

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Health and Human Services

Utah Department of Human Services
Division of Child and Family Services

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1.0 Summary: Division of Child and Family Services

State statute (62A-4a-103) defines the primary purpose of the Division of Child and Family Services (DCFS) as providing child welfare services. The Division shall also, “when possible and appropriate, provide preventive services and family preservation services....” Furthermore, the Division shall “provide domestic violence services in accordance with federal law, and youth services for minors who are dependent, ungovernable, or runaway....” By statute, the Division must provide child abuse prevention services, child protective services, shelter care, foster care, residential care, adoption, youth services for runaway or ungovernable youth, health care for children in DCFS custody, family preservation, protective supervision, independent living, and domestic violence preventive services.

Financial Summary

The Fiscal Analyst recommends a base budget appropriation for DCFS for FY 2001 in the amount of \$116.9 million, which includes \$59.8 million from the State General Fund. The majority of the balance is from Medicaid transfers and other federal funds.

| | Analyst FY 2001 Base | Analyst FY 2001 Changes | Analyst FY 2001 Total |
|---|-------------------------------------|--|--------------------------------------|
| Financing | | | |
| General Fund | \$59,845,900 | (\$49,800) | \$59,796,100 |
| Federal Funds | 35,128,800 | | 35,128,800 |
| Dedicated Credits Revenue | 2,593,700 | | 2,593,700 |
| GFR - Children's Trust | 350,000 | | 350,000 |
| GFR - Domestic Violence | 550,000 | | 550,000 |
| Transfers - H - Medical Assistance | 18,469,200 | | 18,469,200 |
| Transfers - Other Agencies | 50,000 | | 50,000 |
| Total | <u>\$116,987,600</u> | <u>(\$49,800)</u> | <u>\$116,937,800</u> |
| Programs | | | |
| Administration | \$6,476,200 | | \$6,476,200 |
| <i>Transfer from Health: Eligibility Worker</i> | | \$35,000 | 35,000 |
| Service Delivery | 50,787,200 | | 50,787,200 |
| In-Home Services | 1,347,100 | | 1,347,100 |
| Out-of-Home Care | 34,013,000 | | 34,013,000 |
| <i>Transfer to DMH: Children's MH Day Prog.</i> | | (84,800) | (84,800) |
| Facility Based Services | 3,305,200 | | 3,305,200 |
| Minor Grants | 1,634,700 | | 1,634,700 |
| Selected Programs | 5,626,500 | | 5,626,500 |
| Special Needs | 1,642,300 | | 1,642,300 |
| Domestic Violence Services | 4,474,600 | | 4,474,600 |
| Children's Trust Fund | 350,000 | | 350,000 |
| Adoption Assistance | 7,330,800 | | 7,330,800 |
| Total | <u>\$116,987,600</u> | <u>(\$49,800)</u> | <u>\$116,937,800</u> |
| FTE | 1,107.1 | 1.0 | 1,108.1 |

2.0 Issues: Division of Child and Family Services

2.1 Division Budget Summary

| DIVISION OF CHILD AND FAMILY SERVICES | | |
|--|----------------------------|-----------------------------|
| SUMMARY OF ANALYST RECOMMENDATIONS - FY 2001 | | |
| | General Fund | Total Funds |
| FY 2000 AUTHORIZED | \$60,203,400 | \$118,214,500 |
| Non-General Fund revenue estimate revisions | | (567,900) |
| FY 2001 BASE BUDGET | <u>\$60,203,400</u> | <u>\$117,646,600</u> |
| Adjustment for 16 less work hours | (150,800) | (296,000) |
| State ISF Rate Changes | (100,600) | (218,600) |
| State Retirement Rate Reductions | (118,700) | (157,000) |
| Risk Mgt Rate Redistribution (from FY 2000) | 12,600 | 12,600 |
| FY 2001 ADJUSTED BASE BUDGET | <u>\$59,845,900</u> | <u>\$116,987,600</u> |
| Transfer to DMH: Childrens Mental Health Day Treatment | (84,800) | (84,800) |
| Transfer from Health Dept: Eligibility staff | 35,000 | 35,000 |
| FY 2001 ANALYST RECOMMENDED BUDGET | <u><u>\$59,796,100</u></u> | <u><u>\$116,937,800</u></u> |
| (Without Compensation Adjustment) | | |

2.2 Adjustments to Base Budget

The Fiscal Analyst’s recommended FY 2001 budget includes adjustments for the 16 hour shortened work year (\$150,800 General Fund reduction), changes in the retirement rate (\$118,700 General Fund reduction), and changes in the rates charged by the State’s internal service funds (\$100,600 General Fund reduction). These reductions are part of the budget recommendations for various programs in the Division.

The Analyst is also including a re-distribution of the \$51,500 (General Fund) appropriated for FY 2000 for Risk Management liability premium increases. This results in \$12,600 General Fund increase in the DCFS base budget.

2.3 Transfer of Contract Funds for the Children’s Mental Health Center

The Department requested and the Analyst included this transfer of \$84,800 (General Fund) from DCFS to the Division of Mental Health. This is a long-standing contract between DCFS and Valley Mental Health (Salt Lake County) to provide matching funds for day treatment services provided by the Children's Center located on the U of U campus. It seems logical that funds for this contract between Valley Mental Health and the State be transferred to the Division of Mental Health.

2.4 Transfer from Department of Health

The Analyst's FY 2001 recommended budget includes a requested transfer to DCFS from the Department of Health of \$35,000 (General Fund). These funds are used for Medicaid eligibility services that are increasingly performed by DCFS.

2.5 Transfers from TANF Surplus Funds

Last year the Legislature included \$1,234,800 from federal TANF (Temporary Assistance to Needy Families) "surplus" funds transferred to the Social Services Block Grant (SSBG) to fund programs in the DCFS budget. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

2.6 Federal Fund Reductions

The Federal Medical Assistance Percentage (FMAP) match rate for FY 2001 is changing from 71.61 percent to 71.47 percent. As a result, without an increase in state matching funds, the State will see a reduction in federal medical assistance payments. To maintain the current level of funding in DCFS, the State would need to increase its match by \$47,700.

Congress is again reducing the Social Services Block Grant (SSBG). The impact to DCFS is currently estimated to be \$658,600. These reductions affect funding for staff and for various services for children in custody.

2.7 FY 2000 Budget Concerns

Early expenditure projections in DCFS indicate that, without corrective actions, the Division could see a budget overrun of as much as \$8 million by the end of the current fiscal year. The main reason for the concern comes from an unexpected upturn in the number of children in custody needing high-cost residential treatment. Other factors include unexpected delays (and costs) in completing development of the Child Welfare Management Information System (SAFE), staff hiring above projected levels, and changes in the regional budget distribution formula.

DCFS has instituted several measures to ensure its FY 2000 authorized budget is not exceeded. These include a "hard" hiring freeze, creation of a budget monitoring team at the department level, more timely oversight of regional budgets, and some regional redistribution of funds. While the situation needs close monitoring, neither the Governor, nor the Fiscal Analyst is recommending a supplemental appropriation for DCFS at this time. The Division has requested a base budget increase of \$1,078,000 (General Fund) for FY 2001 for services to children in out of home care and for increases in the adoption assistance program.

2.8 DCFS and the Court Settlement

In February 1993, the National Center for Youth Law (NCYL) filed a civil rights complaint in U.S. District Court on behalf of all children reported as abused and neglected and all foster children in Utah. A four-year settlement was signed by Governor Leavitt and approved by the Court in 1994.

In August 1998, the Court allowed the four-year settlement to expire. The Judge required the Division to prepare a comprehensive plan to improve child protective services satisfactory to both the court and the NCYL. The plan, known as “The Performance Milestone Plan,” was completed and accepted by the Court this past summer. The Court directed DCFS to report to the court on progress in complying with the plan. The State has appealed the decision, arguing that the Court should not continue its involvement with management of the Division.

2.9 Legislative Intent Language

The 1999 Legislature approved the following intent language for the Division of Child and Family Services:

It is the intent of the Legislature that the Division of Child and Family Services shall pursue the goal of applying as much budgetary flexibility as is fiscally prudent within its existing General Fund appropriation to grant a rate increase for private community-based residential providers.

The Division has basically complied with this intent. The Division raised its provider rates by 1 percent to 2 percent at the start of the current fiscal year. This was done within current budgets.

It is the intent of the Legislature that the Division of Child and Family Services be allowed to design an employee incentive program funded by internal savings or other budgetary provisions as currently provided for by DHRM policy. This incentive program, in an attempt to generate savings, shall not reduce services. The incentives shall be issued by June 30, 1999, and the results reported to the 2000 Legislature.

The Division provided bonuses to staff at the end of FY 1999. The amounts ranged from \$250 to \$500 depending on the employee’s performance rating. This is not a newly designed incentive program but an expansion of current incentive policies. Whether these incentive awards will continue into FY 2001 depends on budget status at the end of FY 2000.

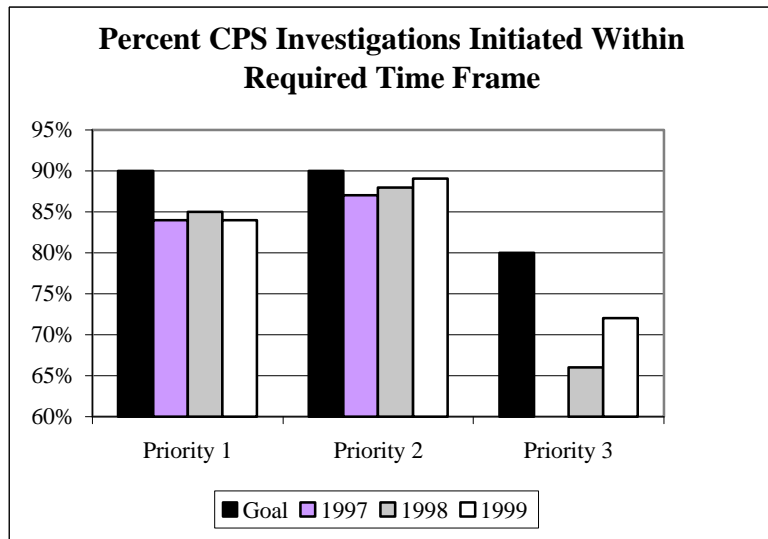
3.0 Programs: Division of Child and Family Services

Performance Measures

While the Division will report in more detail on performance and outcome measures, including its statutorily required “Outcome Measures Report,” the Analyst has chosen several measures to highlight in this report. Performance measures used in DCFS generally try to measure how well the State is protecting children and providing necessary care and treatment.

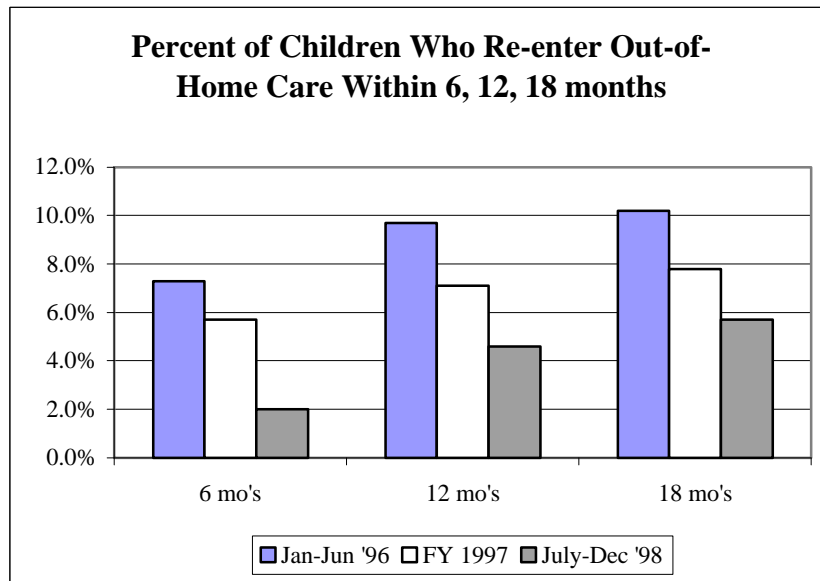
Response time to alleged abuse cases have improved.

The first chart depicts the Division’s response time to reported cases of child abuse and neglect. Priority one, referring to children who were at high risk of danger, must be investigated within one hour of referral. Priority two cases, where children are at a lesser risk of danger, must be investigated within 24 hours. Priority three referrals must be seen within 72 hours. These are cases where there is no immediate risk to a child’s safety. While priority one case response time remains constant, there has been improvement in response time to priority two and three cases. Overall, response time to referrals has improved from 71 percent compliance to 74 percent in FY 1999.



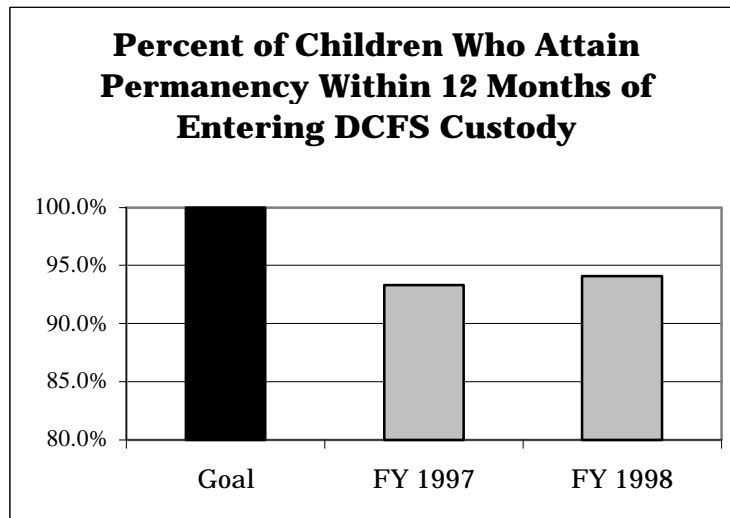
Children once in custody are not reentering custody as often.

The second chart is an indication of the quality and appropriateness of services provided children and their families. After children leave State custody, they are tracked for recidivism. The following chart depicts the percent of children who reenter State care after six, 12 and 18 months. The chart shows an encouraging trend that recidivism is decreasing significantly.



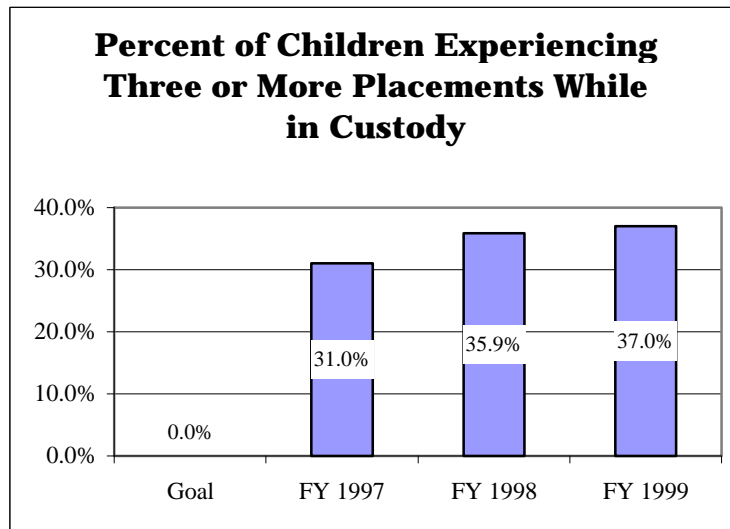
More children attain permanency within 12 months of entering custody.

One of the goals of the Division is to create a permanent situation for children in custody within 12 months of entering State care. The following chart shows a slight increase in the percent of children attaining permanency within 12 months, from 93.3 percent in FY 1997 to 94.1 percent in FY 1998.



Number of children experiencing three or more placements is increasing.

One of the Division's goals is to reduce the number of placement changes children experience while in custody. The following table, however, shows a slight increase in the percent of children who experience three or more placements during a custody episode.



David C. Lawsuit Settlement Agreement

In 1990, Donna Brown, a CASA (court-appointed special advocate) volunteer working with the guardian ad litem in Utah, was given several child welfare cases to investigate. Over the next few years she brought attention to problems within Utah’s child welfare system. In February 1993, the National Center for Youth Law (NCYL) filed a civil rights complaint in U.S. District Court on behalf of all children reported as abused and neglected and all foster children in Utah.

In 1994, the State of Utah entered into a settlement agreement with the plaintiffs and the Court. In August 1998, the Court allowed the four-year settlement agreement to expire. However, the Judge carried forward a provision from 1997 that the Division will provide a comprehensive plan satisfactory to the court. The Division, along with consultant Paul Vincent and Associates, created and submitted “The Performance Milestone Plan” in the spring of 1999. This fall, the Court instructed DCFS to continue implementing the plan and report progress periodically to the Court. The State has appealed the decision that the Court should continue to be involved in the operation of the Division.

Transfers from TANF surplus funds

Last year the Legislature included \$1,234,800 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund programs in the DSPD budget. Of this amount, \$605,500 was provided for operation of the Child Welfare Management Information System (SAFE), \$500,000 for additional domestic violence related services, and \$129,300 to replace federal Medicaid funds lost due to the match rate change. Although SSBG funds are not used directly to fund these services, they are used to free up state funds that can be used to draw down additional federal funds. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

3.1 Administration

Recommendation

The Analyst recommends approximately \$6.5 million (\$2.5 million from the General Fund) be appropriated for FY 2001 for the Administration program of DCFS as shown in the following table. The recommendation includes adjustments for the 16-hour work year reduction, internal service fund rate changes, the retirement rate change, an adjustment for last year’s Risk Management liability premium increases, and the transfer of \$35,000 from the Department of Health.

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|------------------------------------|---------------------|--------------------|--------------------|--------------------|
| | Actual | Estimated | Analyst | Difference |
| Financing | | | | |
| General Fund | \$4,872,558 | \$2,495,800 | \$2,471,400 | (\$24,400) |
| Federal Funds | 5,097,468 | 3,975,500 | 3,808,500 | (167,000) |
| Dedicated Credits Revenue | 81,580 | 85,000 | 83,700 | (1,300) |
| Transfers - H - Medical Assistance | 102,679 | 100,000 | 97,600 | (2,400) |
| Transfers - Other Agencies | 66,522 | 50,000 | 50,000 | |
| Total | \$10,220,807 | \$6,706,300 | \$6,511,200 | (\$195,100) |
| Expenditures | | | | |
| Personal Services | \$3,238,802 | \$3,140,500 | \$3,109,500 | (\$31,000) |
| In-State Travel | 51,851 | 51,700 | 51,700 | |
| Out of State Travel | 63,000 | 64,200 | 64,200 | |
| Current Expense | 1,793,675 | 1,725,800 | 1,673,200 | (52,600) |
| DP Current Expense | 5,068,081 | 1,718,700 | 1,607,700 | (111,000) |
| DP Capital Outlay | 5,398 | 5,400 | 4,900 | (500) |
| Total | \$10,220,807 | \$6,706,300 | \$6,511,200 | (\$195,100) |
| FTE | 66.5 | 61.5 | 62.5 | 1.0 |

Transfer from Health to DCFS

DCFS and the Department of Health requested a transfer of \$35,000 (General Fund) from Health to DCFS for FY 2001. These funds are used for Medicaid eligibility services, which are increasingly performed by DCFS. This will fund one additional FTE in DCFS. The Fiscal Analyst included this transfer in the FY 2001 recommendations for DCFS and Health.

Transfers from TANF surplus funds

Last year the Legislature included \$605,500 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund operating costs of the SAFE system. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Purpose

The State Office of the Division directs the service delivery system for Child Welfare, Youth Services and Domestic Violence across the state. The State Office oversees the division budgetary procedures and controls, secures federal, state and other funds, monitors and evaluates service delivery, and develops plans.

**Child Welfare
Management
Information System
Near Completion**

The Division is nearing completion of development of the new SACWIS (State Automated Child Welfare Information System), also known as SAFE, which provides system wide electronic case management. The system automatically develops service need lists, develops documents needed for foster care placements, maintains education and other case histories, and facilitates report creation. It also electronically connects with other systems such as ORSIS (Office of Recovery Services Information System) and USSDS (Unified Social Services Delivery System). It is now the document of record for all child protective services cases. All referrals are entered into SAFE and the worker is electronically notified of required actions and time frames. Estimated total developmental cost to date has been about \$16.9 million with the Federal Government paying about 65 percent of the cost. This includes about \$3 million for equipment and \$380,000 for off the shelf software products.

3.2 Service Delivery

Recommendation

The Analyst recommends \$50.8 million (\$28 million General Fund) for the Service Delivery budget for FY 2001. The recommendation includes adjustments for the 16-hour work year reduction, internal service fund rate changes, the retirement rate change, and an adjustment for last year's Risk Management liability premium increases.

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|------------------------------------|---------------------|---------------------|---------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| General Fund | \$18,777,888 | \$28,311,300 | \$28,026,100 | (\$285,200) |
| Federal Funds | 25,067,645 | 16,560,600 | 16,240,100 | (320,500) |
| Dedicated Credits Revenue | 12,480 | 10,000 | 10,000 | |
| Transfers - H - Medical Assistance | 5,751,017 | 5,825,000 | 6,511,000 | 686,000 |
| Transfers - Other Agencies | 700,000 | 610,000 | | (610,000) |
| Beginning Nonlapsing | 1,637,619 | 194,500 | | (194,500) |
| Closing Nonlapsing | (194,495) | | | |
| Total | \$51,752,154 | \$51,511,400 | \$50,787,200 | (\$724,200) |
| Expenditures | | | | |
| Personal Services | \$39,453,347 | \$39,762,600 | \$39,771,200 | \$8,600 |
| In-State Travel | 910,407 | 736,800 | 736,800 | |
| Out of State Travel | 48,870 | 48,900 | 48,900 | |
| Current Expense | 8,451,001 | 8,818,300 | 8,104,800 | (713,500) |
| DP Current Expense | 2,808,943 | 2,085,200 | 2,065,900 | (19,300) |
| DP Capital Outlay | 25,827 | | | |
| Capital Outlay | | 25,800 | 25,800 | |
| Other Charges/Pass Thru | 53,759 | 33,800 | 33,800 | |
| Total | \$51,752,154 | \$51,511,400 | \$50,787,200 | (\$724,200) |
| FTE | 927.0 | 962.9 | 962.9 | 0.0 |

Purpose

The regional offices of the division direct and deliver child welfare, youth, and domestic violence services. This budget includes funding for caseworkers, related staff, and regional administrative personnel. There are seven service regions in the Division. In addition to the Northern and Eastern Regions, the Western Region has split off the Southwestern Region (St. George - Cedar City), and the Central Region (Salt Lake County) is divided into three separate regions (Salt Lake, Granite and Cottonwood).

Proposed transfer of funds to DYC

The Division of Child and Family Services has proposed that \$309,000 (General Fund) and 8.5 FTEs be transferred to the budget of the Division of Youth Corrections (DYC) for FY 2001. In Ogden, DYC operates a program called the Archway Project, a cooperative effort between DCFS, Weber Human Services, Law Enforcement and DYC. The program provides counseling services to youth and their families in the areas of parent support and education, parenting skills, social skills development, anger management, communication skills, self-esteem, and community awareness. Archway also operates a 24 bed residential unit for crisis and transition. It functions as a receiving center for youth that do not meet the criteria for the detention center.

DCFS has had a contract for services with DYC, which has been provided through the Archway program. This request to transfer the funding to the DYC budget would make the funding directly available to DYC without the need for the contract process. Both DCFS and DYC are in favor of this transfer. If both appropriation subcommittees agree, the Fiscal Analyst will reflect this transfer in the respective subcommittee reports to the Executive Appropriations Committee.

3.3 In-home Services

Recommendation

The following table contains the Analyst's recommended \$1.3 million budget for In-Home Services for FY 2001 (all General Fund).

| | FY 1999 Actual | FY 2000 Estimated | FY 2001 Analyst | Est/Analyst Difference |
|-------------------------|---------------------------|------------------------------|----------------------------|-----------------------------------|
| Financing | | | | |
| General Fund | \$2,568,443 | \$1,347,100 | \$1,347,100 | |
| Total | <u>\$2,568,443</u> | <u>\$1,347,100</u> | <u>\$1,347,100</u> | <u>\$0</u> |
| Expenditures | | | | |
| Current Expense | \$156,217 | \$156,300 | \$156,300 | |
| Other Charges/Pass Thru | 2,412,226 | 1,190,800 | 1,190,800 | |
| Total | <u>\$2,568,443</u> | <u>\$1,347,100</u> | <u>\$1,347,100</u> | <u>\$0</u> |

Purpose

This program provides various services focusing on protecting children while supporting, strengthening and preserving their families. These services are designed to allow children to stay in their homes or facilitate their return to their natural families. Services include:

* *Homemaker Services*: Provides short-term assistance to parents unable to provide basic care and homemaking needed for the well being of a child.

* *Youth Advocate Program*: Works one-on-one with youth who have been neglected or abused, and who are at risk of becoming delinquent or ungovernable.

* *In-Home Services*: Makes resources available to a family when less structured intervention is needed to prevent disruption of the family.

* *Parenting Skills Training*: Provides classes that teach appropriate communication and discipline skills.

* *Protective Day Care*: Provides day care for children at risk of abuse or neglect if left at home during the day.

3.4 Out-of-Home Care

Recommendation

The total budget recommended is \$33.9 million (including \$14.9 million in State General Funds).

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|----------------------------|---------------------|---------------------|---------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| General Fund | \$16,274,536 | \$15,027,000 | \$14,942,200 | (\$84,800) |
| Federal Funds | 4,820,394 | 4,675,400 | 4,625,400 | (50,000) |
| Dedicated Credits Revenue | 2,063,238 | 2,350,000 | 2,500,000 | 150,000 |
| Transfers - H - Medical As | 10,753,485 | 11,860,600 | 11,860,600 | |
| Total | \$33,911,653 | \$33,913,000 | \$33,928,200 | \$15,200 |
| Expenditures | | | | |
| Current Expense | \$241,892 | \$241,800 | \$241,800 | |
| Other Charges/Pass Thru | 33,669,761 | 33,671,200 | 33,686,400 | 15,200 |
| Total | \$33,911,653 | \$33,913,000 | \$33,928,200 | \$15,200 |

Division requested \$1.2 million increase for out of home services.

For FY 2001, the Division requested a building block to deal with the growth in out-of-home care. This request includes \$733,000 from the General Fund plus about \$488,000 in federal funding. Fiscal constraints precluded the Analyst from recommending this budget increase.

*Transfer of funds to
Division of Mental
Health*

DCFS has had a long standing contract with Valley Mental Health to help pay the match for day treatment services provided by the Children’s Center located on the medical campus of the University of Utah. DCFS suggests that this amount (\$84,800 General Fund) be transferred to the Division of Mental Health as that division normally contracts with Valley Mental Health. The Analyst has included this transfer in the recommendations for DCFS and the Division of Mental Health.

*Transfers from TANF
surplus funds*

Last year the Legislature included \$129,300 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) for services in this program. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Purpose

This program provides care for children placed in foster care and other residential programs. There are three levels of foster care: basic, specialized, and structured. Contracts for residential programs include “wrap around” services such as medical and mental health services, career skills development, counseling, etc. The Division has experienced a significant increase in the number of children in custody requiring high cost residential treatment. Since May 1999, this number has increased by 100 to the current level of approximately 590 children. As a result, the Division is implementing certain budgetary measures to keep spending within authorized levels in the current budget year.

**Foster Care
Initiative**

There is a great need to improve the State’s foster parent program, to increase the number of licensed foster parents and to retain quality foster homes. Last year the Legislature provided \$750,000 for the Division to contract for recruiting and training of foster families with the newly created Utah Foster Care Foundation. Private contributions received by the Foundation by November 1999, total over \$2 million. The Foundation began training and recruiting foster families in August 1999. As of November 20, the Foundation has recruited and registered 370 families.

3.5 Facility Based Services

Recommendation

The Fiscal Analyst recommendation for this program totals \$3.3 million, with \$2.1 million from the General Fund. This amount reflects adjustments for the 16-hour work year reduction and the retirement rate change,

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| General Fund | \$1,994,973 | \$2,109,200 | \$2,105,200 | (\$4,000) |
| Federal Funds | 1,739,590 | 1,400,000 | 1,200,000 | (200,000) |
| Total | \$3,734,563 | \$3,509,200 | \$3,305,200 | (\$204,000) |
| Expenditures | | | | |
| Personal Services | \$672,539 | \$891,800 | \$884,000 | (\$7,800) |
| In-State Travel | 1,600 | 1,500 | 1,500 | |
| Current Expense | 589,026 | 640,600 | 642,400 | 1,800 |
| DP Current Expense | 26,121 | 26,200 | 26,200 | |
| Other Charges/Pass Thru | 2,445,277 | 1,949,100 | 1,751,100 | (198,000) |
| Total | \$3,734,563 | \$3,509,200 | \$3,305,200 | (\$204,000) |
| FTE | 33.5 | 41.0 | 41.0 | |

Purpose

Facility Based services include youth service centers, crisis host homes, and other short term shelter services for abused, neglected, dependent, and runaway youth. This program covers the cost of actual services that may be provided directly by the Region or through contracts with private providers. Children and youth may also receive child abuse and neglect services and protective youth services counseling.

3.6 Minor Grants

Recommendation

The Fiscal Analyst’s FY 2001 recommendation totals \$1.6 million, with \$365,200 from the General Fund. This includes a minor adjustment for the retirement rate change.

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| General Fund | \$365,400 | \$365,400 | \$365,200 | (\$200) |
| Federal Funds | 1,285,800 | 1,270,000 | 1,269,500 | (500) |
| Total | \$1,651,200 | \$1,635,400 | \$1,634,700 | (\$700) |
| Expenditures | | | | |
| Personal Services | \$207,792 | \$222,600 | \$220,500 | (\$2,100) |
| In-State Travel | 2,853 | 2,900 | 2,900 | |
| Current Expense | 731,144 | 708,600 | 708,600 | |
| DP Current Expense | 7,576 | 7,600 | 7,600 | |
| Other Charges/Pass Thru | 701,835 | 693,700 | 695,100 | 1,400 |
| Total | \$1,651,200 | \$1,635,400 | \$1,634,700 | (\$700) |
| FTE | | 6.7 | 6.7 | (0.0) |

Purpose

Minor Grants refer to the small grants awarded DCFS, as opposed to the major grants such as Titles IV-E, IV-B, and XIX, and SSBG. These minor grants are usually administered by the program manager at the state office, rather than by the regions. Currently, these grants are the Child Abuse Prevention and Treatment Act grants, Promoting Safe and Stable Families, and Independent Living grants.

**Child Abuse Prevention and Treatment Act (CAPTA) Grants:* The purpose of the CAPTA basic state grant is to assist the State in improving the child protective services system. Nine areas of improvement are identified in the Act, from which the State must select one or more to target specific grant activities. There is also the Community-Based Family Resource and Support Program Grant authorized through CAPTA - Title II. The purpose of this grant is to support state efforts to develop, operate, expand, and enhance a network of community-based, prevention-focused, family resource and support programs. These programs coordinate resources among existing public and private organizations. Current grant funding provides for community developer positions in four FACT (Families, Agencies, Communities Together) organizations and supports a statewide conference on child abuse and neglect.

** Safe and Stable Family grants (Authorized through Title IV-B, Part II, of the Social Security Act):* These funds provide family preservation, family support, time-limited family reunification efforts, and adoption promotion and support services. Ten family support projects have been funded in communities throughout the state. DCFS regions provide family preservation, reunification, and adoption support services.

** Independent Living:* The Independent Living program assists youth 16 years and older to learn self-sufficiency skills. Some funds are used for stipends to help youth support themselves while living on their own and participating in the independent living program.

3.7 Selected Programs

Recommendation

The Fiscal Analyst recommends \$5.6 million (\$1.8 million General Fund) be appropriated for this program for FY 2001. This amount includes adjustments for the 16-hour less work year and the change in the retirement rate.

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| General Fund | \$1,780,014 | \$1,827,500 | \$1,826,700 | (\$800) |
| Federal Funds | 2,659,455 | 3,900,000 | 3,799,800 | (100,200) |
| Dedicated Credits Revenue | 1,140 | | | |
| Total | \$4,440,609 | \$5,727,500 | \$5,626,500 | (\$101,000) |
| Expenditures | | | | |
| Personal Services | \$48,422 | \$126,500 | \$126,800 | \$300 |
| In-State Travel | 785 | 1,000 | 1,000 | |
| Current Expense | 133,992 | 133,300 | 133,300 | |
| DP Current Expense | 157 | 10,000 | 10,000 | |
| Capital Outlay | 7,195 | | | |
| Other Charges/Pass Thru | 4,250,058 | 5,456,700 | 5,355,400 | (101,300) |
| Total | \$4,440,609 | \$5,727,500 | \$5,626,500 | (\$101,000) |
| FTE | 9.5 | 3.0 | 3.0 | |

Purpose

Selected Programs account for state or federal funds with specific purposes. These services include:

* *Sexual Abuse Treatment Services*: Provides assessment and treatment to sexually abused children and their families. Also provides treatment for sexually reactive children and juvenile perpetrators who have been identified by DCFS as sex abuse victims.

* *Day Treatment Services*: This program provides therapeutic management services for emotionally and behavioral disturbed children and adolescents. Services include education, therapy, crisis management, social skills training, recreational services, and daily living skills.

* *Crisis Nurseries*: Ten Crisis Nurseries statewide allow parents, who feel that they might injure a child due to a crisis, to place the child at the center while the parents resolve the crisis. These centers are available 24 hours a day, 7 days a week. Centers are currently operating in Logan, Midvale, Salt Lake City (Sugarhouse), Ogden, Clearfield, Orem, Brigham City, Roosevelt, Cedar City and St. George.

* *Child Welfare Training*: The primary focus of training within DCFS for the next several years will be the requirements of "Performance Milestone Plan." This training is oriented towards the best practices that will enhance agency staff skills.

* *Ute Tribe Transition and Provider Training*: The Eastern Region is working with the Ute Tribe to enhance their child and family social welfare programs.

3.8 Special Needs

Recommendation

The Fiscal Analyst recommends \$1.6 million be appropriated for FY 2001, including \$1.3 million from the General Fund.

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|---------------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| General Fund | \$1,526,692 | \$1,340,900 | \$1,340,900 | |
| Federal Funds | 315,661 | 310,000 | 301,400 | (\$8,600) |
| Dedicated Credits Revenue | 7 | | | |
| Total | <u>\$1,842,360</u> | <u>\$1,650,900</u> | <u>\$1,642,300</u> | <u>(\$8,600)</u> |
| Expenditures | | | | |
| Current Expense | \$510,528 | \$510,400 | \$510,400 | |
| Other Charges/Pass Thru | 1,331,832 | 1,140,500 | 1,131,900 | (\$8,600) |
| Total | <u>\$1,842,360</u> | <u>\$1,650,900</u> | <u>\$1,642,300</u> | <u>(\$8,600)</u> |

Purpose

This program provides for special needs of children placed in foster homes and other out of home care situation. Special needs might include transportation, special clothing allowances, music lessons, special equipment, baby needs, additional clothing allowance (usually for teens), Christmas gifts, recreation needs, and school expenses (such as yearbook, locker fees, school pictures, tutors, etc). It also includes miscellaneous expenses that DCFS is ordered by the courts to pay for foster children’s needs or their parents. This includes interpreter services, long-distance phone calls to facilitate reunification, drug/alcohol screening and treatment for parents, and psychological evaluations of parents. State appropriated funds allow approximately \$120 per child per year for these purposes. Federal Title IV-E funds pay for some transportation costs of eligible children in custody and for some special needs categories.

3.9 Domestic Violence

Recommendation

The Analyst recommends an appropriation of \$4.5 million for Domestic Violence programs for FY 2001, which includes \$3 million from the General Fund. This amount includes adjustments for the 16-hour less work year and the change in the retirement rate.

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| General Fund | \$2,395,112 | \$2,995,200 | \$2,987,300 | (\$7,900) |
| Federal Funds | 626,311 | 937,700 | 937,300 | (400) |
| GFR - Domestic Violence | 550,000 | 550,000 | 550,000 | |
| Lapsing Balance | (900) | | | |
| Total | \$3,570,523 | \$4,482,900 | \$4,474,600 | (\$8,300) |
| Expenditures | | | | |
| Personal Services | \$1,283,808 | \$1,210,300 | \$1,200,700 | (\$9,600) |
| In-State Travel | 30,857 | 31,700 | 31,700 | |
| Out of State Travel | 827 | 700 | 700 | |
| Current Expense | 84,073 | 83,600 | 84,200 | 600 |
| DP Current Expense | 13,158 | 13,100 | 13,100 | |
| Other Charges/Pass Thru | 2,157,800 | 3,143,500 | 3,144,200 | 700 |
| Total | \$3,570,523 | \$4,482,900 | \$4,474,600 | (\$8,300) |
| FTE | 31.0 | 32.0 | 32.0 | |

Transfers from TANF surplus funds

Last year the Legislature included \$500,000 from federal TANF (Temporary Assistance to Needy Families) “surplus” funds transferred to the Social Services Block Grant (SSBG) to fund additional services in this program. This funding source is one-time in nature and must eventually be replaced with State funds or services will be reduced.

Purpose

The Division is charged to provide domestic violence services as follows:

* *Domestic Violence Outpatient Services* provide treatment services to court ordered and voluntary domestic violence perpetrators, victims of domestic violence and child witnesses of domestic violence. This program is funded from the Victims of Domestic Violence Services Account which revenues come from surcharges on criminal fines, penalties and forfeitures imposed by the courts.

* *Family Violence Shelters* provide abused adults and their children with a safe short-term refuge. While there, shelter staff can help them assess their situation and evaluate available options to end the abuse. They are also given an opportunity to participate in groups with other battered individuals and to deal with issues of self-esteem and self-sufficiency.

3.10 Children's Trust Account

Recommendations The Fiscal Analyst recommends an appropriation of \$350,000 from this trust account for FY 2001, same as the past several years.

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|-------------------------|------------------|------------------|------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| GFR - Children's Trust | \$350,000 | \$350,000 | \$350,000 | |
| Lapsing Balance | (24,698) | | | |
| Total | <u>\$325,302</u> | <u>\$350,000</u> | <u>\$350,000</u> | <u>\$0</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | \$325,302 | \$350,000 | \$350,000 | |
| Total | <u>\$325,302</u> | <u>\$350,000</u> | <u>\$350,000</u> | <u>\$0</u> |

Purpose

The Children's Trust Account was established by the Legislature in 1986. The legislation placed a \$3.00 surcharge on birth certificates to be used for child abuse prevention programs. Each year, the Child Abuse and Neglect Council receives proposals and awards grants, which require a dollar for dollar match by the sponsoring organizations (schools, church groups, communities, etc).

3.11 Adoption and Guardianship Subsidy

Recommendation For FY 2001, the Analyst's recommendation totals \$7.4 million, with \$4.4 million from the General Fund. The federal funds reduction reflects current estimated reduction by Congress in the Social Services Block Grant.

| | FY 1999 | FY 2000 | FY 2001 | Est/Analyst |
|-------------------------|--------------------|--------------------|--------------------|--------------------|
| Financing | Actual | Estimated | Analyst | Difference |
| General Fund | \$4,218,584 | \$4,384,000 | \$4,384,000 | |
| Federal Funds | 2,755,698 | 2,996,800 | 2,946,800 | (50,000) |
| Total | <u>\$6,974,282</u> | <u>\$7,380,800</u> | <u>\$7,330,800</u> | <u>(\$50,000)</u> |
| Expenditures | | | | |
| Other Charges/Pass Thru | \$6,974,282 | \$7,380,800 | \$7,330,800 | (50,000) |
| Total | <u>\$6,974,282</u> | <u>\$7,380,800</u> | <u>\$7,330,800</u> | <u>(\$50,000)</u> |

DCFS has requested additional funds for adoption and guardianship subsidy.

The Division requested a budget increase of \$624,300 (\$345,000 General Fund) for projected increases in adoptive situations requiring these subsidies for FY 2001. Due to funding restrictions, the Analyst could not recommend an increase for this program for FY 2001.

Purpose

This program subsidizes adoptive parents and guardians of children with special needs. Adoption assistance may include a Medicaid card, reimbursement of non-recurring adoption expenses, a monthly subsidy, and supplemental adoption assistance. As the State has increased its efforts to place children in custody in adoptive situations, the needs for these subsidies have increased. Guardianship subsidies provide a monthly payment, and may include Medicaid if the child is eligible.

4.0 Additional Information: Child and Family Services

4.1 Funding History

| | FY 1997 | FY 1998 | FY 1999 | FY 2000 | FY 2001 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Financing | Actual | Actual | Actual | Estimated | Analyst |
| General Fund | \$46,303,101 | \$57,795,800 | \$54,774,200 | \$60,203,400 | \$59,796,100 |
| Federal Funds | 39,214,357 | 36,767,478 | 44,368,022 | 36,026,000 | 35,128,800 |
| Dedicated Credits Revenue | 2,092,365 | 1,993,110 | 2,158,445 | 2,445,000 | 2,593,700 |
| GFR - Children's Trust | 350,000 | 350,000 | 350,000 | 350,000 | 350,000 |
| GFR - Domestic Violence | 500,000 | 550,000 | 550,000 | 550,000 | 550,000 |
| Transfers - H - Medical Assistance | 8,516,415 | 11,275,161 | 16,607,181 | 17,785,600 | 18,469,200 |
| Transfers - Internal | 4,393,720 | | | | |
| Transfers - Other Agencies | 831,255 | 712,532 | 766,522 | 660,000 | 50,000 |
| Beginning Nonlapsing | 415,000 | 783,687 | 1,637,619 | 194,500 | |
| Closing Nonlapsing | (860,592) | (1,752,956) | (194,495) | | |
| Lapsing Balance | | | (25,598) | | |
| Total | \$101,755,621 | \$108,474,812 | \$120,991,896 | \$118,214,500 | \$116,937,800 |
| % Change | | 6.6% | 11.5% | -2.3% | -1.1% |
| Programs | | | | | |
| Administration | \$8,266,757 | \$9,416,239 | \$10,220,807 | \$6,706,300 | \$6,511,200 |
| Service Delivery | 43,263,593 | 47,589,319 | 51,752,154 | 51,511,400 | 50,787,200 |
| In-Home Services | 1,970,935 | 1,659,710 | 2,568,443 | 1,347,100 | 1,347,100 |
| Out-of-Home Care | 29,134,612 | 29,588,881 | 33,911,653 | 33,913,000 | 33,928,200 |
| Facility Based Services | 3,104,253 | 2,779,667 | 3,734,563 | 3,509,200 | 3,305,200 |
| Minor Grants | | 2,076,221 | 1,651,200 | 1,635,400 | 1,634,700 |
| Selected Programs | 13,955,704 | 5,152,400 | 4,440,609 | 5,727,500 | 5,626,500 |
| Special Needs | 1,764,512 | 1,473,757 | 1,842,360 | 1,650,900 | 1,642,300 |
| Domestic Violence Services | | 2,986,204 | 3,570,523 | 4,482,900 | 4,474,600 |
| Children's Trust Fund | 295,255 | 257,698 | 325,302 | 350,000 | 350,000 |
| Adoption Assistance | | 5,494,716 | 6,974,282 | 7,380,800 | 7,330,800 |
| Total | \$101,755,621 | \$108,474,812 | \$120,991,896 | \$118,214,500 | \$116,937,800 |
| Expenditures | | | | | |
| Personal Services | \$37,879,044 | \$41,822,818 | \$44,904,710 | \$45,354,300 | \$45,312,700 |
| In-State Travel | 1,077,488 | 999,568 | 998,353 | 825,600 | 825,600 |
| Out of State Travel | 105,945 | 80,366 | 112,697 | 113,800 | 113,800 |
| Current Expense | 10,818,248 | 10,693,790 | 12,691,548 | 13,018,700 | 12,255,000 |
| DP Current Expense | 4,662,432 | 6,937,644 | 7,924,036 | 3,860,800 | 3,730,500 |
| DP Capital Outlay | 218,432 | 117,148 | 31,225 | 5,400 | 4,900 |
| Capital Outlay | 45,292 | 29,711 | 7,195 | 25,800 | 25,800 |
| Other Charges/Pass Thru | 46,948,740 | 47,793,767 | 54,322,132 | 55,010,100 | 54,669,500 |
| Total | \$101,755,621 | \$108,474,812 | \$120,991,896 | \$118,214,500 | \$116,937,800 |
| FTE | 1,052.3 | 1,111.5 | 1,067.5 | 1,107.1 | 1,108.1 |

4.2 Federal Funds

| Program | FY 1999 Actual | FY 2000 Authorized | FY 2001 Analyst |
|--------------------------------|-------------------|-----------------------|--------------------|
| Title XX Soc. Svc Block Grant | \$8,608,300 | \$8,935,600 | \$8,935,600 |
| General Funds | 0 | 0 | 0 |
| Totals for this grant/contract | \$8,608,300 | \$8,935,600 | \$8,935,600 |
| SSBG (Trnsf from TANF) | \$7,298,000 | \$1,234,800 | \$1,234,800 |
| General Funds | | | 0 |
| Totals for this grant/contract | \$7,298,000 | \$1,234,800 | \$1,234,800 |
| Title IVB Child Welfare | \$3,275,000 | \$3,275,000 | \$3,275,000 |
| General Funds | 0 | 0 | 0 |
| Totals for this grant/contract | \$3,275,000 | \$3,275,000 | \$3,275,000 |
| Title IVE AFDC Foster Care | \$18,037,938 | \$16,206,100 | \$15,408,900 |
| General Funds | 12,888,107 | 11,579,300 | 11,009,700 |
| Totals for this grant/contract | \$30,926,045 | \$27,785,400 | \$26,418,600 |
| Child Abuse and Neglect | \$510,366 | \$500,000 | \$500,000 |
| General Funds | 0 | 0 | 0 |
| Totals for this grant/contract | \$510,366 | \$500,000 | \$500,000 |
| Independent Living Grants | \$304,749 | \$300,000 | \$300,000 |
| General Funds | | | |
| Totals for this grant/contract | \$304,749 | \$300,000 | \$300,000 |
| Title IVE Adoptions | \$4,031,751 | \$3,816,800 | \$3,816,800 |
| General Funds | 2,257,781 | 2,137,400 | 2,137,400 |
| Totals for this grant/contract | \$6,289,532 | \$5,954,200 | \$5,954,200 |
| Runaway Youth | \$439,590 | \$100,000 | \$0 |
| General Funds | 43,959 | 10,000 | 0 |
| Totals for this grant/contract | \$483,549 | \$110,000 | \$0 |
| Family Violence Grant | \$626,311 | \$437,700 | \$437,700 |
| General Funds | | | |
| Totals for this grant/contract | \$626,311 | \$437,700 | \$437,700 |
| Misc OHDS Grants | \$1,236,017 | \$1,220,000 | \$1,220,000 |
| General Funds | 117,422 | 115,900 | 115,900 |
| Totals for this grant/contract | \$1,353,439 | \$1,335,900 | \$1,335,900 |
| Total Federal Funds | \$44,368,022 | \$36,026,000 | \$35,128,800 |
| Total State Funds | 15,307,268 | 13,842,600 | 13,263,000 |
| Total Funds | \$59,675,290 | \$49,868,600 | \$48,391,800 |

**Future Impact of
Current Federal
Fund Decisions**

The future of the Social Services Block Grant is tenuous. It has been reduced significantly over the past few years, and will likely be reduced in the future. The Utah grant was reduced by approximately \$550,000 in FY 2000 and another \$1 million reduction is projected for FY 2001. For DCFS, these reductions translate to budget reductions of \$344,000 in FY 2000 and about \$658,000 in FY 2001.

The State has been transferring TANF (Temporary Assistance for Needy Families) surplus funds for the past few years. For FY 2000, the Legislature included \$1,234,800 of TANF funds transferred to the Social Services Block Grant (SSBG) to fund programs in the DCFS budget. The TANF surplus funds will probably not be available after FY 2002.

The “Runaway Youth” grant is expected to be renewed for FY 2001. However, it was not at the time of this writing. If renewed, the annual grant allocation of approximately \$351,000 will be used for services to runaway and ungovernable youth, including funds for youth service centers.