

Office of the
Legislative Fiscal Analyst

FY 2002 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 Department of Human Services – Division of Child and Family Services

Summary

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 DCFS budget for FY 2002 totaling \$119.6 million, including \$61.1 million from the General Fund. The majority of the balance is from Medicaid transfers and other federal funds. The 2002 budget reflects a reduction of \$1,088,800 (\$769,000 General Fund) due to the retirement rate reduction and a \$25,200 (\$16,000 General Fund) reduction for reduced rates charged by the State’s Administrative Services Internal Service Funds. The recommended budget also includes the transfer of \$50,000 (General Fund) from the DCFS administration budget to the Department’s Executive Director’s Office of Licensing to help fund two additional licensing agents. The Analyst also is recommending that the appropriation from the Domestic Violence Services Account (General Fund Restricted) be increased by \$100,000 for FY 2002.

	Analyst FY 2002 Base	Analyst FY 2002 Changes	Analyst FY 2002 Total
Financing			
General Fund	61,190,500	(50,000)	61,140,500
Federal Funds	36,942,800		36,942,800
Dedicated Credits Revenue	2,344,200		2,344,200
GFR - Children's Trust	350,000		350,000
GFR - Domestic Violence	550,000	100,000	650,000
Transfers - H - Medical Assistance	17,559,300		17,559,300
Transfers - Other Agencies	606,200		606,200
Total	\$119,543,000	\$50,000	\$119,593,000
Programs			
Administration	4,331,700	(50,000)	4,281,700
Service Delivery	54,746,900		54,746,900
In-Home Services	1,852,300		1,852,300
Out-of-Home Care	31,241,700		31,241,700
Facility Based Services	5,317,600		5,317,600
Minor Grants	3,174,100		3,174,100
Selected Programs	2,884,000		2,884,000
Special Needs	1,670,400		1,670,400
Domestic Violence Services	4,378,100	100,000	4,478,100
Children's Trust Fund	350,000		350,000
Adoption Assistance	7,302,000		7,302,000
Child Welfare Management Information ;	2,294,200		2,294,200
Total	\$119,543,000	\$50,000	\$119,593,000
FTE/Other			
Total FTE	1,092		1,092
Vehicles	170	0	170

2.0 Issues: Division of Child and Family Services

2.1 Division Budget Concerns

Last year at this time, DCFS was heading for an over-expenditure of nearly \$10 million for FY 2000. There were many reasons for the budget problems, including unexpected case growth, administrative growth, cost overruns, and a general lack of fiscal oversight.

Under direction of the Department director, the Division undertook corrective action to bring spending back within limits by reducing staff, eliminating administrative positions, reducing high cost placements, reviewing adoption subsidies, and implementing a department fiscal oversight process. The Division ended the year in the black, but is requesting supplemental budget increases for FY 2001.

2.2-Adoption Assistance Funding

The State makes available several forms of financial assistance to families adopting children from State custody. As part of a budget control effort in FY 2000, DCFS reviewed, and in many cases reduced or eliminated, “special needs” subsidies for specialized, non-recurring services and other needs. Some reductions were later restored. The Division is requesting both a supplemental appropriation for FY 2001 and an increase in the base for FY 2002. The Analyst recommends an increase of \$2,750,000 (General Fund) for FY 2002 as an unfunded building block. The Analyst also recommends, if funds become available, additional funding for increased post adoption case management (\$100,000 General Fund).

2.3 DCFS and the Court Settlement

After four years of the David C. settlement agreement, the federal district court, in 1998, decided to continue its oversight of the Division by requiring the creation and monitoring of a “Performance Milestone Plan. The State has appealed the court’s decision to the 10th Circuit Court of Appeals in Denver, arguing that the Court should not continue its involvement with management of the Division. DCFS is requesting funding to cover the costs associated with implementing the “Milestone Plan” for FY 2002 for development of training programs and case reviews. If funds become available, the analyst recommends \$570,000 in one time funding for FY 2002.

2.4 Federal Funding Reductions

The Federal Medical Assistance Percentage (FMAP) match rate for FY 2002 is changing from 71.47 percent to 70.36 percent. To maintain the current level of funding, DCFS is requesting the State increase its state match by \$387,900. Congress has reduced the Social Services Block Grant (SSBG) over the last few years. The impact to DCFS is currently estimated to be \$721,600. The Analyst recommends these increases in State funds as “unfunded” building blocks for FY 2002.

2.5 Transfers from TANF

The 2000 Legislature authorized the transfer of \$1,234,800 from TANF (Temporary Assistance to Needy Families) for various child welfare services. Although DCFS is not requesting these transfers be replaced with State General Funds in FY 2002, the Legislature will need to consider its replacement by FY 2003, when Congress reauthorizes the TANF program.

2.6 Child Welfare MIS Funding

Changes in federal Title IV-E funding regulations have resulted in a reduction of expected federal support for operation of the Statewide Automated Child Welfare Information System (SACWIS), also known as “SAFE.” The actual match rate will be more like 18 percent, not the 50 percent planned, resulting in a deficit of \$738,400 which DCFS requests be made up with State General Funds. In addition, current staffing levels appear unable to provide the needed fixes and timely responses to problems encountered by the SAFE system. The Division requests \$335,400 General Fund for 2.5 additional in-house FTEs and for additional contracted programming services. The Analyst believes these needs are justified and recommends funding if additional funds become available.

2.7 Impact of Federal Title IV-E Rule Changes

In March 2000, the federal Administration on Children and Families implemented final rules pertaining to the Adoption and Safe Families Act, which drives federal participation in child welfare services. While the full extent of the impact is undetermined, the Division requests \$1 million to cover potential impacts in the “Out of Home Services” program. Changes include tightened time frames, IV-E qualifying requirements on court-ordered placements, additional restrictions on licensing of foster homes, and others. The Analyst recommends the Legislature consider this funding request in the future as more facts and experience become available.

2.8 Domestic Violence Services

Only about one-fourth of the State's 16 domestic violence shelters can provide a full comprehensive program of services. The Division estimates that \$400,000 (General Fund) is needed for all the shelters to be able to provide adequate services. It is requesting half of that amount, \$200,000, for FY 2002. It is also requesting a \$100,000 increase in domestic violence funding from the "Victims of Domestic Violence Services Account." The Analyst recommends the \$200,000 General Fund increase as an "unfunded building" block for FY 2002. The increased appropriation of \$100,000 from the restricted fund is included in the Analyst's FY 2002 base recommendation.

2.9 Christmas Box Operation Costs

Salt Lake County Division of Youth Services contracts with DCFS for services provided by the Christmas Box House, which provides 24-hour, 7-day-a-week protective custody services for abused, neglected and abandoned children. The County, through DCFS, is requesting a \$300,000 increase in this contract above the \$400,000 the Legislature appropriated in 1998. The Analyst recommends the \$300,000 General Fund increase as an "unfunded building" block for FY 2002.

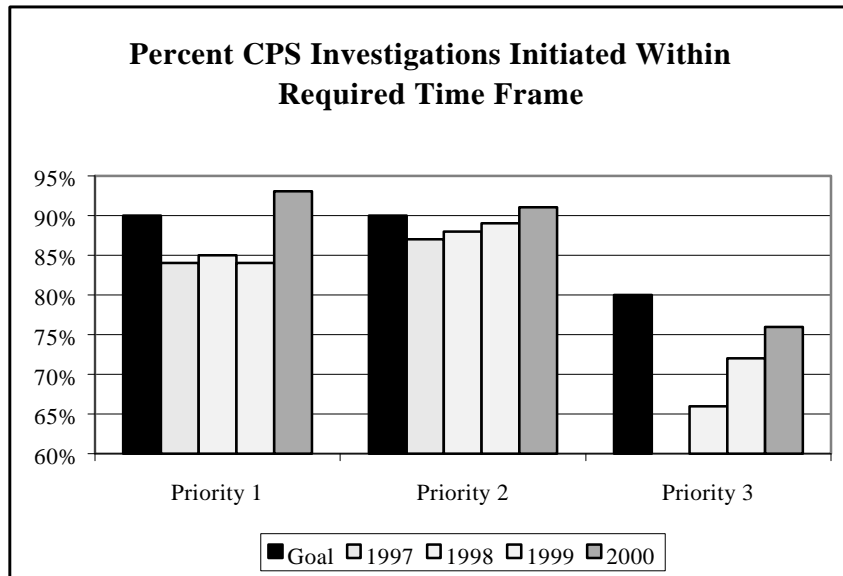
3.0 Programs: Division of Child and Family Services

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.

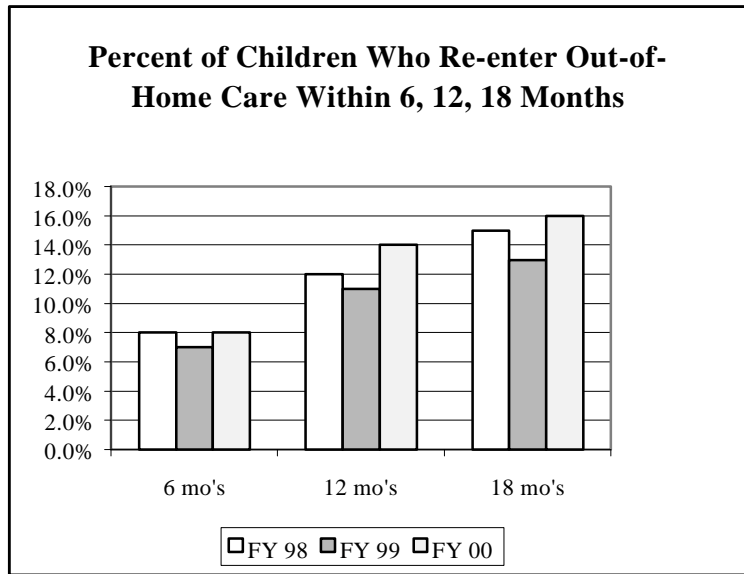
Response time to alleged abuse cases

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. The chart shows a significant improvement in timely responses to all three priority cases in FY 2000. Overall, response time to referrals has improved from 75 percent compliance to 79 percent in FY 2000.



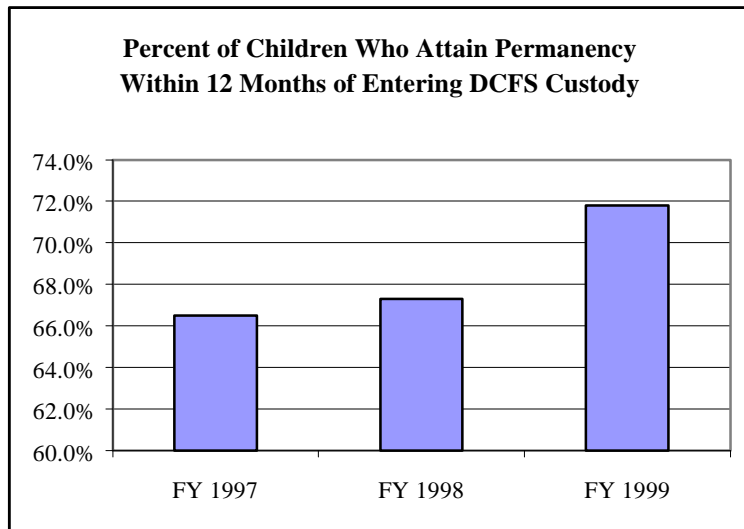
Children once in custody reentering custody

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 a slight increase in all three categories from FY 1999 to FY 2000.



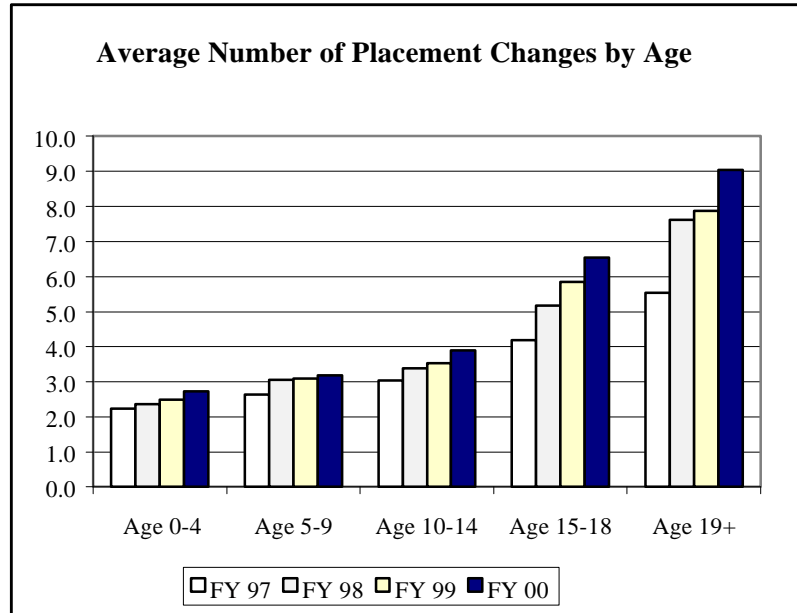
Number of children attaining permanency within 12-months of entering state custody

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 an increase in the percent of children attaining permanency within 12 months, from 66 percent in FY 1997 to 72 percent in FY 1999. Over the past three years, an average of 2,232 children entered State custody each year. It's interesting to note that of the children attaining permanency, approximately 90 percent returned home or to relatives.



Number of children experiencing three or more placements

One of the Division's goals is to reduce the number of placement changes children experience while in custody. The following chart shows the number of placements per custody episode. It shows that over the past four years, the number of placements while in state custody experienced by children of all age groups have been increasing.



DCFS Faced Serious Budget Woes in FY 2000

Last year at this time, DCFS budget projections indicated that it was heading for an over-expenditure of nearly \$10 million for FY 2000. About 40 percent of projected deficit was due to an unexpected upturn in the number of children placed in “high cost placements (residential treatment facilities), from 486 in May, 1998 to 582 in December, 1999. The Division’s hiring of 33 staff members not budgeted contributed about \$1.3 million of the deficit. The adoption subsidy budget was also projected to “go in the red” by \$1.3 million, as a result of increased children being adopted from state custody and to somewhat liberal specialized subsidies for some adoptive parents. Some other reasons for the forecast cost overrun was the 165 percent increase of administrative positions in the newly created three separate Salt Lake County regions, cost overruns of development of the “SAFE” child welfare management information system, and losses in federal funding.

Budget cuts affected many programs including adoption subsidies.

Under direction of the Department director, the Division undertook corrective actions to bring spending back within budget. “High cost placements” of children were reviewed and levels of treatment reduced where warranted. The number of these placements is now about 380, down by approximately 200 from a year ago. The Division collapsed the newly formed three Salt Lake regions, each with its own administrative staff, back into one region. Administrative staffs from the regions and the State Office were reassigned to “front line services” or administrative vacancies were not filled. The Division had a hard hiring freeze in effect for about six months. The Division also reviewed its subsidy program to adoptive parents. Although not the major cause of the overall budget problem, this area seemed to get all the public attention during the past summer. DCFS reviewed all “special needs subsidies.” These subsidies were provided for out-of-home placement care, specialized mental health therapy, dental and medical care not covered by the Medicaid card, and other occasional needs. Many of these subsidies were reduced or eliminated; however, some were later restored.

In further action, the Division suspended development of the “SAFE” system, reduced contracts with certain service providers, reduced outside case management contracts with private providers, redistributed some of the Social Services Block Grant and redirected some funds within the regional budgets. Probably the most significant action was the installation of a department level fiscal management team. Division regional fiscal offices must demonstrate certain levels of proficiency and control to earn department “certification.”

Through the above-mentioned efforts and with the help of shifting some flexible federal funding, the Division did end the year in the black. However it is requesting supplemental funding for FY 2001 for adoption subsidies.

Federal Funding Reductions

The Federal Medical Assistance Percentage (FMAP) match rate for FY 2002 is changing from 71.47 percent to 70.36 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, DCFS is requesting the State increase its match by \$387,900 with State General Funds, distributed by programs as follows:

Service Delivery (exiting case mgrs)	\$113,900
Out of Home Services	\$217,000
Adoption Assistance	\$54,800
Special Needs Programs	\$2,200

Congress has reduced the Social Services Block Grant (SSBG) over the last few years. The impact to DCFS is currently estimated to be \$721,600, which the Division is asking the State to replace with General Funds or services will be reduced. These reductions affect funding for staff and for various services for children in custody:

Administration	\$123,600
Service Delivery (Case Managers)	\$334,000
Out of Home Services	\$26,200
Facility Based Services	\$130,600
Special Needs Programs	\$15,900
Domestic Violence	\$27,200
Child Welfare MIS	\$64,100

TANF Transfers

During the last two sessions, the Legislature has approved transfers of TANF funds (Temporary Assistance to Needy Families) to the SSBG (Social Services Block Grant) to fund a variety of human services needs. The 2000 Legislature authorized the transfer of \$1,234,800 for various child welfare services. By FY 2003, TANF will be reauthorized by Congress and the current “surplus” of TANF funds and the ability to transfer these funds may not be available. Although the Division is not requesting these funds be replaced at this time, they probably need to be replaced by next year to continue present service levels. TANF transfers are budgeted in the following division programs:

Out of Home Care	\$129,300
Domestic Violence	\$500,000
Child Welfare MIS	\$605,500

3.1 DCFS Administration

Recommendation

The Fiscal Analyst recommends an FY 2002 budget for DCFS Administration totaling just under \$4.3 million, including \$1.6 million from the General Fund. The Division is now showing separately the budget for the operation of the Child Welfare Management System (“SAFE”). This budget of about \$2.3 million is listed at the end of this report.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	2,200,900	1,634,900	1,571,400	(63,500)
Federal Funds	4,934,245	2,618,200	2,615,400	(2,800)
Dedicated Credits Revenue	76,422	62,500	61,400	(1,100)
Transfers - Other Agencies	120,125			
Transfers - H - Medical Assistance	36,003	29,400	33,500	4,100
Beginning Nonlapsing	94,495			
Lapsing Balance	(1,290,205)			
Total	<u>\$6,171,985</u>	<u>\$4,345,000</u>	<u>\$4,281,700</u>	<u>(\$63,300)</u>
Expenditures				
Personal Services	2,229,575	2,166,900	2,116,000	(50,900)
In-State Travel	38,210	38,000	38,000	
Out of State Travel	81,679	70,000	70,000	
Current Expense	3,391,665	1,750,100	1,738,200	(11,900)
DP Current Expense	336,074	320,000	319,500	(500)
DP Capital Outlay	94,782			
Total	<u>\$6,171,985</u>	<u>\$4,345,000</u>	<u>\$4,281,700</u>	<u>(\$63,300)</u>
FTE/Other				
Total FTE	48	41	41	

Transfer from DCFS to Executive Director’s Budget

The Fiscal Analyst’s recommended FY 2002 budget includes transferring \$50,000 General Fund from this budget to the Office of Licensing in the Department’s Executive Director’s (EDO) budget. The Analyst is also recommending that \$25,000 General Fund be transferred from the Division of Youth Corrections to the EDO for this purpose. The Office of Licensing was unable to secure additional funding for two additional licensors from the Legislature. These two divisions, recognizing the workload increase in the Office of Licensing, have agreed to fund these two positions.

Purpose

The Division’s State Office directs the service delivery system for Child Welfare, Youth Services and Domestic Violence Programs 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.

Status of Court Oversight of DCFS

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 collaboratively with the Child Welfare Policy and Practice Group (CWPPG) of Montgomery, Alabama. It was accepted by the Court in 1999, and it directed DCFS to report to the court on compliance progress through the CWPPG. The State has appealed the court’s decision to the 10th Circuit Court of Appeals in Denver, arguing that the Court should not continue its involvement with management of the Division.

Funding Request for Court Compliance

The Division is requesting \$700,000 (\$570,500 General Fund) for costs of implementing the “Performance Milestone Plan.” This includes \$450,000 (\$365,500 General Fund) for a contract with the CWPPG for development of training modules and training by CWPPG personnel. The balance of \$250,000 (\$205,000 General Fund) is for case management reviews to be performed under court direction by CWPPG personnel. The Analyst recommends that, if funds become available, the Legislature appropriate the entire amount (\$570,500 General Fund) as a one-time appropriation, as it is unknown how much longer the court will be involved in overseeing the Division’s operation.

3.2 Service Delivery

Recommendation

The Analyst recommends an FY 2002 appropriation of \$54.7 million, including \$28.8 million from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	25,490,500	29,475,100	28,782,300	(692,800)
Federal Funds	19,076,044	18,264,300	18,070,800	(193,500)
Dedicated Credits Revenue	16,115	22,400	22,400	
Transfers - Other Agencies	609,763	556,200	556,200	
Transfers - H - Medical Assistance	6,767,806	7,351,100	7,315,200	(35,900)
Lapsing Balance	721,791			
Total	<u>\$52,682,019</u>	<u>\$55,669,100</u>	<u>\$54,746,900</u>	<u>(\$922,200)</u>
Expenditures				
Personal Services	39,471,099	40,754,800	39,798,800	(956,000)
In-State Travel	722,607	722,600	722,600	
Out of State Travel	24,556	24,600	24,600	
Current Expense	10,150,132	8,931,100	8,964,900	33,800
DP Current Expense	1,773,856	1,774,300	1,774,300	
Capital Outlay	24,986			
Other Charges/Pass Thru	514,783	3,461,700	3,461,700	
Total	<u>\$52,682,019</u>	<u>\$55,669,100</u>	<u>\$54,746,900</u>	<u>(\$922,200)</u>
FTE/Other				
Total FTE	909	932	932	
Vehicles		161	161	

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, regional administrative personnel, and training. Until last October, there were 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) was divided into three separate regions (Salt Lake, Granite and Cottonwood). Since October, the Salt Lake County area regions have been collapsed into one region again.

3.3 In-Home Services

Recommendation

The following table contains the Analyst’s recommended \$1.8 million budget for In-Home Services for FY 2002 (all General Fund).

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	1,685,400	1,852,300	1,852,300	
Dedicated Credits Revenue	50			
Lapsing Balance	447,868			
Total	<u>\$2,133,318</u>	<u>\$1,852,300</u>	<u>\$1,852,300</u>	<u>\$0</u>
Expenditures				
Current Expense	203,849	203,800	203,800	
Other Charges/Pass Thru	1,929,469	1,648,500	1,648,500	
Total	<u>\$2,133,318</u>	<u>\$1,852,300</u>	<u>\$1,852,300</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.

- ▶ *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.

3.4 Out-of-Home Care

Recommendation

The Analyst’s FY 2002 budget recommendation for Out-of-Home Care services totals just over \$31 million, including nearly \$15 million from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	16,745,800	14,981,400	14,981,400	
Federal Funds	4,217,750	3,682,100	3,563,000	(119,100)
Dedicated Credits Revenue	2,371,362	2,256,900	2,256,900	
Transfers - Other Agencies	2,431			
Transfers - H - Medical Assistance	13,107,018	10,616,600	10,440,400	(176,200)
Lapsing Balance	(1,388,772)			
Total	<u>\$35,055,589</u>	<u>\$31,537,000</u>	<u>\$31,241,700</u>	<u>(\$295,300)</u>
Expenditures				
Current Expense	198,062	198,100	198,100	
Other Charges/Pass Thru	34,857,527	31,338,900	31,043,600	(295,300)
Total	<u>\$35,055,589</u>	<u>\$31,537,000</u>	<u>\$31,241,700</u>	<u>(\$295,300)</u>

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 experienced a significant increase in the number of children in custody requiring high cost residential treatment in 1999, reaching 582 in December of 1999. Since then, the Division, as part of an effort to bring its budget back into line, has reduced those placements to under 380.

**Foster Care Rate
Increases**

DCFS and the Foster Care Foundation are working to increase available foster care homes. As more suitable homes become available, more children can be moved from high cost placement such as residential treatment facilities. Also, as more foster homes become available, there is a greater chance that more appropriate placements will be found. As part of a strategy to increase available foster care homes, DCFS is proposing to increase foster care rates. The basic daily foster care rates would increase by five percent (from \$13.00 to \$13.65) and the structured and specialized care rates would go up by 2.5 percent. The Division is requesting a building block of \$301,300 (General Fund), plus \$127,700 from Title IV-E federal funds. The Fiscal Analyst, due to other higher priority funding needs, has not recommended this building block be funded.

**Impact of Federal
Title IV-E Rule
Changes**

In March 2000, the federal Administration on Children and Families implemented final rules pertaining to the Adoption and Safe Families Act, which drives federal participation in child welfare services such as foster care and child and family services reviews. Several of the rule changes will impact Title IV-E eligibility in Utah. Changes include tightened time frames, changes in IV-E qualifying requirements on court-ordered placements, additional restrictions on licensing of foster homes, and others. It is estimated that each percentage point reduction in the number of Title IV-E eligible foster children receiving maintenance payments will result in a loss of approximately \$250,000 federal funds. While the full extent of the impact is undetermined, the Division requests \$1 million to cover potential impacts in its "Out of Home Services" program. The Analyst believes it would be prudent to wait and see what actual impact these changes will have before additional funding is made available.

3.5 Facility Based Services

Recommendation

The Fiscal Analyst's recommended FY 2002 base budget for this program totals \$5.3 million, including \$3.4 million from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	2,026,400	3,420,400	3,414,900	(5,500)
Federal Funds	1,590,044	1,849,200	1,849,200	
Dedicated Credits Revenue	3,534	3,500	3,500	
Transfers - Other Agencies	29,912	100,000	50,000	(50,000)
Beginning Nonlapsing	100,000			
Lapsing Balance	431,891			
Total	<u>\$4,181,781</u>	<u>\$5,373,100</u>	<u>\$5,317,600</u>	<u>(\$55,500)</u>
Expenditures				
Personal Services	817,959	767,900	762,400	(5,500)
In-State Travel	2,173	2,200	2,200	
Current Expense	228,911	252,300	252,300	
DP Current Expense	5,031	5,000	5,000	
Other Charges/Pass Thru	3,127,707	4,345,700	4,295,700	(50,000)
Total	<u>\$4,181,781</u>	<u>\$5,373,100</u>	<u>\$5,317,600</u>	<u>(\$55,500)</u>
FTE/Other				
Total FTE	34	34	36	2
Vehicles		2	2	

Purpose

Facility Based services include youth service centers, crisis host homes, and other short-term shelter services for abused, neglected, dependent, and runaway youth, such as the Christmas Box House in Salt Lake County. This program covers the cost of actual services that may be provided directly by the Region or through contracts with private providers.

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.

Christmas Box House Operation Funding

The Christmas Box House was constructed as a joint venture between Salt Lake County and the International Christmas Box Foundation. In cooperation between DCFS and Salt Lake County Division of Youth Services, it provides 24-hour, 7-day-a-week protective custody services for abused, neglected and abandoned children. Its program includes crisis intake and residential services (up to age 11), a multi-disciplinary treatment approach, educational services, and transportation services for medical appointments, school of origin and family visits.

Salt Lake County operates the facility and has a contract with DCFS to fund operating costs. The County, through DCFS, is requesting a \$300,000 increase in this contract above the \$400,000 the Legislature appropriated in 1998. The County’s original operating cost estimates were significantly below what they actually have shown to be. The Analyst is recommending this budget increase as an “unfunded building block” for FY 2002.

3.6 Minor Grants

Recommendation

The following table shows the Analyst’s FY 2002 base budget recommendation for this program, totaling \$3.2 million, including approximately \$800,000 from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	504,300	820,300	798,100	(22,200)
Federal Funds	2,392,683	2,263,600	2,376,000	112,400
Transfers - Other Agencies	9,511			
Lapsing Balance	(286,893)			
Total	<u>\$2,619,601</u>	<u>\$3,083,900</u>	<u>\$3,174,100</u>	<u>\$90,200</u>
Expenditures				
Personal Services	919,920	1,109,700	1,087,500	(22,200)
In-State Travel	4,093	4,100	4,100	
Out of State Travel	618	700	700	
Current Expense	256,102	233,700	233,700	
DP Current Expense	13,993	14,000	14,000	
Other Charges/Pass Thru	1,424,875	1,721,700	1,834,100	112,400
Total	<u>\$2,619,601</u>	<u>\$3,083,900</u>	<u>\$3,174,100</u>	<u>\$90,200</u>
FTE/Other				
Total FTE	9	30	31	1

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 Analyst recommends a base FY 2002 operating budget for this program totaling \$2.9 million (all Federal Funds).

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	1,762,300			
Federal Funds	3,037,690	2,884,000	2,884,000	
Transfers - Other Agencies		105,000		(105,000)
Lapsing Balance	(368,434)			
Total	<u>\$4,431,556</u>	<u>\$2,989,000</u>	<u>\$2,884,000</u>	<u>(\$105,000)</u>
Expenditures				
Personal Services	58,364			
In-State Travel	272			
Current Expense	20,998			
DP Current Expense	157			
Other Charges/Pass Thru	4,351,765	2,989,000	2,884,000	(105,000)
Total	<u>\$4,431,556</u>	<u>\$2,989,000</u>	<u>\$2,884,000</u>	<u>(\$105,000)</u>
FTE/Other				
Total FTE	13			
Vehicles		7	7	

Purpose

Some services previously funded in this program have been shifted to other programs in DCFS. The selected programs remaining in this budget include:

- ▶ *The Division has a contract with the University of Utah for some salaries and costs associated with the MSW (Master of Social Work) program, including student stipends. The University provides the state funding match and the Division draws down the Title IV-E federal funds, currently about \$1,736,500.*
- ▶ *The Division has an agreement with the State Attorney General to pay for legal costs incurred in behalf of children in DCFS service. The AG Office provides the state funding match for the federal Title IV-E share that comes through the Division budget. It is currently about \$1,147,500.*

- ▶ *The Salt Lake Region of DCFS has received a \$105,000 grant from the Division of Substance Abuse for local drug court programs. The funds are used for direct treatment, testing and case management of individuals involved with DCFS.*

3.8 Special Needs

Recommendation

The Fiscal Analyst recommends a base FY 2002 budget for this program totaling approximately \$1.7 million, with the majority coming from the General Fund.

	2000 Actual	2001 Estimated	2002 Analyst	Est/Analyst Difference
Financing				
General Fund	1,178,500	1,340,900	1,340,900	
Federal Funds	406,460	277,000	275,400	(1,600)
Transfers - H - Medical Assistance	55,001	55,000	54,100	(900)
Lapsing Balance	(192,653)			
Total	<u>\$1,447,308</u>	<u>\$1,672,900</u>	<u>\$1,670,400</u>	<u>(\$2,500)</u>
Expenditures				
Current Expense	446,015	446,000	446,000	
Other Charges/Pass Thru	1,001,293	1,226,900	1,224,400	(2,500)
Total	<u>\$1,447,308</u>	<u>\$1,672,900</u>	<u>\$1,670,400</u>	<u>(\$2,500)</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’s recommended FY 2002 budget for this program totals nearly \$4.5 million, including approximately \$3 million from the General Fund. The recommendation includes a \$100,000 increase in appropriations from the Domestic Violence Services Account (General Fund Restricted).

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	3,027,000	3,036,500	2,995,500	(41,000)
Federal Funds	740,353	779,400	832,600	53,200
GFR - Domestic Violence	550,000	550,000	650,000	100,000
Lapsing Balance	(71,739)			
Total	<u>\$4,245,614</u>	<u>\$4,365,900</u>	<u>\$4,478,100</u>	<u>\$112,200</u>
Expenditures				
Personal Services	1,744,346	1,782,100	1,741,100	(41,000)
In-State Travel	26,596	26,600	26,600	
Out of State Travel	1,946	1,900	1,900	
Current Expense	85,243	86,200	86,900	700
DP Current Expense	13,891	13,900	13,900	
Other Charges/Pass Thru	2,373,592	2,455,200	2,607,700	152,500
Total	<u>\$4,245,614</u>	<u>\$4,365,900</u>	<u>\$4,478,100</u>	<u>\$112,200</u>
FTE/Other				
Total FTE	39	41	43	2

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 whose 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.

Domestic Violence Services Funding Request

There are 16 domestic violence shelters operating in a little over half of the State's 29 counties. Only about one-fourth of the current shelters provide a full comprehensive program of services, including a 24-hour crisis hot line, a 24-hour mobile crisis team, adult and child support groups, rape crisis intervention, education and training, assistance with protective orders, court advocacy, household goods assistance, bilingual services, transportation, child care and information and referral. While the State does not itself operate any shelters, DCFS contracts for services with such shelters as Salt Lake's YWCA program. The Division estimates that \$400,000 (General Fund) is needed to provide funding so all shelters are able to provide the entire service spectrum. It is requesting half of that amount, \$200,000, for FY 2002. The Analyst recommends this increase in the Domestic Violence Services budget should additional funding become available.

The Division is also requesting a \$100,000 increase in domestic violence funding from the “Victims of Domestic Violence Services Account.” This General Fund Restricted Account receives four percent of surcharges paid on all criminal fines, penalties and forfeitures. The current appropriation from this fund is \$550,000. Actual collection in FY 2000 was \$548,817 and is expected to exceed \$600,000 in FY 2002. The Analyst has included this request in the FY 2002 recommended budget.

3.10 Children’s Trust Account

Recommendation

The Fiscal Analyst recommends an appropriation of \$350,000 from the Children’s Trust Account for this program for FY 2002, same as the past several years.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
GFR - Children's Trust	350,000	350,000	350,000	
Lapsing Balance	(15,173)			
Total	<u>\$334,827</u>	<u>\$350,000</u>	<u>\$350,000</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	334,827	350,000	350,000	
Total	<u>\$334,827</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). Currently the fund receives about \$317,000 annually. There is a beginning balance in the fund of about \$195,000.

3.11 Adoption Assistance

Recommendation

For FY 2002, the Analyst’s recommended base budget in Adoption and Guardianship Assistance totals \$7.3 million, including \$4.4 million from the General Fund.

	2000	2001	2002	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	4,435,800	4,383,700	4,383,700	
Federal Funds	3,598,556	3,256,300	3,202,200	(54,100)
Transfers - H - Medical Assistance	(222,784)	(279,300)	(283,900)	(4,600)
Lapsing Balance	1,011,322			
Total	<u>\$8,822,894</u>	<u>\$7,360,700</u>	<u>\$7,302,000</u>	<u>(\$58,700)</u>
Expenditures				
Other Charges/Pass Thru	8,822,894	7,360,700	7,302,000	(58,700)
Total	<u>\$8,822,894</u>	<u>\$7,360,700</u>	<u>\$7,302,000</u>	<u>(\$58,700)</u>

Purpose The State makes available several forms of financial assistance to families adopting children from State custody: 1) One-time assistance for legal costs; 2) Medicaid card for the child; 3) Monthly adoption subsidies; and 4) Supplemental, special needs subsidies, for out-of-home placement care, specialized therapy, dental and medical care not covered by the Medicaid card, and other occasional needs. Subsidies are also available for Guardianship cases. As part of a budget control effort in FY 2000, DCFS reviewed, and in many cases reduced or eliminated, this last form of subsidy. Some of the reduced or eliminated subsidies were later restored.

Adoption Assistance The Division is requesting a \$2.2 million supplemental appropriation for FY 2001 and \$3.2 million for FY 2002 (State funds). This is intended to meet the adoption subsidy needs of current and expected growth in the number of children adopted through FY 2002. If funding becomes available, the Analyst recommends an increase of \$2,750,000 (General Fund) in the adoption subsidy budget for FY 2002.

DCFS also plans to increase post-adoptive support staff. Post adoption case management personnel work with adoptive families, arrange training and parent support groups. They work with adoptive families in crisis with an adoption at risk of failing. DCFS requested \$377,400 (General Fund) for seven additional post-adoptive caseworkers along the Wasatch Front. The Analyst recommends a portion of this request (\$100,000) be funded for FY 2002 if funds are available.

3.12 Child Welfare MIS

Recommendation This is the first time the operating budget of the Child Welfare Management Information System, also known as “SAFE,” has been presented separately. Previously it was included in DCFS Administration budget program. The Analyst recommended base operating budget for FY 2002 is just under \$2.3 million, as show in the following funding table.

	2000	2001	2002	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund	1,030,000	1,030,000	1,020,000	(10,000)
Federal Funds	1,839,663	1,277,400	1,274,200	(3,200)
Lapsing Balance	922,841			
Total	\$3,792,504	\$2,307,400	\$2,294,200	(\$13,200)
Expenditures				
Personal Services	887,248	546,200	533,000	(13,200)
In-State Travel	6,528	7,500	7,500	
Out of State Travel	4,328	2,500	2,500	
Current Expense	70,060	130,500	130,500	
DP Current Expense	2,706,510	1,620,700	1,620,700	
DP Capital Outlay	117,830			
Total	\$3,792,504	\$2,307,400	\$2,294,200	(\$13,200)
FTE/Other				
Total FTE	9	9	10	1

Purpose

The Division has completed development of “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, also providing data for division management and federal reporting requirements. All referrals are entered into SAFE and the caseworker is electronically notified of required actions and time frames. Estimated total developmental cost is approximately \$16.9 million with the Federal Government paying 65 percent of the cost.

“SAFE” Funding Needs

Recent changes in federal Title IV-E funding regulations have resulted in a reduction of federal support expected for operation of “SAFE.” It was believed that the federal government would continue to match SAFE operating expenses at 50 percent after development was completed. Clarifications by the Denver Office of the Federal Agency for Children and Families indicate the actual match rate will be 50 percent of the current ratio of children eligible for Title IV-E, which is now 36 percent, resulting in a match rate of 18 percent. DCFS requests that the difference of \$738,400 be made up with State General Funds. The Analyst recommends this amount as an “unfunded building block” for FY 2002.

In addition, current staffing levels are not adequate to provide the needed fixes and timely responses to problems encountered by the SAFE system. The Division requests \$433,400 (including \$335,400 General Fund) to fund 2.5 additional in-house FTEs and for additional programming services contracted with the Department’s DP Internal Service Fund. Again, the Fiscal Analyst recommends this budget increase if funding becomes available.

4.0 Additional Information: Division of Child and Family Services**4.1 Funding History**

	1998	1999	2000	2001	2002
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	57,795,800	54,774,200	60,086,900	61,975,500	61,140,500
Federal Funds	36,767,478	44,368,022	41,833,488	37,151,500	36,942,800
Dedicated Credits Revenue	1,993,110	2,158,445	2,467,483	2,345,300	2,344,200
GFR - Children's Trust	350,000	350,000	350,000	350,000	350,000
GFR - Domestic Violence	550,000	550,000	550,000	550,000	650,000
Transfers - H - Medical Assistance	11,275,161	16,607,181	19,743,044	17,772,800	17,559,300
Transfers - Other Agencies	712,532	766,522	771,742	761,200	606,200
Beginning Nonlapsing	783,687	1,637,619	194,495		
Closing Nonlapsing	(1,752,956)	(194,495)			
Lapsing Balance		(25,598)	(78,156)		
Total	\$108,474,812	\$120,991,896	\$125,918,996	\$120,906,300	\$119,593,000
Programs					
Administration	9,416,239	10,220,807	6,171,985	4,345,000	4,281,700
Service Delivery	47,589,319	51,752,154	52,682,019	55,669,100	54,746,900
In-Home Services	1,659,710	2,568,443	2,133,318	1,852,300	1,852,300
Out-of-Home Care	29,588,881	33,911,653	35,055,589	31,537,000	31,241,700
Facility Based Services	2,779,667	3,734,563	4,181,781	5,373,100	5,317,600
Minor Grants	2,076,221	1,651,200	2,619,601	3,083,900	3,174,100
Selected Programs	5,152,400	4,440,609	4,431,556	2,989,000	2,884,000
Special Needs	1,473,757	1,842,360	1,447,308	1,672,900	1,670,400
Domestic Violence Services	2,986,204	3,570,523	4,245,614	4,365,900	4,478,100
Children's Trust Fund	257,698	325,302	334,827	350,000	350,000
Adoption Assistance	5,494,716	6,974,282	8,822,894	7,360,700	7,302,000
Child Welfare Management Information :			3,792,504	2,307,400	2,294,200
Total	\$108,474,812	\$120,991,896	\$125,918,996	\$120,906,300	\$119,593,000
Expenditures					
Personal Services	41,822,818	44,904,710	46,128,511	47,127,600	46,038,800
In-State Travel	999,568	998,353	800,479	801,000	801,000
Out of State Travel	80,366	112,697	113,127	99,700	99,700
Current Expense	10,693,790	12,691,548	15,051,037	12,231,800	12,254,400
DP Current Expense	6,937,644	7,924,036	4,849,512	3,747,900	3,747,400
DP Capital Outlay	117,148	31,225	212,612		
Capital Outlay	29,711	7,195	24,986		
Other Charges/Pass Thru	47,793,767	54,322,132	58,738,732	56,898,300	56,651,700
Total	\$108,474,812	\$120,991,896	\$125,918,996	\$120,906,300	\$119,593,000
FTE/Other					
Total FTE	1,112	1,068	1,061	1,092	1,092
Vehicles				170	170

4.2 Federal Funds

Program	FY 2000 Actual	FY 2001 Authorized	FY 2002 Analyst
Title XX Soc. Svc Block Grant	\$6,678,000	\$3,540,000	\$4,054,300
General Funds	0	0	0
Totals for this grant/contract	\$6,678,000	\$3,540,000	\$4,054,300
SSBG (Trnsf from TANF)	\$1,234,800	\$1,234,800	\$1,234,800
General Funds	0	0	0
Totals for this grant/contract	\$1,234,800	\$1,234,800	\$1,234,800
Title IVB Child Welfare	\$3,472,000	\$3,275,000	\$3,275,000
General Funds	1,145,760	1,080,750	1,080,750
Totals for this grant/contract	\$4,617,760	\$4,355,750	\$4,355,750
Title IVE AFDC Foster Care	\$19,273,830	\$16,894,800	\$16,637,600
General Funds	15,419,064	13,515,840	13,310,080
Totals for this grant/contract	\$34,692,894	\$30,410,640	\$29,947,680
Child Abuse and Neglect	\$580,431	\$244,800	\$231,700
General Funds	0	0	0
Totals for this grant/contract	\$580,431	\$244,800	\$231,700
Independent Living Grants	\$202,969	\$548,500	\$500,000
General Funds	50,742	137,125	125,000
Totals for this grant/contract	\$253,711	\$685,625	\$625,000
Title IVE Adoptions	\$4,900,367	\$4,387,600	\$4,333,500
General Funds	4,900,367	4,387,600	4,333,500
Totals for this grant/contract	\$9,800,734	\$8,775,200	\$8,667,000
Runaway Youth	\$376,644	\$351,600	\$351,600
General Funds	41,431	38,676	38,676
Totals for this grant/contract	\$418,075	\$390,276	\$390,276
Family Violence Grant	\$490,851	\$467,100	\$520,300
General Funds	0	0	0
Totals for this grant/contract	\$490,851	\$467,100	\$520,300
From TANF to SSBG	\$2,937,000	\$4,737,000	\$4,159,700
General Funds	0	0	0
Totals for this grant/contract	\$2,937,000	\$4,737,000	\$4,159,700
DHS Family Resource	\$280,677	\$245,000	\$375,000
General Funds	70,169	61,250	93,750
Totals for this grant/contract	\$350,846	\$306,250	\$468,750
Adoption Incentive	\$100,000		
General Funds	0		
Totals for this grant/contract	\$100,000	\$0	\$0
Promoting Safe and Stable Fam.	\$1,305,918	\$1,225,300	\$1,269,300
General Funds	430,953	404,349	418,869
Totals for this grant/contract	\$1,736,871	\$1,629,649	\$1,688,169
Total Federal Funds	\$41,833,487	\$37,151,500	\$36,942,800
Total State Funds	22,058,486	19,625,590	19,400,625
Total Funds	\$63,891,973	\$56,777,090	\$56,343,425

**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 possibly be reduced in the future. There was a move in the previous Congress to reduce the grant by 60 percent.

The State has been transferring TANF (Temporary Assistance for Needy Families) “surplus” funds for the past several years. There is currently budgeted \$1,234,800 of these transfers in the DCFS operating budget. The Analyst has included the same amount in the FY 2002 recommended budget. However, these transfers are one-time in nature. By FY 2003, Congress will have reauthorized the TANF program and grant. It is unknown at this time whether there will be funds available for this transfer in FY 2003 or beyond.