

Office of the
Legislative Fiscal Analyst

FY 2003 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 2003 totaling \$126.3 million, including \$64.2 million from the General Fund. The majority of the balance is from Medicaid transfers and other federal funds. The Analyst’s FY 2003 base General Fund budget is adjusted for FY 2002 supplemental reductions carried over into FY 2003 (\$2,675,500), adjustment for ISF rate changes (plus \$4,400), market cost adjustments (plus \$61,300) and an increase of \$87,300 for the extra day in FY 2003.

The “Analyst’s FY 2003 Changes” includes additional reductions in the General Fund of \$378,700 for the incremental annualization of the FY 2002 administrative and across-the-board cuts. It also includes the incremental annualization of two reductions in FY 2002: 1) Regional Fiscal Performance (\$100,000); and, 2) FACT restructuring (\$102,100).

	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
General Fund	\$64,790,000	(\$580,800)	\$64,209,200
Federal Funds	41,781,600	(329,300)	41,452,300
Dedicated Credits Revenue	2,439,700	(5,600)	2,434,100
GFR-Children's Trust	350,000		350,000
GFR-Domestic Violence	650,000		650,000
Transfers-H-Medical Assistance	16,193,000	(45,000)	16,148,000
Transfers-Other Agencies	1,035,000	(5,600)	1,029,400
Total	\$127,239,300	(\$966,300)	\$126,273,000
Programs			
Administration	\$3,762,600	(\$220,000)	\$3,542,600
Service Delivery	56,938,000	(518,800)	56,419,200
In-Home Services	1,971,400		1,971,400
Out-of-Home Care	31,206,200		31,206,200
Facility Based Services	5,584,600	(52,300)	5,532,300
Minor Grants	3,941,000	(39,000)	3,902,000
Selected Programs	3,103,500		3,103,500
Special Needs	1,696,400		1,696,400
Domestic Violence Services	5,190,400	(35,400)	5,155,000
Children's Trust Fund	350,000		350,000
Adoption Assistance	10,509,800		10,509,800
Child Welfare Management Information :	2,985,400	(100,800)	2,884,600
Total	\$127,239,300	(\$966,300)	\$126,273,000
FTE/Other			
Total FTE	1,034		1,034

2.0 Issues: Division of Child and Family Services

2.1 Adoption Assistance Funding

The State makes available several forms of financial assistance to families adopting children from State custody. The number of such adoptions receiving subsidies is growing by between 200 and 300 per year. The Division is requesting a base budget increase for FY 2003 in the amount of \$1,007,500 (\$783,100 General Fund). If funds become available, the Analyst recommends the Legislature consider this item for funding in FY 2003.

2.2 DCFS and the Court Settlement

When the four-year David C. settlement agreement expired in 1998, the federal district court decided to continue its oversight of the Division by requiring the creation and monitoring of a "Performance Milestone Plan." The State unsuccessfully appealed the court's decision to the 10th Circuit Court of Appeals in Denver, and later appealed to the U.S. Supreme Court, which denied a hearing. For FY 2002, DCFS received \$570,000 in one-time funds from the TANF "rainy-day" fund to meet the costs of Milestone training and compliance costs. The Division is requesting \$590,300 in on-going General Funds for FY 2003. If additional funds become available, the Fiscal Analyst would recommend this item be funded, but on a one-time basis.

2.3 Federal Funding Changes

The Federal Medical Assistance Payments (FMAP) match rate changes from 70.36 percent to 70.93 percent effectively for State Fiscal Year 2003. In previous years this match rate has been declining and the State has had to pick up the increased required State match to maintain the same level of services. For FY 2003, this rate change will realize a projected savings to DCFS of \$219,000 in General Funds. This amount is not reflected in the Analyst's FY 2003 recommended budget, but is available to the subcommittee for re-appropriation within the Department, if it so chooses.

2.4 Transfers from TANF

The 2001 Legislature authorized one-time transfers of \$1,804,800 from TANF (Temporary Assistance to Needy Families) for various on-going child welfare service costs. These funds will be available again for transfer to the SSBG also in FY 2003. DCFS is not requesting these transfers be replaced with State General Funds in FY 2003, but the Legislature will probably need to consider its replacement when Congress reauthorizes the TANF program, probably next year. The Fiscal Analyst has included the same TANF transfer in the FY 2003 budget recommendation.

2.5 Additional DCFS Caseworkers

The current training and mentoring process for new child welfare workers is hampered by an excessive caseload averaging 12 cases per new worker. The annual turnover rate of DCFS caseworkers has been running about 25 percent (over 50 percent in child protective services). DCFS is requesting a base budget increase of \$1,835,000 (\$1,504,700 General Fund) to hire an additional 37 caseworkers that would allow the Division to reduce the caseload of caseworkers in training from an average of 12 cases per new worker to three. Funding restrictions precluded the Analyst from including this item in the FY 2003 budget recommendation.

2.6 Foster Parent Retention

Currently, about one-third of the State's 1,200 foster parents leave the system annually. The State contracts with the Foster Care Foundation for recruitment and training of new foster parents, as well as to provide retention services. The Foster Care Foundation, through DCFS, is requesting to increase its contract with DCFS by \$381,600 (\$286,200 General Fund) for foster parent retention services statewide. Due to limited new funds, the Fiscal Analyst could not include this item in the FY 2003 budget recommendation.

2.7 Transfer of Youth Services

There is currently a bill (SB 12) being considered by the 2002 Legislature that proposes to consolidate youth services functions in the Division of Youth Corrections (DYC). This would result in a transfer of about \$1.5 million (\$933,100 General Funds) and about 9 FTEs from DCFS to DYC.

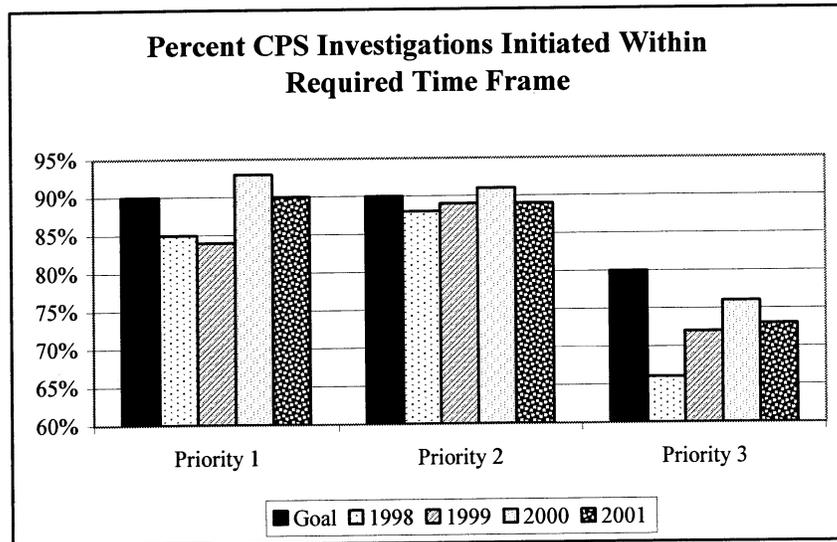
3.0 Programs: Division of Child and Family Services

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.

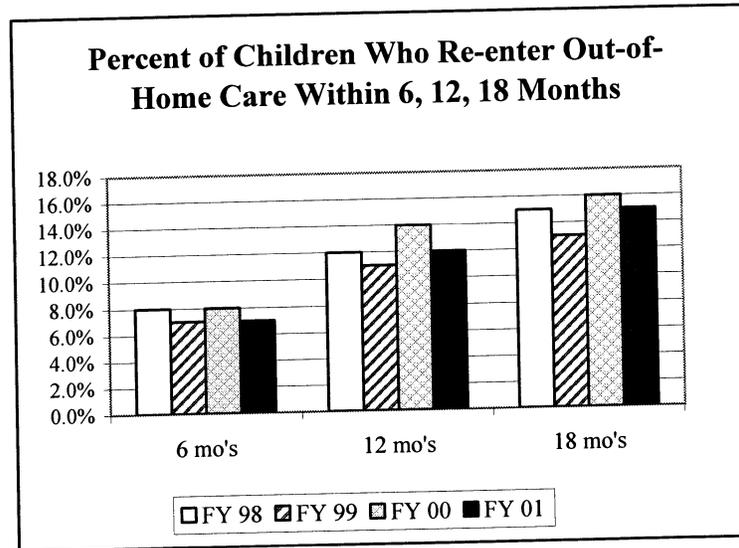
Response time to alleged abuse cases

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 that response time to priority one and two cases, while fluctuating, is overall higher than in 1998, and is close to or at the goal mark.



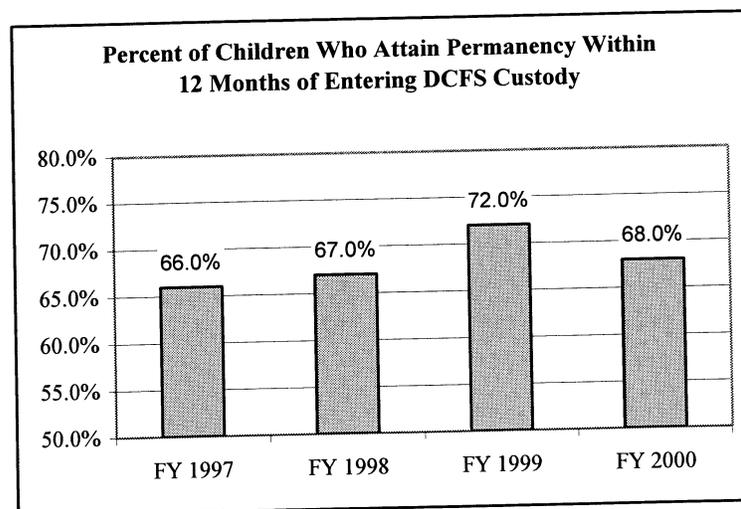
Children once in custody reentering custody

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 that in all three age groups, the rate dropped in FY 2001, while holding fairly close to the rate of four years ago.



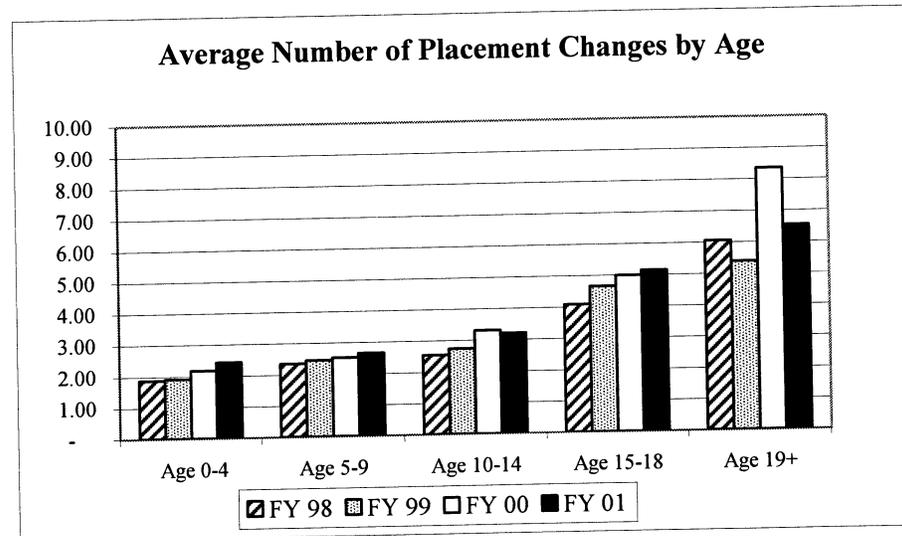
Number of children attaining permanency within 12-months of entering state custody

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 there was a decrease in the percent of children attaining permanency within 12 months in FY 2000 compared with the previous year, after rising in the previous two years. This drop is partly explained by changes in how removals were recorded in the SAFE database system starting in the year 2000. Over the past 4 years, an average of 2,172 children entered State custody each year. In FY 2000, it decreased to 1,995 and in FY 2001 it has dropped again to 1,655. It should be noted that of the children attaining permanency, approximately 90 percent return home or to relatives.



Number of placements experienced by children in State custody

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 4 years, the number of placements while in state custody experienced by children of all age groups were slightly higher in FY 2001 than in FY 1998.



Continued budget restraints resulted in \$5 million budget surplus in FY 2001

The budget restrictions instituted within DCFS operations in FY 2000 (to head off a potential \$10 million budget overrun) continued into FY 2001. Many positions left vacant in FY 2000 remained vacant into FY 2001. Adoptions subsidies, while somewhat eased, still ran less than expected. High cost out-of-home placements of children in custody stayed well below the high levels of early FY 2000. In addition, the Division enhanced its ability to identify children's service costs eligible for federal matching funds. This all combined to provide a budget surplus in FY 2001, with the Division lapsing over \$5 million back to the General Fund.

Federal Funding Changes

The Federal Medical Assistance Percentage (FMAP) match rate for FY 2003 is changing from 70.36 percent to 70.93 percent. This is the first time in a number of years that the federal share of Medicaid expenditures actually has increased. As a result, the Division will see \$219,000 of General Funds "freed up." These funds are not reflected in the Analyst's FY 2003 budget recommendations, but are available to the subcommittee for re-appropriation within the Department, if it so chooses. The savings occur in the following three programs:

Service Delivery (case workers)	\$71,900
Out of Home Services	\$106,900
Adoption Assistance	\$40,200

TANF Transfers

During the last three sessions, the Legislature has approved transfers of TANF (Temporary Assistance to Needy Families) “rainy day” funds to the SSBG (Social Services Block Grant) to fund a variety of human services needs, totaling \$1,804,800. By FY 2004, TANF will probably have been 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 likely will need to be replaced by next year to continue present service levels. TANF transfers are budgeted in the following division programs:

Administration	\$570,000
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 2003 budget for DCFS Administration totaling \$3.5 million, including \$934,800 from the General Fund. The FY 2002 Estimated amount reflect budget reductions approved in the current budget year. The FY 2003 recommendation includes carry-over reductions from FY 2002 of \$515,400 (\$246,000 General Fund), and a net increase of \$4,500 (\$15,300 General Fund) for the ISF adjustments, market cost adjustments, and the extra day. It also includes a reduction of \$220,000 (\$104,900 General Fund) for the incremental annualization of FY 2002 administrative and across-the-board reductions.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$1,822,174	\$1,270,400	\$934,800	(\$335,600)
General Fund, One-time		(231,600)		231,600
Federal Funds	2,184,879	2,549,700	2,486,400	(63,300)
Dedicated Credits Revenue	2,555	93,500	90,200	(3,300)
Transfers-H-Medical Assistance	37,318	32,200	31,200	(1,000)
Transfers-Other Agencies	230	13,200		(13,200)
Closing Nonlapsing	(46,000)			
Lapsing Balance	(211)			
Total	<u>\$4,000,945</u>	<u>\$3,727,400</u>	<u>\$3,542,600</u>	<u>(\$184,800)</u>
Expenditures				
Personal Services	\$2,236,435	\$2,125,700	\$2,008,300	(\$117,400)
In-State Travel	23,909	36,500	35,300	(1,200)
Out of State Travel	81,897	72,900	68,300	(4,600)
Current Expense	1,401,675	1,186,100	1,131,000	(55,100)
DP Current Expense	257,029	306,200	299,700	(6,500)
Total	<u>\$4,000,945</u>	<u>\$3,727,400</u>	<u>\$3,542,600</u>	<u>(\$184,800)</u>
FTE/Other				
Total FTE	37	42	42	

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. The Court accepted it in 1999 and directed DCFS to report on compliance progress through the CWPPG.

The State 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. In March 2001, the 10th Circuit Court decided DCFS must remain under the scrutiny of the federal courts and continue to meet compliance and reporting requirements of the Milestone Plan with oversight by the CWPPG. The State appealed to the U.S. Supreme Court, but on October 1, it refused to consider the appeal.

**Funding Request for
Court Compliance**

For FY 2002, DCFS received \$570,000 in one-time funds from the TANF "rainy-day" fund to meet the costs of Milestone training and compliance costs. The Plan requires DCFS to develop and implement a case quality review process, as well as training staff on the standards of "Practice Model." The Division is requesting a base budget increase of \$761,800 (\$590,300 General Fund) for FY 2003. These funds would provide six additional social workers to handle the training, monitoring and case review process. It also funds the cost of the continued involvement of the CWPPG. If funds become available, the Analyst recommends the Legislature give consideration to this need, but on a one-time basis.

3.2 Service Delivery

Recommendation

The Analyst recommends an FY 2003 appropriation of \$56.4 million, including \$28.1 million from the General Fund. The FY 2002 Estimated amount reflect budget reductions approved in the current budget year. The FY 2003 recommendation includes carry-over reductions from FY 2002 of \$2,171,000 (\$1,366,900 General Fund), and an increase of \$158,200 (\$73,500 General Fund) for the ISF adjustments, market cost adjustments, and the extra day. The recommended FY 2003 budget includes a reduction of \$291,700 (\$147,000 General Fund) for the incremental annualization of FY 2002 administrative and across-the-board reductions. It also includes the incremental annualization of two reductions in FY 2002: 1) Regional Fiscal Performance (\$100,000); and, 2) FACT restructuring (\$102,100).

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$29,273,326	\$29,680,400	\$28,080,700	(\$1,599,700)
General Fund, One-time		(1,004,400)		1,004,400
Federal Funds	19,003,328	19,056,000	18,858,400	(197,600)
Dedicated Credits Revenue	6,444	22,400	22,400	
Transfers-H-Medical Assistance	9,351,709	8,551,300	8,476,500	(74,800)
Transfers-Other Agencies	1,073,988	1,027,000	981,200	(45,800)
Beginning Nonlapsing		50,000		(50,000)
Lapsing Balance	(4,136,982)			
Total	<u>\$54,571,813</u>	<u>\$57,382,700</u>	<u>\$56,419,200</u>	<u>(\$963,500)</u>
Expenditures				
Personal Services	\$40,076,743	\$42,866,300	\$42,298,100	(\$568,200)
In-State Travel	554,478	526,900	476,700	(50,200)
Out of State Travel	26,941	24,500	22,100	(2,400)
Current Expense	11,224,383	11,221,100	11,009,800	(211,300)
DP Current Expense	2,248,400	1,948,100	1,895,900	(52,200)
Other Charges/Pass Thru	440,868	795,800	716,600	(79,200)
Total	<u>\$54,571,813</u>	<u>\$57,382,700</u>	<u>\$56,419,200</u>	<u>(\$963,500)</u>
FTE/Other				
Total FTE	853	885	885	

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.

**Additional Child
Welfare
Caseworkers**

The Division is attempting to enhance the training and mentoring of new caseworkers in child protective services (CPS), foster care, adoption and other children's welfare programs. The quality of their training is hampered by excessive caseloads of these newer workers. Caseworkers with less than nine months experience are currently carrying an average of 12 cases. DCFS is requesting funds to hire an additional 37 caseworkers, mainly to reduce this caseload for newer caseworkers still in training to three cases. It is hoped that better training and mentoring of new employees will reduce the current worker turnover rate, which is currently approximately 25 percent per year (over 50 percent in CPS). The Division requests a base budget increase of \$1,835,000 (\$1,504,700 General Fund). Lack of new revenues precluded the Analyst from including this amount in the FY 2003 budget recommendation.

**Foster Parent
Retention**

Besides working to recruit and train new foster parents, both DCFS and the Foster Care Foundation are working to increase retention of foster parents. Currently, the State has about 1,200 foster parents. However, a third of them leave the system each year. Although many leave because they adopt the children they have fostered, too many leave due to frustration or lack of support. The Foster Care Foundation, through DCFS, is requesting to increase its contract with DCFS by \$381,600 (\$286,200 General Fund). The funds will be used to expand its foster parent retention services statewide. These services include training and assistance with the re-licensing process. It also would allow the expansion of the "Clusters" program statewide. This program helps foster parents build a network of peer support, information and resources. This amount was not included in the Analyst's FY 2003 budget recommendation.

3.3 In-Home Services

Recommendation

The following table contains the Analyst’s recommended \$1,971,400 budget for In-Home Services for FY 2003 (all General Fund). For FY 2002, the Legislature reduced the “Youth Reclamation / Outreach” program by \$100,800 (General Fund). This reduction is also part of the FY 2003 budget recommendation.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$1,827,300	\$2,072,200	\$1,971,400	(\$100,800)
General Fund, One-time		(100,800)		100,800
Lapsing Balance	(101,757)			
Total	<u>\$1,725,543</u>	<u>\$1,971,400</u>	<u>\$1,971,400</u>	<u>\$0</u>
Expenditures				
Current Expense	\$121,658	\$121,700	\$121,700	\$0
Other Charges/Pass Thru	1,603,885	1,849,700	1,849,700	
Total	<u>\$1,725,543</u>	<u>\$1,971,400</u>	<u>\$1,971,400</u>	<u>\$0</u>
FTE/Other				

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 2003 budget recommendation for Out-of-Home Care services totals \$31.2 million, including \$16.8 million from the General Fund. For FY 2002 the Legislature eliminated the funding for a new tuition assistance program approved by the 2001 Legislature for children once in custody of DCFS (\$44,100 General Fund). This reduction carries forward into the FY 2003 budget as well.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$15,066,400	\$16,891,600	\$16,847,500	(\$44,100)
General Fund, One-time		(44,100)		44,100
Federal Funds	3,359,063	4,117,600	4,117,600	
Dedicated Credits Revenue	2,318,312	2,318,000	2,318,000	
Transfers-H-Medical Assistance	8,238,211	7,923,100	7,923,100	
Transfers-Other Agencies	(8,212)			
Lapsing Balance	(817,937)			
Total	<u>\$28,155,837</u>	<u>\$31,206,200</u>	<u>\$31,206,200</u>	<u>\$0</u>
Expenditures				
Out of State Travel	\$635	\$0	\$0	\$0
Current Expense	111,158	111,900	111,900	
Other Charges/Pass Thru	28,044,044	31,094,300	31,094,300	
Total	<u>\$28,155,837</u>	<u>\$31,206,200</u>	<u>\$31,206,200</u>	<u>\$0</u>
FTE/Other				

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, reduced those placements to under 380 in 2000. Currently there are 365 such placements. Overall, the number of youth receiving Out-of-Home services hit a peak of 4,708 in 1999. In FY 2001, the number was 3,875. (Part of the decrease is due to a change in the way removals of less than 72 hours are now recorded in SAFE.)

**Foster Parent
Retention**

Besides working to recruit and train new foster parents, both DCFS and the Foster Care Foundation are working to increase retention of foster parents. Currently, the State has about 1,200 foster parents. However, a third of them leave the system each year. Although many leave because they adopt the children they have fostered, too many leave due to frustration or bad experiences with the system. The Foster Care Foundation, through DCFS, is requesting to increase its contract with DCFS by \$381,600 (\$286,200 General Fund). The funds will be used to expand its foster parent retention services statewide. These services include training and assistance with the re-licensing process. It also would allow the expansion of the “clusters” program statewide. This program helps foster parents build a network of peer support, information and resources. Funding limitations precluded the Analyst from including this item in the FY 2003 budget recommendation.

3.5 Facility Based Services

Recommendation

The Fiscal Analyst recommends \$5.5 million, including \$3.7 million from the General Fund for FY 2003 for this program. The FY 2002 Estimated amount reflect budget reductions approved in the current budget year. The FY 2003 recommendation includes carry-over reductions from FY 2002 of \$157,500 (\$105,100 General Fund), and an increase of \$3,100 (\$2,100 General Fund) for the extra day in FY 2003. The recommended FY 2003 budget includes a reduction of \$52,300 (\$34,800 General Fund) for the incremental annualization of FY 2002 administrative and across-the-board reductions.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$3,450,400	\$3,822,700	\$3,684,900	(\$137,800)
General Fund, One-time		(380,100)		380,100
Federal Funds	1,642,354	2,111,700	1,795,700	(316,000)
Dedicated Credits Revenue	7,524	3,500	3,500	
Transfers-Other Agencies	98,173	48,700	48,200	(500)
Closing Nonlapsing	(4,000)			
Lapsing Balance	(211)			
Total	<u>\$5,194,240</u>	<u>\$5,606,500</u>	<u>\$5,532,300</u>	<u>(\$74,200)</u>
Expenditures				
Personal Services	\$775,679	\$756,000	\$695,700	(\$60,300)
In-State Travel	1,692	1,600	1,300	(300)
Current Expense	202,145	157,600	144,100	(13,500)
DP Current Expense	8,158	7,600	7,500	(100)
Capital Outlay		191,100	191,100	
Other Charges/Pass Thru	4,206,566	4,492,600	4,492,600	
Total	<u>\$5,194,240</u>	<u>\$5,606,500</u>	<u>\$5,532,300</u>	<u>(\$74,200)</u>
FTE/Other				
Total FTE	32	31	31	

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.

3.6 Minor Grants

Recommendation

The following table shows the Analyst's FY 2003 budget recommendation for this program, totaling \$3.9 million, including approximately \$1.0 million from the General Fund. The FY 2002 Estimated amount reflect budget reductions approved in the current budget year. The FY 2003 recommendation includes carry-over reductions from FY 2002 of \$182,900 (\$47,200 General Fund), and an increase of \$3,800 (\$1,800 General Fund) for the market cost adjustments and the extra day in FY 2003. The recommended FY 2003 budget includes a reduction of \$39,000 (\$10,000 General Fund) for the incremental annualization of FY 2002 administrative and across-the-board reductions.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$711,600	\$1,062,700	\$1,007,300	(\$55,400)
General Fund, One-time		(35,300)		35,300
Federal Funds	2,045,272	2,920,900	2,894,700	(26,200)
Transfers-Other Agencies		800		(800)
Lapsing Balance	168,065			
Total	<u>\$2,924,937</u>	<u>\$3,949,100</u>	<u>\$3,902,000</u>	<u>(\$47,100)</u>
Expenditures				
Personal Services	\$1,082,434	\$1,035,500	\$1,003,800	(\$31,700)
In-State Travel	10,943	8,300	6,700	(1,600)
Out of State Travel	1,786	1,500	1,100	(400)
Current Expense	195,135	156,300	144,500	(11,800)
DP Current Expense	19,709	15,800	14,200	(1,600)
Other Charges/Pass Thru	1,614,930	2,731,700	2,731,700	
Total	<u>\$2,924,937</u>	<u>\$3,949,100</u>	<u>\$3,902,000</u>	<u>(\$47,100)</u>
FTE/Other				
Total FTE	23	27	27	

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 2003 operating budget for this program totaling \$3.1 million (all Federal Funds). There were no reductions in this program for FY 2002 or FY 2003.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
Federal Funds	\$3,103,550	\$3,103,500	\$3,103,500	\$0
Total	<u>\$3,103,550</u>	<u>\$3,103,500</u>	<u>\$3,103,500</u>	<u>\$0</u>
Expenditures				
Other Charges/Pass Thru	\$3,103,550	\$3,103,500	\$3,103,500	\$0
Total	<u>\$3,103,550</u>	<u>\$3,103,500</u>	<u>\$3,103,500</u>	<u>\$0</u>
FTE/Other				

Purpose

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

- ▶ *Masters of Social Work (U of U)*: 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.
- ▶ *Attorney General Services*: 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 match for the federal Title IV-E share that comes through the Division budget.
- ▶ *Drug Court grant*: In FY 2001, the Salt Lake Region of DCFS received a \$105,000 grant from the Division of Substance Abuse for a local dependency drug court program. The grant has been continued into FY 2002. 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 2003 budget for this program totaling approximately \$1.7 million, with the majority coming from the General Fund. There have been no adjustments to this budget for FY 2002 or FY 2003.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$1,340,900	\$1,359,000	\$1,359,000	\$0
Federal Funds	196,250	337,400	337,400	
Lapsing Balance	(525)			
Total	<u>\$1,536,625</u>	<u>\$1,696,400</u>	<u>\$1,696,400</u>	<u>\$0</u>
Expenditures				
Current Expense	\$526,984	\$527,100	\$527,100	\$0
Other Charges/Pass Thru	1,009,641	1,169,300	1,169,300	
Total	<u>\$1,536,625</u>	<u>\$1,696,400</u>	<u>\$1,696,400</u>	<u>\$0</u>
FTE/Other				

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 2003 budget for this program totals approximately \$5.2 million, including \$3.3 million from the General Fund. The FY 2002 Estimated amount reflect budget reductions approved in the current budget year. The FY 2003 recommendation includes carry-over reductions from FY 2002 of \$78,600 (\$69,900 General Fund), and an increase of \$6,300 (\$5,600 General Fund) for the extra day in FY 2003. The recommended FY 2003 budget includes a reduction of \$35,400 (\$31,500 General Fund) for the incremental annualization of FY 2002 administrative and across-the-board reductions.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$3,036,500	\$3,374,900	\$3,279,100	(\$95,800)
General Fund, One-time		(51,800)		51,800
Federal Funds	779,409	1,229,100	1,225,900	(3,200)
Dedicated Credits Revenue	5,339			
GFR-Domestic Violence	550,000	650,000	650,000	
Lapsing Balance	(90,156)			
Total	<u>\$4,281,092</u>	<u>\$5,202,200</u>	<u>\$5,155,000</u>	<u>(\$47,200)</u>
Expenditures				
Personal Services	\$1,752,232	\$1,888,300	\$1,852,400	(\$35,900)
In-State Travel	24,236	22,500	20,700	(1,800)
Out of State Travel	798	700	700	
Current Expense	87,058	76,200	67,000	(9,200)
DP Current Expense	11,339	10,600	10,300	(300)
Other Charges/Pass Thru	2,405,429	3,203,900	3,203,900	
Total	<u>\$4,281,092</u>	<u>\$5,202,200</u>	<u>\$5,155,000</u>	<u>(\$47,200)</u>
FTE/Other				
Total FTE	39	39	39	

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. There are 16 domestic violence shelters operating in a little over half of the State's 29 counties. While available services vary from shelter to shelter, some provide 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.

**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 FY 2002 appropriation from this fund is \$650,000. Actual collection in FY 2001 was approximately \$590,000, but the appropriation for FY 2001 was only \$550,000. It is expected to be \$634,000 in the current FY 2002. The funds are used to augment services paid for with General Funds.

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 2003, same as the past several years.

	2001	2002	2003	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
GFR - Children's Trust	\$350,000	\$350,000	\$350,000	\$0
Lapsing Balance	(34,171)			
Total	\$315,829	\$350,000	\$350,000	\$0
Expenditures				
Other Charges/Pass Thru	\$315,829	\$350,000	\$350,000	\$0
Total	\$315,829	\$350,000	\$350,000	\$0
FTE/Other				

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). In FY 2001, the fund received about \$346,600. At the beginning of FY 2002, there was a beginning balance in the fund of about \$226,200.

3.11 Adoption Assistance

Recommendation

The Analyst recommends \$10.5 million (including \$5.9 million from the General Fund) for FY 2003 for Adoption and Guardianship Assistance. The FY 2002 budget was reduced by \$565,500 (\$290,100 General Fund) reflecting projected caseload reductions and reduced needs in FY 2002. Last year the Legislature approved budget increases for adoption assistance of \$1,722,500 (General Fund). Current projections indicate that the needs for these increases were over-estimated a year ago.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$5,328,300	\$6,161,000	\$5,870,900	(\$290,100)
General Fund, One-time		(290,100)		290,100
Federal Funds	4,082,725	4,921,700	4,921,700	
Transfers-H-Medical Assistance	(247,800)	(282,800)	(282,800)	
Beginning Nonlapsing		944,600		(944,600)
Closing Nonlapsing	(944,600)			
Lapsing Balance	(181,890)			
Total	<u>\$8,036,735</u>	<u>\$11,454,400</u>	<u>\$10,509,800</u>	<u>(\$944,600)</u>
Expenditures				
Personal Services	\$0	\$0	(\$206,900)	(\$206,900)
Current Expense	2,326	2,300	(66,600)	(68,900)
Other Charges/Pass Thru	8,034,409	11,452,100	10,783,300	(668,800)
Total	<u>\$8,036,735</u>	<u>\$11,454,400</u>	<u>\$10,509,800</u>	<u>(\$944,600)</u>
FTE/Other				

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.

Adoption Assistance Budget Request

The number of adoptions qualified for these state subsidies is increasing. In FY 1999, 1,574 families received one or more subsidies. This number increased to 2,066 in FY 2001 and is expected to reach 2,450 by FY 2003. The Division is requesting a base budget increase for FY 2003 of \$783,100 (General Fund). If funds become available, the Analyst recommends the Legislature consider this funding need.

3.12 Child Welfare MIS

Recommendation

Starting in FY 2002, 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’s recommended budget for FY 2003 is \$2.9 million (\$1.2 million General Fund), as shown in the following funding table. The FY 2002 Estimated amount reflect budget reductions approved in the current budget year. The FY 2003 recommendation includes carry-over reductions from FY 2002 of \$405,400 from the General Fund (net reduction of total funds \$268,500). It also includes an increase of \$11,900 from the General Fund for market cost adjustments and the extra day in FY 2003 (net increase of total funds \$2,400). The recommended FY 2003 budget includes a reduction of \$50,500 (\$100,800 all funds) for the incremental annualization of FY 2002 administrative and across-the-board reductions.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	\$1,030,000	\$1,617,600	\$1,173,600	(\$444,000)
General Fund, One-time		(396,300)		396,300
Federal Funds	1,118,794	1,760,100	1,711,000	(49,100)
Transfers-Other Agencies		10,700		(10,700)
Lapsing Balance	(609)			
Total	<u>\$2,148,185</u>	<u>\$2,992,100</u>	<u>\$2,884,600</u>	<u>(\$107,500)</u>
Expenditures				
Personal Services	\$503,608	\$650,700	\$618,100	(\$32,600)
In-State Travel	2,094	1,900	1,700	(200)
Out of State Travel	1,310	1,200	1,200	
Current Expense	131,181	117,300	116,500	(800)
DP Current Expense	1,509,992	2,221,000	2,147,100	(73,900)
Total	<u>\$2,148,185</u>	<u>\$2,992,100</u>	<u>\$2,884,600</u>	<u>(\$107,500)</u>
FTE/Other				
Total FTE		8	10	10

Purpose

The “SAFE” management information system provides statewide electronic case management. The system automatically develops service need lists, develops documents needed for foster care placements, maintains education and other case histories, electronically notifies caseworker of required actions and related time frames, 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 the document of record for all child protective service cases. It provides data for division management and federal reports.

**Federal match of
SAFE operating cost
greater than
expected**

Last year the Division understood the federal government would reduce its share of the operating costs of the SAFE system from 50 percent (during its development phase) to about 18 percent. The Denver Office of the Federal Agency for Children and Families (FACF) had indicated the actual match rate would be 50 percent of the current ratio of children eligible for Title IV-E (36 percent), which would have resulted in a match rate of 18 percent. As a result, DCFS received a budget increase in this program for FY 2002 in the amount of \$738,500 (General Fund) to replace the estimated loss of federal funds.

FACF, however, revised its “thinking” on the federal match to about 30 percent instead of 18 percent. Had this been known in the last legislative session, the appropriation for this need would have been \$270,900 less. The FY 2002 budget has been reduced by this amount, and the reduction is carried forward into FY 2003.

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

	1999	2000	2001	2002	2003
Financing	Actual	Actual	Actual	Estimated	Analyst
General Fund	\$54,774,200	\$60,086,900	\$62,886,900	\$67,312,500	\$64,209,200
General Fund, One-time				(2,534,500)	
Federal Funds	44,368,022	41,833,488	37,515,624	42,107,700	41,452,300
Dedicated Credits Revenue	2,158,445	2,467,483	2,340,174	2,437,400	2,434,100
GFR - Children's Trust	350,000	350,000	350,000	350,000	350,000
GFR - Domestic Violence	550,000	550,000	550,000	650,000	650,000
Transfers-H-Medical Assistance	16,607,181	19,743,044	17,379,438	16,223,800	16,148,000
Transfers-Other Agencies	766,522	771,742	1,164,179	1,100,400	1,029,400
Beginning Nonlapsing	1,637,619	194,495		994,600	
Closing Nonlapsing	(194,495)		(994,600)		
Lapsing Balance	(25,598)	(78,156)	(5,196,384)		
Total	\$120,991,896	\$125,918,996	\$115,995,331	\$128,641,900	\$126,273,000
Programs					
Administration	\$10,220,807	\$6,171,985	\$4,000,945	\$3,727,400	\$3,542,600
Service Delivery	51,752,154	52,682,019	54,571,813	57,382,700	56,419,200
In-Home Services	2,568,443	2,133,318	1,725,543	1,971,400	1,971,400
Out-of-Home Care	33,911,653	35,055,589	28,155,837	31,206,200	31,206,200
Facility Based Services	3,734,563	4,181,781	5,194,240	5,606,500	5,532,300
Minor Grants	1,651,200	2,619,601	2,924,937	3,949,100	3,902,000
Selected Programs	4,440,609	4,431,556	3,103,550	3,103,500	3,103,500
Special Needs	1,842,360	1,447,308	1,536,625	1,696,400	1,696,400
Domestic Violence Services	3,570,523	4,245,614	4,281,092	5,202,200	5,155,000
Children's Trust Fund	325,302	334,827	315,829	350,000	350,000
Adoption Assistance	6,974,282	8,822,894	8,036,735	11,454,400	10,509,800
Child Welfare Management Information Syst		3,792,504	2,148,185	2,992,100	2,884,600
Total	\$120,991,896	\$125,918,996	\$115,995,331	\$128,641,900	\$126,273,000
Expenditures					
Personal Services	\$44,904,710	\$46,128,511	\$46,427,131	\$49,322,500	\$48,269,500
In-State Travel	998,353	800,479	617,352	597,700	542,400
Out of State Travel	112,697	113,127	113,367	100,800	93,400
Current Expense	12,691,548	15,051,037	14,003,703	13,677,600	13,307,000
DP Current Expense	7,924,036	4,849,512	4,054,627	4,509,300	4,374,700
DP Capital Outlay	31,225	212,612			
Capital Outlay	7,195	24,986		191,100	191,100
Other Charges/Pass Thru	54,322,132	58,738,732	50,779,151	60,242,900	59,494,900
Total	\$120,991,896	\$125,918,996	\$115,995,331	\$128,641,900	\$126,273,000
FTE/Other					
Total FTE	1,068	1,061	992	1,034	1,034

4.2 Federal Funds

Program	FY 2001 Actual	FY 2002 Authorized	FY 2003 Analyst
Title XX Soc. Svc Block Grant	\$3,252,860	\$4,886,800	\$5,929,300
General Funds	0	0	0
Totals for this grant/contract	\$3,252,860	\$4,886,800	\$5,929,300
Title IVB Child Welfare	\$3,275,000	\$3,275,000	\$3,275,000
General Funds	1,080,750	1,080,750	1,080,750
Totals for this grant/contract	\$4,355,750	\$4,355,750	\$4,355,750
Title IVE AFDC Foster Care	\$18,063,154	\$18,708,700	\$18,322,700
General Funds	14,450,523	14,966,960	14,658,160
Totals for this grant/contract	\$32,513,677	\$33,675,660	\$32,980,860
Child Abuse and Neglect	\$244,685	\$243,000	\$243,000
General Funds	0	0	0
Totals for this grant/contract	\$244,685	\$243,000	\$243,000
Independent Living Grants	\$451,047	\$593,800	\$493,800
General Funds	112,762	148,450	123,450
Totals for this grant/contract	\$563,809	\$742,250	\$617,250
Title IVE Adoptions	\$5,323,475	\$6,289,100	\$5,289,100
General Funds	5,323,475	6,289,100	5,289,100
Totals for this grant/contract	\$10,646,950	\$12,578,200	\$10,578,200
Runaway Youth	\$351,754	\$351,600	\$351,600
General Funds	38,693	38,676	38,676
Totals for this grant/contract	\$390,447	\$390,276	\$390,276
Family Violence Grant	\$467,109	\$994,200	\$994,200
General Funds	0	0	0
Totals for this grant/contract	\$467,109	\$994,200	\$994,200
From TANF to SSBG	\$4,737,000	\$5,307,000	\$4,737,000
General Funds	0	0	0
Totals for this grant/contract	\$4,737,000	\$5,307,000	\$4,737,000
DHS Family Resource	\$242,538	\$400,000	\$400,000
General Funds	60,635	100,000	100,000
Totals for this grant/contract	\$303,173	\$500,000	\$500,000
Adoption Incentive	\$6,248	\$397,700	\$0
General Funds	0		
Totals for this grant/contract	\$6,248	\$397,700	\$0
Promoting Safe and Stable Fam.	\$1,100,754	\$1,422,100	\$1,416,600
General Funds	363,249	469,293	467,478
Totals for this grant/contract	\$1,464,003	\$1,891,393	\$1,884,078
Total Federal Funds	\$37,515,624	\$42,869,000	\$41,452,300
Total State Funds	21,430,086	23,093,229	21,757,614
Total Funds	<u>\$58,945,710</u>	<u>\$65,962,229</u>	<u>\$63,209,914</u>

**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. Although Congress has attempted to reduce the block grant in the past by as much as 60 percent, there is no pending action to significantly alter the size of the grant.

The State has been transferring TANF (Temporary Assistance for Needy Families) "surplus" funds for the past several years. There is currently budgeted \$1,804,800 of these transfers in the DCFS operating budget. The Analyst has included the same amount in the FY 2003 recommended budget. However, these transfers are one-time in nature. By FY 2004, Congress likely will have reauthorized the TANF program and grants. It is unknown at this time whether there will be funds available for this transfer in FY 2004 or beyond.