimants

88



## UNEMPLOYMENT COMPENSATION FUND PERFORMANCE MEASURES

- Cost per determination – target: \$14.50

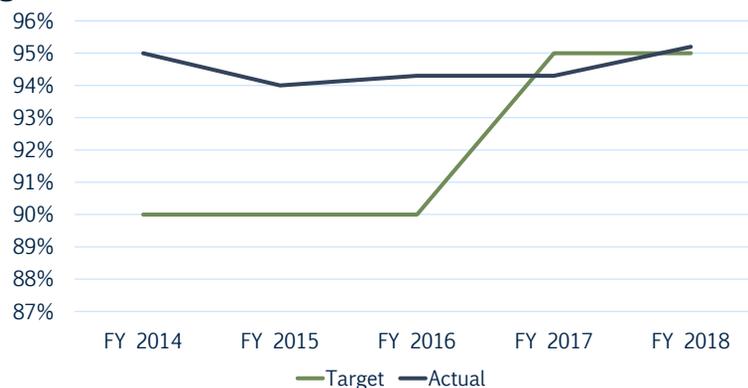


- Agency explanation – number of decisions have decreased, due to improving economy and decrease in unemployment claims
  - Payroll costs have declined, but some staff have been moved to different functions, such as integrity efforts



## UNEMPLOYMENT COMPENSATION FUND PERFORMANCE MEASURES

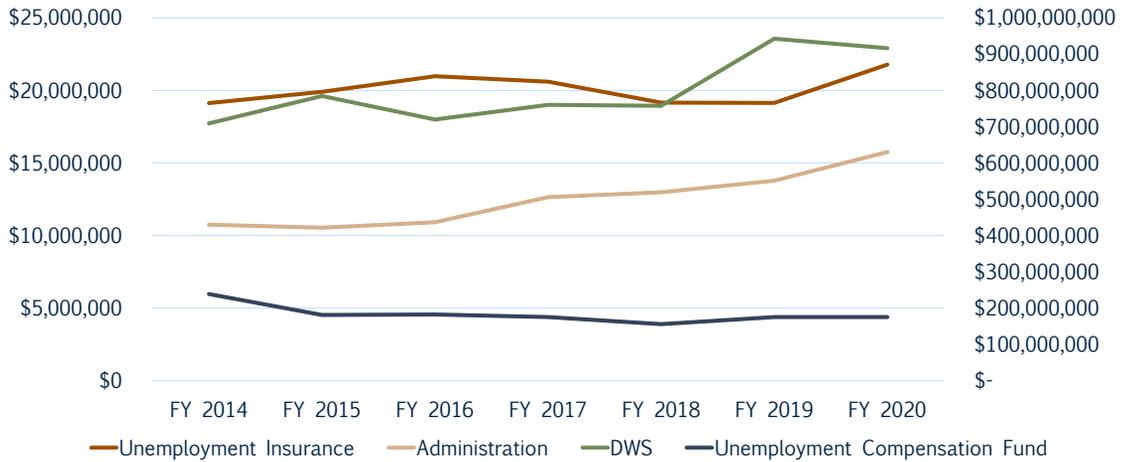
- Contributory employer contributions paid timely – target: 95%



90



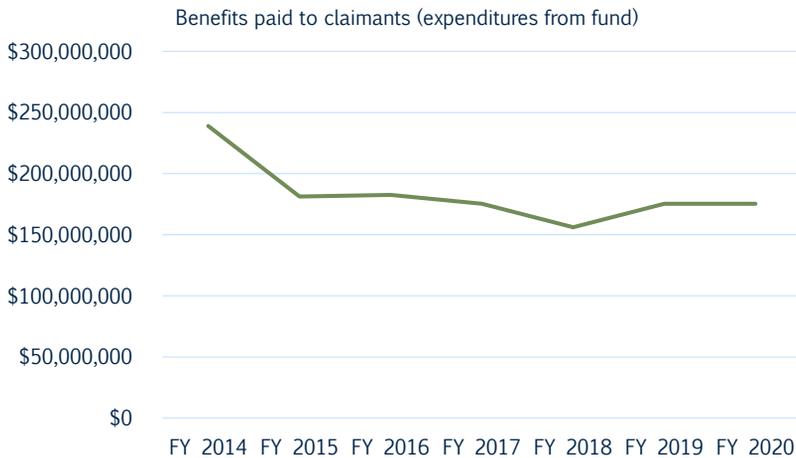
## UNEMPLOYMENT COMPENSATION FUND VS. DWS TRENDS



91



## UNEMPLOYMENT COMPENSATION FUND TRENDS



92



## UNEMPLOYMENT COMPENSATION FUND - TRENDS

- Decrease in expenditures
  - Improved economy
  - Reduction in unemployment rate
  - Fewer claims for unemployment compensation
  - Countercyclical program

93



## RECOMMENDATIONS FOR STUDY IN AUGUST

- Administration
  - Determine 1-2 additional performance measures for the line item
  - Further analysis of Executive Director's Office budget growth
  - Compare DWS internal audit to DHS and DOH
- Unemployment Insurance
  - Consider adjusting performance measure targets
- Unemployment Compensation Fund
  - Further analysis of staffing practices and efficiency

94

