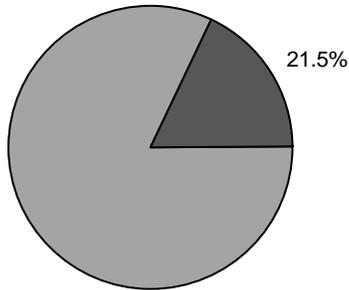


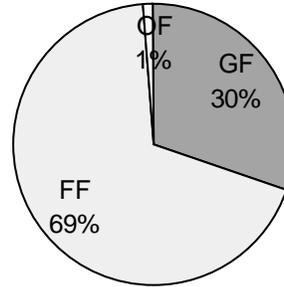
FY2006 Budget Briefing

Department of Social Services

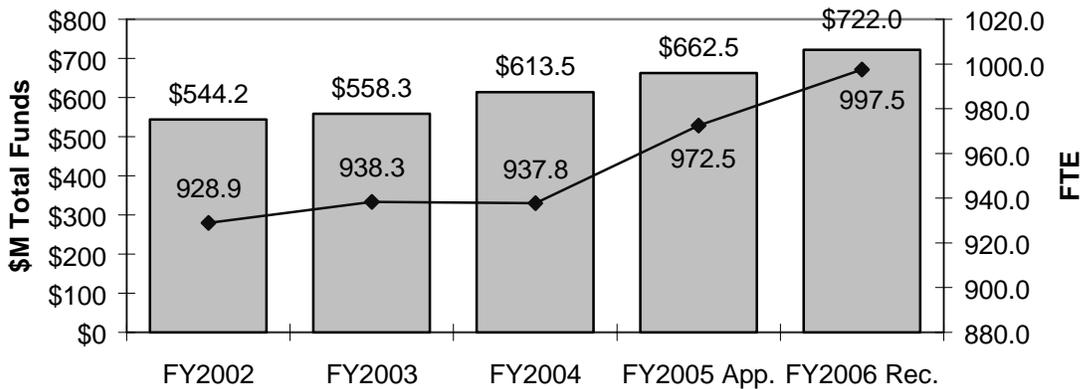
Agency's Share of Total Recommended State General Fund FY2006



Agency's Funding Source Split FY2006 Recommended



Budget History



Key Responsibilities

- The Department of Social Services aids people to maintain the basic necessities of life. This includes protecting people from physical and mental harm when they cannot protect themselves and helping people attain their highest level of independence.

Key Personnel

- Jim Ellenbecker, Secretary
- Darla Mayer, Finance Officer

Department Total – Social Services

The Department of Social Services FY2006 recommended budget consists of \$219,261,893 from the General Fund, \$495,120,364 from federal funds, \$7,588,595 from other funds, and 997.5 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	38,081,543	40,703,266	43,161,758	42,074,928	1,371,662	3.4%
Travel	1,542,140	1,866,833	2,011,157	1,909,384	42,551	2.3%
Contractual Services	27,949,101	25,624,043	36,131,500	35,054,205	9,430,162	36.8%
Supplies and Materials	2,465,191	3,083,186	3,226,619	3,078,513	(4,673)	-0.2%
Grants and Subsidies	542,633,974	590,073,617	641,782,965	638,743,107	48,669,490	8.2%
Capital Outlay	763,949	1,075,455	1,072,351	1,072,351	(3,104)	-0.3%
Other	67,305	38,364	38,364	38,364	-	0.0%
TOTAL	613,503,203	662,464,764	727,424,714	721,970,852	59,506,088	9.0%
Funding Sources:						
General Funds	172,847,870	198,493,940	220,341,581	219,261,893	20,767,953	10.5%
Federal Funds	434,096,669	455,391,217	499,655,293	495,120,364	39,729,147	8.7%
Other Funds	6,558,663	8,579,607	7,427,840	7,588,595	(991,012)	-11.6%
TOTAL	613,503,202	662,464,764	727,424,714	721,970,852	59,506,088	9.0%
FTE	937.8	972.5	1,043.5	997.5	25.0	2.6%

Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds *	FTE	State General Fund	All Funds *	FTE
A. FMAP	2,936,705	0	0.0	2,936,705	0	0.0
B. 1.4% Inflation	8,184,864	23,872,894	0.0	8,184,864	23,872,894	0.0
C. Secretariat:						
investigators & analyst		87,377	3.0		87,377	3.0
computer services		1,888,038	0.0		1,307,055	0.0
D. Program Management:						
EBT system		441,270	0.0		441,270	0.0
EBT FTE		39,280	1.0		0	0.0
E. Energy Assistance & Weatherization		1,669,815	0.0		1,669,815	0.0
F. Economic Assistance:						
Medicaid Program Manager		1,421,233	41.0		1,018,307	13.0
DOL contract		323,693	0.0		323,693	0.0
G. Medical Services:						
Staff Increase		232,313	7.0		118,731	3.0
disease management		1,000,000	0.0		1,000,000	0.0
school base						
administration center		5,575,000	0.0		5,575,000	0.0
medical services expansion		21,283,513	0.0		21,283,513	0.0
H Child Support Enforcement:						
accounting assistant		27,932	1.0		27,932	1.0
child support incentives	455,830	455,830	0.0	455,830	455,830	0.0
I. Adult Services/Aging:						
elderly nutrition	58,719	58,719	0.0	58,719	58,719	0.0
victim's compensation		173,853	0.0		173,853	0.0
J. Child Protection Svc:						
foster care		152,789	0.0		152,789	0.0
basic family foster care		169,924	0.0		169,924	0.0
psychiatric residential treatment		696,578	0.0		696,578	0.0
child protection social workers		251,221	17.0		242,055	5.0
K. Child Care Services:						
caseworker		33,419	1.0			0.0
direct assistance		1,746,924	0.0		1,746,924	0.0
provider rating system		504,250	0.0		504,250	0.0
Total Change	11,636,118	62,105,865	71.0	11,636,118	60,926,509	25.0

* All funds may include General Funds as a breakdown was not always available.

- A. Increased General Funds necessary due to a change in the FMAP (Federal Medical Assistance Percentage) rate. This change results in an appropriation shift to the General Fund from federal funds.

<i>Division</i>	<i>Amount</i>
Secretariat	\$ 7,722
Program Management	486
Medical Services	1,882,432
Adult Services & Aging	879,928
Child Protection Services	136,600
Child Care Services	29,537
DEPARTMENT TOTAL	\$2,936,705

- B. 1.4% Inflation: The Governor recommends a provider inflation increase of 1.4% equating to \$23,872,894 from all funds. The department initially used 1.5% which was based on the CPI (Consumer Price Index) at the time the request was made. The recommendation of 1.4% is based on the November CPI.

<i>Division</i>	<i>General Funds</i>	<i>Total</i>
Economic Assistance	\$ 51,095	\$ 183,992
Medical Services	6,631,404	19,454,042
Adult Services & Aging	1,307,724	3,636,184
Child Protection Services	194,641	598,676
DEPARTMENT TOTAL	\$8,184,864	\$23,872,894

- C. Secretariat: 3.0 FTEs and \$87,377 from all funds: An increase of 2.0 FTEs is requested for additional fraud investigators. The department indicates the current fraud investigators provide services to limited areas of the state. By adding investigators in Rapid City and Aberdeen it can increase the cost savings in benefit programs by prevention of or reduction in illegally obtained benefits. At a minimum the department expects an added \$200,000 in cost savings per investigator. The third FTE is for placing the existing Medicaid cost avoidance policy analyst position in the budget. This position was authorized in FY 2005 as part of the department's Medicaid cost containment plan, but the FTE was not placed in the budget at that time. The policy analyst will focus on cost savings in Medicaid expenditures by reviewing Medicaid claims processing and ensuring claims are denied when there is a liable third party such as private insurance. The policy analyst will also ensure that private health information is accurate on the Medical Services system and will review claims denied by private insurance to ensure the denial was appropriate before Medicaid pays the claim. The Governor concurs with increase of 3.0 FTEs and associated funding.

Computer Service: \$1,307,055 recommended for increased computer services costs. The majority of this is \$1,000,000 requested for a feasibility study to comply with the national provider identification requirement of the Health Insurance Portability and Accountability Act (HIPAA) instead. The Governor recommends the \$1,000,000

increased funds but recommends to study the feasibility of replacement of the MMIS (Medicaid Management Information System). Ninety percent of this funding will be federal funds. The remainder is for increased BIT services. The agency also requested an additional \$580,983 for BIT services which was not recommended.

- D. Program Management: An increase of \$441,270 from all funds is requested and recommended for food stamp Electronic Benefits Transaction (EBT). \$423,790 is for the caseload growth, and preparation for re-procurement of the EBT vendor contract which is a federal requirement. The contract is currently with JP Morgan for electronic distribution of food stamp benefits. (This is a 67% increase from FY 2004.) \$17,480 of the increase is for the increase in direct deposit fees due to child support enforcement's mandate that client's use either direct deposit or the electronic procurement card. (There is a savings in child support's postage budget.)

An increase of 1.0 FTE and \$39,280 from all funds is requested by the agency for a policy analyst for the Electronic Benefits Transaction (EBT) Administration. The department states that EBT has experienced an overwhelming increase in workload by the creation of the Sales Tax on Food Refund program and the development of the Electronic Payment Card process. These two large tasks were taken on without any additional staff therefore overtime has been necessary. The Governor did not concur with the request.

- E. Energy Assistance and Weatherization: An increase of \$1,669,815 (federal funds) is recommended due to an anticipated increase in the available federal funding level. The majority (\$1,177,720) is in the LIEAP (Low Income Energy Assistance Program) due to anticipated increase in energy prices and increased caseload.

- F. Economic Assistance: An increase of 13.0 FTEs and \$1,018,307 from all funds is recommended for additional staff (personal services and operating expenses). 1.0 FTE is for a Medicaid program manager. 1.0 FTE is for a caseworker to implement the simplified nutrition plan. 9.0 FTEs are for caseworkers. 2.0 FTEs are for supervisors. A total of 41.0 FTE were requested for the Economic Assistance program and 13.0 were recommended by the Governor. The agency requests an additional 28.0 FTEs and \$476,414 for caseworkers and three supervisors for the projected caseloads for the new Medicare Prescription Drug program that the department indicates will begin as soon as July 2005. These FTEs and the funding were not recommended by the Governor.

An increase of \$323,693 from federal funds is recommended for continuation of the contract with the Department of Labor to deliver the TANF work program and related services.

G. Medical Services: An increase of 3.0 FTEs and \$118,731 from all funds for salary and benefits is recommended. 1.0 FTE is requested for an Assistant Administrator position in Medical Services, 1.0 FTE is for a SURS (Survey Utilization Review System) Investigator, and 1.0 FTE for a telephone services representative. The department requests 7.0 FTEs, and 3.0 FTEs are recommended. The agency requests an additional 4.0 FTEs and \$113,582 from all funds for telephone service representative which were not recommended.

Expansion of \$1,000,000 from all funds is requested and recommended for a disease management contractor targeted toward the disabled population on Medicaid. The department is beginning the process of writing an RFP to hire a consulting firm.

\$5,575,000 expansion from all funds is requested and recommended for the school-based administration center. \$5,000,000 is for the new initiative which will allow the Medical Assistance Program to pass-through federal funding to local school districts for administrative activities for Medicaid eligible children. This will result in additional revenue for the school districts of \$5,000,000. An additional \$575,000 is for implementation of the School Based Administrative Claiming Initiative.

An increase of \$21,283,513 from all funds is recommended for Medicaid and Children's Health Insurance Program (CHIP) payments expansion for the projected increase in costs, increase in clients, and increased utilization.

Breakdown of Medical Services Payments Projected for FY 2006 including the inflation from item B above:

Medicaid cost per eligible: \$12,458,689 plus inflation: \$18,824,850 = \$31,283,539

Medicaid growth in eligibles: \$ 7,414,000

CHIP cost per eligible: \$1,125,510 plus inflation: 629,191 = \$1,754,701

CHIP growth in eligibles: \$285,314

Total: \$21,283,513 for growth/cost plus inflation \$19,454,041 = \$40,737,554

H. Child Support Enforcement: An increase of 1.0 FTE and \$27,932 is requested for an accounting assistant (N11) position. This position will manage the Direct Deposit and Electronic Payment Care processes that include verifying the enrollment and data entry functions, reconciling, verifying payments, and other duties associated with the electronic disbursements of payments. The department indicates that federal mandates require that child support payments be disbursed within two business days of receipt. The number of child support payments is increasing each year. The Governor concurs with the request.

Program Support Staff: Shift \$455,830 from other funds to the General Fund for the program support staff center. The department indicates this is due to a reduction in the amount of child support incentive award available from the federal government due to a change in the formula on the federal level.

- I. **Adult Services and Aging:** The Elderly Nutrition Program provides meals in congregate or home-delivered to persons on a suggested donation basis. The projected number of meals served has been reduced in order to raise the per meal reimbursement rate and stay within the dollars requested. The department projects an inflation of \$384,906 and has reduced the number of meals to equate a reduction of (\$326,187). The net change is an increase of \$58,719 (General Fund) and 128,000 fewer meals being provided.

Victim's Compensation: An increase of \$173,853 from all funds is recommended to meet anticipated awards paid. Rising healthcare costs have significantly increased the average award paid to victims.

- J. **Child Protection Services:** An increase of \$152,789 from all funds is for continued growth of foster parent day and respite care services. This is a 27% increase for FY 2005 and another 28% increase for FY 2006.

An increase of \$169,924 from all funds is requested and recommended for the growth in basic family foster care, special treatment family foster care, and emergency family foster care. The department expects an increase of 97 children in basic family foster care, 5 children in special family foster care, and 17 children needing emergency foster care.

An increase of \$696,578 from federal funds is for psychiatric residential treatment facilities for children. The department anticipates an increase of 13 children in JCAHO accredited residential psychiatric treatment facilities. Title XIX pays 100% of the cost for this care. This increase is offset by a reduction in group and residential treatment.

An increase of 5.0 FTEs and \$242,055 from all funds for salary/benefits is for child protection social workers to provide services to families with children at risk of abuse and neglect. The department requests 17.0 additional FTEs for child protection services, and the Governor recommends an increase of 5.0 FTEs. The agency request includes an additional 12.0 FTEs and \$2251,221 funds for social workers and aids to provide additional services across the state.

- K. **Child Care Services:** The agency requests an increase of 1.0 FTE and \$33,419 from all funds for an additional caseworker. The agency indicates the additional caseworker would greatly expand the program's ability to better serve clients' needs and accessibility to the public. By adding an additional caseworker the caseload for each worker would be reduced, thus allowing for more time on individual cases, cross referencing with other programs, and reducing the number of overpayments made by this program. The Governor does not concur with this request.

An increase of \$1,746,924 from all funds is requested and recommended for child care direct assistance. \$596,519 is due to an increase of 133 child care assistance cases. \$1,150,405 is due to the impact of the mandatory market rate survey and increase to child rates paid.

An increase of \$504,250 from federal funds is requested and recommended for implementation of a quality improvement rating system for child care providers.

Secretary

The Secretary's office manages and coordinates all other offices, programs, and activities in the agency. It provides the services of legal, statistical analysis, budgetary management, provider reimbursement and audits, and purchasing.

The total recommended budget for Secretary consists of \$4,340,162 from the General Fund, \$7,523,008 from federal funds, and \$24,497 from other funds, for a total budget of \$11,887,667 and 60.5 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req.		Change from FY2005	% Change from FY2005
			FY2006	Gov. Rec. FY2006		
Personal Services	2,554,530	2,792,323	2,884,590	2,884,590	92,267	3.3%
Travel	60,543	93,728	101,729	93,379	(349)	-0.4%
Contractual Services	10,235,314	6,416,273	8,314,117	7,728,604	1,312,331	20.5%
Supplies and Materials	93,179	110,793	114,743	108,743	(2,050)	-1.9%
Grants and Subsidies	-	-	-	-	-	N/A
Capital Outlay	588,432	1,075,455	1,072,351	1,072,351	(3,104)	-0.3%
Other	134	-	-	-	-	N/A
TOTAL	13,532,132	10,488,572	12,487,530	11,887,667	1,399,095	13.3%
Funding Sources:						
General Funds	4,147,115	4,262,784	4,545,355	4,340,162	77,378	1.8%
Federal Funds	9,302,452	6,191,788	7,910,712	7,523,008	1,331,220	21.5%
Other Funds	82,565	34,000	31,463	24,497	(9,503)	-28.0%
TOTAL	13,532,132	10,488,572	12,487,530	11,887,667	1,399,095	13.3%
FTE	55.0	57.5	60.5	60.5	3.0	5.2%

Revenues

	Actual FY2003	Actual FY2004	Estimated FY2005	Estimated FY2006	% change from FY03
No revenues reported					

- 3.0 FTEs: An increase of \$75,166 and \$87,377 from all funds: An increase of 2.0 FTEs is requested for additional fraud investigators. The department indicates the current fraud investigators provide services to limited areas of the state. By adding investigators in Rapid City and Aberdeen it can increase the cost savings in benefit programs by prevention of or reduction in illegally obtained benefits. At a minimum the department expects an added \$200,000 in cost savings per investigator. The third FTE is for placing the existing Medicaid cost avoidance policy analyst position in the budget. This position was authorized in FY 2005 as part of the department's Medicaid cost containment plan, but the FTE was not placed in the budget at that time. The policy analyst will focus on cost savings in Medicaid expenditures by reviewing Medicaid claims processing and ensuring claims are denied when there is a liable third party such as private insurance. The policy analyst will also ensure that private health information is accurate on the Medical Services system and will review claims denied by private insurance to ensure the denial was appropriate before Medicaid pays the claim. The Governor concurs with increase of 3.0 FTEs and associated funding.

- **Computer Service:** \$1,307,055 recommended for increased computer services costs. The majority of this is \$1,000,000 requested for a feasibility study to comply with the national provider identification requirement of the Health Insurance Portability and Accountability Act (HIPAA). The Governor recommends the \$1,000,000 increased funds but recommends to study the feasibility of replacement of the MMIS (Medicaid Management Information System) instead. Ninety percent of this funding will be federal funds. The remainder is for increased BIT services. The agency also requested an additional \$580,983 for BIT services which was not recommended.
- **FMAP change for Secretariat (-federal +general funds) is \$7,722**

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Legal Services:				
SD Supreme Court Appeals	42	49	50	50
Administrative Appeals of Fair Hearing	8	10	15	15
Administrative Hearing Decisions	25	20	25	25
Prosecution of Child Abuse (Criminal Case)	23	16	25	25
Prosecution of Abuse/Neglect (Civil Case)	5	5	10	5
Adoption Reviews	215	201	220	220
Adoptions Cleared	169	109	175	175
Fraud Investigation Activity:				
Investigations Assigned	657	705	710	760
Tip Investigations Completed	374	405	410	450
Tips Substantiated	236	237	240	280
Fraud Prevention Investigations Completed	134	79	90	120
Fraud Prevention Investigations Substantiated	106	61	80	100
Investigations Completed	208	565	575	650
Fraud Prosecution - AFDC, FS, Med.	3	11	24	28
Dollars Recovered	\$225,285	\$175,368	\$380,000	\$400,000
State Share of Dollars Recovered	\$85,700	\$63,035	\$136,800	\$144,000
Cost Avoidance Realized	\$824,739	\$723,544	\$750,000	\$950,000
Disqualifications	107	150	160	180
General Recovery Activity (Nonfraud):				
Dollars Recovered	\$18,240,203	\$31,357,625	\$25,000,000	\$26,000,000
State Share of Dollars Recovered	\$6,201,669	\$10,832,584	\$8,625,000	\$9,360,000
Audits Performed:				
Nursing Facilities Desk/Field	110/21	111/12	111/25	110/25
A133 Audits Desk Reviewed	30	30	30	30
Cost Settlements:				
Hospital	89	54	60	60
Hospital County Poor Statements	80	60	90	70

Program Management

The Program Management division supervises and coordinates policy development and direction in the major programs of the department.

The recommended budget consists of \$1,803,060 from the General Fund, \$2,813,009 from federal funds, and \$218,667 from other funds, for a total budget of \$4,834,736 and 105.7 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	3,071,476	3,377,801	3,417,081	3,377,801	-	0.0%
Travel	23,259	35,742	38,627	30,527	(5,215)	-14.6%
Contractual Services	865,400	957,991	1,400,003	1,400,003	442,012	46.1%
Supplies and Materials	22,568	29,758	28,173	26,405	(3,353)	-11.3%
Grants and Subsidies	223	-	-	-	-	N/A
Capital Outlay	-	-	-	-	-	N/A
Other	-	-	-	-	-	N/A
TOTAL	3,982,926	4,401,292	4,883,884	4,834,736	433,444	9.8%
Funding Sources:						
General Funds	1,414,242	1,508,512	1,821,751	1,803,060	294,548	19.5%
Federal Funds	2,244,562	2,524,132	2,843,464	2,813,009	288,877	11.4%
Other Funds	324,122	368,648	218,669	218,667	(149,981)	-40.7%
TOTAL	3,982,926	4,401,292	4,883,884	4,834,736	433,444	9.8%
FTE	100.4	105.7	106.7	105.7	-	0.0%

Revenues

Actual FY2003	Actual FY2004	Estimated FY2005	Estimated FY2006	% change from FY03
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None provided

- An increase of \$441,270 from all funds is requested and recommended for food stamp Electronic Benefits Transaction (EBT). \$423,790 is for the caseload growth, and preparation for re-procurement of the EBT vendor contract which is a federal requirement. The contract is currently with JP Morgan for electronic distribution of food stamp benefits. (This is a 67% increase from FY 2004.) \$17,480 of the increase is for the increase in direct deposit fees due to child support enforcement's mandate that client's use either direct deposit or the electronic procurement card. (There is a savings in child support's postage budget.)
- An increase of 1.0 FTE and \$39,280 from all funds is requested by the agency for a policy analyst for the Electronic Benefits Transaction (EBT) Administration. The department states that EBT has experienced an overwhelming increase in workload by the creation of the Sales Tax on Food Refund program and the development of the Electronic Payment Card process. These two large tasks were taken on without any additional staff therefore overtime has been necessary. The Governor did not concur with the request.
- FMAP change for Program Management (-federal +general funds) is \$486.

Selected Performance Indicators

	ACTUAL FY2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Administrative Hearings: Fair Hearings Requested	385	444	375	375

Energy Assistance and Weatherization

The Energy Administration helps low-income people pay for home heating costs and home improvements that help conserve energy. The Low Income Energy Assistance Program (LIEAP) helps to pay heating costs by making payments directly to the energy supplier. It can also pay for emergency heating system repairs. The program is designed to supplement payments made by families who would otherwise be unable to pay the full cost of their home heating. The Weatherization Assistance Program helps low-income people pay for home insulation and other energy-saving improvements that will lower their heating bills. Local community agencies hire their own crews or contract with small businesses to perform the work and purchase materials from local vendors and manufacturers.

The total recommended budget for the Energy Assistance and Weatherization program consists of \$18,876,338 from federal funds and 11.0 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req.		Change from FY2005	% Change from FY2005
			FY2006	Gov. Rec. FY2006		
Personal Services	401,304	465,919	465,919	465,919	-	0.0%
Travel	15,741	31,882	31,882	31,882	-	0.0%
Contractual Services	250,725	294,050	312,952	312,952	18,902	6.4%
Supplies and Materials	63,394	78,849	84,198	84,198	5,349	6.8%
Grants and Subsidies	15,364,956	16,335,823	17,981,387	17,981,387	1,645,564	10.1%
Capital Outlay	-	-	-	-	-	N/A
Other	-	-	-	-	-	N/A
TOTAL	16,096,120	17,206,523	18,876,338	18,876,338	1,669,815	9.7%
Funding Sources:						
General Funds	-	-	-	-	-	N/A
Federal Funds	16,096,121	17,206,523	18,876,338	18,876,338	1,669,815	9.7%
Other Funds	-	-	-	-	-	N/A
TOTAL	16,096,121	17,206,523	18,876,338	18,876,338	1,669,815	9.7%
FTE	11.0	11.0	11.0	11.0	-	0.0%

Revenues

	<u>Actual</u> <u>FY2003</u>	<u>Actual</u> <u>FY2004</u>	<u>Estimated</u> <u>FY2005</u>	<u>Estimated</u> <u>FY2006</u>	<u>% change</u> <u>from FY03</u>
None provided					

- An increase of \$1,669,815 (federal funds) is recommended due to an anticipated increase in the available federal funding level. The majority (\$1,177,720) is in the LIEAP (Low Income Energy Assistance Program) due to anticipated increase in energy prices and increased caseload.

Selected Performance Indicators

	ACTUAL	ACTUAL	ESTIMATED	ESTIMATED
	FY 2003	FY 2004	FY 2005	FY 2006
Weatherization:				
Homes Weatherized/Average Cost	1,112 / \$2,332	1,231 / \$2,615	1,297 / \$2,672	1,315 / \$2,730
Elderly Served	652	810	889	968
Energy Assistance:				
Households Served/Elderly Served	16,176 / 6,286	16,768 / 7,390	17,322 / 8,091	17,858 / 8,792
Average Payment per Household	\$484	\$506	\$547	\$597
Grants to Individuals and Vendors	\$7,836,365	\$8,487,109	\$9,482,000	\$10,659,720
Community Assistance:				
Economically Disadvantaged Individuals Served	30,350	30,159	30,450	30,450

Economic Assistance

The Economic Assistance division provides financial, medical, food, and energy assistance to eligible people. The division also administers the Victim Assistance and Poverty Assistance Grant programs.

The total recommended budget for Economic Assistance consists of \$19,206,789 from the General Fund, and \$22,402,584 from federal funds, for a total budget of \$41,609,373 and 307.5 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	11,213,543	11,907,792	13,329,025	12,852,611	944,819	7.9%
Travel	233,957	344,214	353,954	322,647	(21,567)	-6.3%
Contractual Services	1,472,916	1,627,906	1,812,875	1,680,041	52,135	3.2%
Supplies and Materials	741,888	796,421	846,468	813,388	16,967	2.1%
Grants and Subsidies	22,288,673	25,519,735	26,033,805	25,940,686	420,951	1.6%
Capital Outlay	5,015	-	-	-	-	N/A
Other	-	-	-	-	-	N/A
TOTAL	35,955,992	40,196,068	42,376,127	41,609,373	1,413,305	3.5%
Funding Sources:						
General Funds	17,648,765	19,622,553	19,596,839	19,206,789	(415,764)	-2.1%
Federal Funds	18,307,228	20,573,515	22,779,288	22,402,584	1,829,069	8.9%
Other Funds	-	-	-	-	-	N/A
TOTAL	35,955,993	40,196,068	42,376,127	41,609,373	1,413,305	3.5%
FTE	278.0	294.5	335.5	307.5	13.0	4.4%

Revenues

Other Fund Revenue Source	Actual FY2003	Actual FY2004	Estimated FY2005	Estimated FY2006	% change from FY03
None provided					

- An increase of 13.0 FTEs and \$1,018,307 from all funds is recommended for additional staff (personal services and operating expenses). 1.0 FTE is for a Medicaid program manager. 1.0 FTE is for a caseworker to implement the simplified nutrition plan. 9.0 FTEs are for caseworkers. 2.0 FTEs are for supervisors. A total of 41.0 FTEs were requested for the Economic Assistance program and 13.0 were recommended by the Governor. The agency requests an additional 28.0 FTEs and \$476,414 for caseworkers and three supervisors for the projected caseloads for the new Medicare Prescription Drug program that the department indicates will begin as soon as July 2005. These FTE and the funding were not recommended by the Governor.
- An increase of \$323,693 from federal funds is recommended for continuation of the contract with the Department of Labor to deliver the TANF work program and related services.
- Provider inflation for the Economic Assistance Program is \$183,992 (\$51,095 General Fund)

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Medical Eligibility--Average Persons Eligible:				
Aged/Blind	6,024/96	5,876/97	5,799/98	5,707/98
Disabled Adults/Children	10,482/2,342	10,558/2,368	10,680/2,368	10,774/2,368
Low Income Family (LIF) Adults/Children	9,985/17,565	10,778/18,334	11,261/19,307	11,828/19,760
Foster Care Children/Pregnant Women	2,911/1,809	3,154/1,855	3,228/1,892	3,295/1,924
Catastrophic (QMB)	2,419	2,634	2,866	3,095
Medical Services Programs for Children:				
Title XIX Funded	28,561	29,813	30,891	31,530
< 140%/140% - 200% of FPL	7,131/1,798	7,535/2,018	7,789/2,086	7,950/2,129
Total Avg Persons Eligible (XIX & XXI)	91,123	95,043	98,265	100,404
Supplemental Medical Insurance (Buy-In)				
Part A/B Recipients	710/13,906	706/13,953	707/14,273	707/14,593
BBA Expanded SMI	695	586	580	587
Renal Disease	6	28	9	9
SSI: Mandatory Supplement Cases/Payment	11/\$55.96	10/\$47.60	9/\$35.26	9/\$35.26
SSI: State Supplement Cases/Payment	3,355/\$14.49	3,379/\$14.60	3,396/\$14.60	3,416/\$14.60
Food Stamp (FS) Benefits Issued	49,048,847	53,217,133	54,153,164	55,969,479
FS: Certified Households/Persons	19,780/50,938	21,124/53,609	21,684/55,031	29,816/63,529
FS: E&T Participants (Average per Month)	1152	1,310	1,400	1,400
FS: Community Service/OJT Training	22/1	25/2	28/5	28/5
FS: Secondary Education	28	29	32	32
FS: Job Search/Annual Job Placements	459/2,026	521/2,208	500/2,250	500/2,250
TANF Cases per Mo./Avg. Pay	2,805/\$331.69	2,759/\$340.76	3,003/\$346.16	3,003/\$353.36
TANF Parent Cases (Average per Month)	1,162	1,039	1,100	1,100
Community Service/On-the-Job Training	479/17	436/17	480/20	480/20
Job Search/Secondary Education	94/79	99/80	110/85	110/85
CWEA College / CWEA Voc. Ed. 2nd Year	25/2	22/2	25/5	25/5
Vocational Education	79	86	90	90
Diversion: Financial / Process	12/117	14/157	16/160	16/160
Annual Job Placements	1,434	1,567	1,575	1,575
Auxiliary Placement:				
Group/Residentials and ATC's	28	26	26	26
School Districts/Out-of-School Dist.	5/3	5/3	6/1	6/1
In-Patient Psychiatric Facility	1	5	5	5
Childrens Care Hospital & School/Served	1/610	1/629	1/650	1/665
DOC Children/CPS Auxiliary Children	229/381	223/406	231/415	233/432

Medical Services

The Medical Services division provides Medicaid (Title XIX of the Social Security Act) and other state medical programs to eligible persons.

The total recommended budget for Medical Services consists of \$118,600,447 from the General Fund, \$281,038,283 from federal funds, and \$1,087,500 from other funds, for a total budget of \$400,726,230 and 36.0 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	1,340,733	1,321,633	1,553,946	1,440,364	118,731	9.0%
Travel	17,313	24,674	24,404	24,404	(270)	-1.1%
Contractual Services	2,017,126	2,619,407	9,810,222	9,810,222	7,190,815	274.5%
Supplies and Materials	206,879	222,091	206,880	206,880	(15,211)	-6.8%
Grants and Subsidies	28,083,703	348,494,251	389,499,203	389,244,360	40,750,109	11.7%
Capital Outlay	157	-	-	-	-	N/A
Other	1,178	-	-	-	-	N/A
TOTAL	31,667,089	352,682,056	401,094,655	400,726,230	48,044,174	13.6%
Funding Sources:						
General Funds	88,780,455	101,842,998	118,722,005	118,600,447	16,757,449	16.5%
Federal Funds	242,536,743	250,039,058	281,285,150	281,038,283	30,999,225	12.4%
Other Funds	349,892	800,000	1,087,500	1,087,500	287,500	35.9%
TOTAL	331,667,090	352,682,056	401,094,655	400,726,230	48,044,174	13.6%
FTE	34.2	33.0	40.0	36.0	3.0	9.1%

Revenues

	Actual FY2003	Actual FY2004	Estimated FY2005	Estimated FY2006	% change from FY03
None provided					

- An increase of 3.0 FTEs and \$118,731 from all funds for salary and benefits is recommended. 1.0 FTE is requested for an Assistant Administrator position in Medical Services, 1.0 FTE is for a SURS (Survey Utilization Review System) Investigator, and 1.0 FTE for a telephone services representative. The department requests 7.0 FTEs, and 3.0 FTEs are recommended. The agency requested an additional 4.0 FTEs and \$113,582 from all funds for telephone service representative which were not recommended.
- Expansion of \$1,000,000 from all funds is requested and recommended for a disease management contractor targeted toward the disabled population on Medicaid. The department is beginning the process of writing an RFP to hire a consulting firm.
- \$5,575,000 expansion from all funds is requested and recommended for the school-based administration center. \$5,000,000 is for the new initiative which will allow the Medical Assistance Program to pass-through federal funding to local school districts for administrative activities for Medicaid eligible children. This will result in additional revenue for the school districts of \$5,000,000. An additional \$575,000 is for implementation of the School Based Administrative Claiming Initiative.
- An increase of \$21,283,513 from all funds is recommended for Medicaid and Children's Health Insurance Program (CHIP) payments expansion for the projected increase in costs, increase in clients, and increased utilization.

Breakdown of Medical Services Payments Projected for FY 2006 including the inflation from item B above:

Medicaid cost per eligible: \$12,458,689 plus inflation: \$18,824,850 = \$31,283,539
 Medicaid growth in eligibles: \$ 7,414,000
 CHIP cost per eligible: \$1,125,510 plus inflation: 629,191 = \$1,754,701
 CHIP growth in eligibles: \$285,314
 Total: \$21,283,513 for growth/cost plus inflation \$19,454,041 = \$40,737,554

- An increase of \$19,454,042 (\$6,632,277 General Fund) for Medical Services provider inflationary increases.
- The FMAP change for Medical Services (-federal +general funds) is \$1,882,432.
- Actual FMAP by Fiscal Year

FY	State	Federal	For every SD dollar, CMS matches with:
2006	34.69%	65.31%	\$1.88
2005	34.06%	65.94%	\$1.94
2004 - Fiscal Relief-first three quarters of FFY	31.38%	68.62%	\$2.19
2004 - Original	34.33%	65.67%	\$1.91
2003 - Fiscal Relief-final two quarters of FFY	31.12%	68.88%	\$2.21
2003 - Original	34.71%	65.29%	\$1.88
2002	34.07%	65.93%	\$1.94
2001	31.69%	68.31%	\$2.16
2000	31.28%	68.72%	\$2.20

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Average Persons Eligible:				
Aged/Blind	6,024/96	5,876/97	5,799/98	5,707/98
Disabled Adults/Children	10,482/2,342	10,558/2,368	10,680/2,368	10,774/2,368
Low Income Family (LIF) Adults/Children	9,985/17,565	10,778/18,334	11,261/19,307	11,828/19,706
Foster Care Children	2,911	3,154	3,228	3,295
Pregnant Women	1,809	1,855	1,892	1,924
Catastrophic (QMB)	2,419	2,634	2,866	3,095
Medical Services Programs for Children:				
Title XIX Funded	28,561	29,813	30,891	31,530
Title XXI Funded, Under 140% of FPL	7,131	7,535	7,789	7,950
Title XXI Funded 140%-200% of FPL	1,798	2,018	2,086	2,129
Total Title XIX Eligibles	82,194	85,490	88,390	90,325
Total Title XXI Eligibles	8,929	9,553	9,875	10,079
Total Avg. Persons Eligible (XIX & XXI)	91,123	95,043	98,265	100,404
Total Avg Cost Per Title XIX Eligible	\$3,258	\$3,683	\$3,970	\$4,156
Claims Processed	3,598,809	4,008,579	4,127,130	4,216,968
Claims Processed Per Eligible Person	39	42	42	42
Program Utilization: *				
Physician Services	25.21/\$153.08	26.98/\$171.78	27.69/\$177.41	28.42/\$184.72
Inpatient Hospital	1.62/\$4,137.10	1.63/\$4,913.37	1.65/\$5,217.02	1.65/\$5,539.43
Outpatient Hospital	6.24/\$369.27	6.60/\$388.81	6.90/\$419.18	7.21/\$451.92
Other Medical	2.93/\$255.70	3.26/\$260.96	3.26/\$268.68	3.26/\$272.71
Adult Women Chemical Dependency	41/\$5,317.49	18/\$6,404.86	43/\$5,317.49	43/\$5,317.49
Chiropractic Services	.74/\$32.39	.91/\$34.76	.91/\$35.80	.91/\$36.34
Medicare Crossover Claims (All Services)	8.22/\$146.17	7.32/\$145.08	8.22/\$146.17	8.49/\$157.00
Indian Health Services	17.70/\$441.78	21.89/\$460.28	22.04/\$533.89	22.04/\$533.89
Prescription Drugs:				
Avg. Utilization/Prescriptions Per Month	30.71/4.02	31.52/4.12	31.71/4.17	31.71/4.17
Average Cost Per Prescription	\$56.47	\$60.35	\$64.92	\$69.84
Adult Services:				
Average Eligible Clients	28,396	29,187	29,730	30,331
Dental Average Utilization/Cost	100/\$4.92	100/\$5.00	100/\$5.97	100/\$6.29
Optometrist Average Utilization/Cost	2.45/\$89.63	3.07/\$89.00	2.75/\$91.67	2.75/\$93.05
Early and Periodic Screening, Diagnosis, & Treatment				
Avg. Children - LIF/Foster Care	17,565/2,911	18,334/3,154	19,307/3,228	19,706/3,295
Expanded Medical / Disabled	28,561/2,342	29,813/2,368	30,891/2,368	31,530/2,368
Avg. Monthly Utilization/Cost:				
Screening	2.13/\$49.37	1.64/\$45.27	2.02/\$46.65	2.02/\$47.35
Dental Services	100/\$8.24	100/\$7.97	100/\$9.52	100/\$9.86
Optometric Services	2.17/\$86.01	2.69/\$84.78	2.43/\$87.32	2.43/\$88.63
Treatment Services	.47/\$2,582.30	1.39/\$1,032.76	1.39/\$1,063.74	1.39/\$1,079.70
Supplemental Medical Insurance (Buy-In):				
Part A Recipients/Premium	710/\$321.58	706/\$336.92	707/\$344.50	707/\$352.25
Part B Recipients/Premium	13,906/\$59.02	13,953/\$67.36	14,273/\$68.87	14,593/\$70.42
Balance Budget Act Expanded SMI	695/\$50.98	586/\$62.68	580/\$71.94	587/\$82.57
Childrens Care Hospital:				
Avg. Residents/Per Diem Paid	73/\$326.22	63/\$279.89	68/\$334.13	68/\$339.14

Child Support Enforcement

The Child Support Enforcement division establishes paternity and child support orders, initiates actions to enforce child support orders, and collects and distributes child support payments.

The total recommended budget consists of \$545,978 from the General Fund, \$4,591,175 from federal funds and \$1,920,690 from other funds, for a total budget of \$7,057,843 and 100.0 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	3,733,071	3,921,117	3,949,049	3,949,047	27,930	0.7%
Travel	33,207	59,222	54,022	54,022	(5,200)	-8.8%
Contractual Services	2,327,648	2,705,329	2,758,009	2,713,009	7,680	0.3%
Supplies and Materials	345,282	361,331	361,331	303,401	(57,930)	-16.0%
Grants and Subsidies	1,681	-	-	-	-	N/A
Capital Outlay	160,485	-	-	-	-	N/A
Other	43,651	38,364	38,364	38,364	-	N/A
TOTAL	6,645,025	7,085,363	7,160,775	7,057,843	(27,520)	-0.4%
Funding Sources:						
General Funds	71,052	96,533	557,436	545,978	449,445	465.6%
Federal Funds	4,377,428	4,567,355	4,653,224	4,591,175	23,820	0.5%
Other Funds	2,196,546	2,421,475	1,950,115	1,920,690	(500,785)	-20.7%
TOTAL	6,645,026	7,085,363	7,160,775	7,057,843	(27,520)	-0.4%
FTE	94.4	99.0	100.0	100.0	1.0	1.0%

Revenues

Other Fund Revenue Source	Actual <u>FY2003</u>	Actual <u>FY2004</u>	Estimated <u>FY2005</u>	Estimated <u>FY2006</u>	% change from FY03
Income Withholding	\$38,047,558	\$39,449,413	\$41,800,000	\$44,300,000	16.4%
Direct from Absent Parents	10,683,973	11,725,641	12,000,000	12,300,000	15.1%
Non-OCSE Collections	14,235,234	14,674,319	15,200,000	15,700,000	10.3%
IRS Tax Refund Offsets	3,799,615	4,209,548	4,200,000	4,200,000	10.5%
Received from Other States	5,461,486	5,473,812	5,800,000	6,000,000	9.9%
Total	\$72,227,866	\$75,532,733	\$79,000,000	\$82,500,000	14.2%

- An increase of 1.0 FTE and \$27,932 is requested for an accounting assistant (N11) position. This position will manage the Direct Deposit and Electronic Payment Care processes that include verifying of the enrollment and data entry functions, reconciling, verifying payments and other duties associated with the electronic disbursements of payments. The department indicates that federal mandates require that child support payments be disbursed within two business days of receipt. The number of child support payments is increasing each year. The Governor concurs with the request.
- Program Support Staff: Increase general funds by \$455,830 and decrease other funds for the program support staff center. The department indicates this is due to a reduction in the amount of child support incentive award available from the federal government due to a change in the formula on the federal level.

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Distribution of Collections:				
OCSE Payment to Families	\$47,939,627	\$50,418,522	\$53,000,000	\$55,800,000
Non-OCSE Payments to Families	\$14,235,234	\$14,674,319	\$15,200,000	\$15,700,000
OCSE Payments to Other States	\$5,930,970	\$6,125,554	\$6,300,000	\$6,500,000
State Share of TANF/IVE Collected	\$1,423,613	\$1,484,711	\$1,500,000	\$1,500,000
Federal Share of TANF/IVE	\$2,698,423	\$2,829,627	\$3,000,000	\$3,000,000
Federal Incentive Payments	\$1,745,125	\$1,526,627	\$1,400,000	\$1,300,000
Total Cases:	38,411	40,126	41,700	43,300
TANF/IVE Cases	2,959	3,075	3,100	3,100
Non-TANF Cases	22,574	23,438	24,300	25,200
TANF/IVE Arrears Only Cases	6,602	6,541	6,500	6,400
Non-OCSE Cases	6,276	7,074	7,800	8,600
Total Payments Processed	451,209	459,677	470,000	480,000
Total Payments Disbursed	401,475	409,763	420,000	430,000
Payments Disbursed Electronically	149,285	173,454	250,000	380,000
Payors - OCSE Cases	25,148	25,801	26,500	27,200
Payors - Non-OCSE Cases	3,404	3,439	3,500	3,600
Paternities Established	930	766	800	800
Voluntary Paternity Acknowledgements	2,516	2,588	2,650	2,700
Support Orders Established	2,221	2,678	2,500	2,500
Support Order Modifications Processed	2,607	2,753	2,900	3,000
Successful Enforcement Actions	33,028	33,232	34,000	35,000
AFDC/TANF Cases Closed With Collections	1,430	1,459	1,500	1,500

Adult Services and Aging

The Adult Services and Aging division assists the elderly, as specified in the Older Americans Act and state law, to retain their independence and prevent early institutionalization. This is achieved by providing services such as adult foster care, adult day care, legal, nutrition, personal care, respite care, and transportation.

The total recommended budget consists of \$57,627,601 from the General Fund, \$108,206,756 from federal funds, and \$2,128,215 from other funds for a total budget of \$167,962,572 and 100.5 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	4,472,880	4,749,314	4,749,314	4,749,314	-	0.0%
Travel	206,050	273,054	290,982	278,445	5,391	2.0%
Contractual Services	7,571,997	6,815,575	7,297,989	7,038,007	222,432	3.3%
Supplies and Materials	190,198	261,461	291,461	258,461	(3,000)	-1.1%
Grants and Subsidies	134,922,724	153,308,589	157,909,013	155,638,345	2,329,756	1.5%
Capital Outlay	2,351	-	-	-	-	N/A
Other	-	-	-	-	-	N/A
TOTAL	147,366,200	165,407,993	170,538,759	167,962,572	2,554,579	1.5%
Funding Sources:						
General Funds	46,400,835	55,057,375	57,396,371	57,627,601	2,570,226	4.7%
Federal Funds	99,906,752	108,077,317	111,014,174	108,206,756	129,439	0.1%
Other Funds	1,058,613	2,273,301	2,128,214	2,128,215	(145,086)	-6.4%
TOTAL	147,366,200	165,407,993	170,538,759	167,962,572	2,554,579	1.5%
FTE	99.0	100.5	100.5	100.5	-	0.0%

Revenues

	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Estimated FY2005</u>	<u>Estimated FY2006</u>	<u>% change from FY03</u>
None provided					

- The Elderly Nutrition Program provides meals in congregate or home-delivered to persons on a suggested donation basis. The projected number of meals served has been reduced in order to raise the per meal reimbursement rate and stay within the dollars requested. The department projects an inflation of \$384,906 and has reduced the number of meals to equate a reduction of \$326,187. The net change is an increase of \$58,719 (General Fund), and 128,000 fewer meals being provided.
- Victim's Compensation: An increase of \$173,853 from all funds is recommended to meet anticipated awards paid. Rising healthcare costs have significantly increased the average award paid to victims.
- The FMAP change for Adult Services and Aging (-federal +general funds) is \$879,928.
- An increase of \$3,636,184 (\$1,307,724 General Fund) for the recommended 1.4% provider inflation.

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Medical Review:				
Title XIX Level of Care Determinations/Redeterminations	6,218	7,517	8,269	8,682
Case-Mix Validation Reviews	1,258	1,328	1,360	1,400
Avg. Monthly Cases/Unduplicated Clients	5,955/9,500	5,998/10,209	6,050/10,500	6,250/11,000
Elderly/Adult In-Home Services:				
Homemaker Services Clients (Unduplicated)	4,372	4,059	4,200	4,200
Direct Care/Contracted Hours	1,140/286,499	983/305,648	1,500/308,000	1,500/310,000
Personal Care Clients Served	948	914	925	950
Direct Care/Contracted Care Hours	1,023/84,216	1,752/83,559	1,500/94,000	1,500/94,000
Respite Care (Unduplicated Clients Under 60)	N/A	103	200	225
Older Americans Act Programs:				
Caregiver Program (Undup.)	N/A	1,406	1,500	1,600
Adult Day Care Hours/Clients	81,113/174	69,885/158	91,790/225	90,750/225
Transportation--Trips/Clients	422,826/8,662	434,326/9,221	436,498/9,267	438,680/9,313
Legal Services Hours/Clients	2,910/689	863/136	3,200/850	3,200/850
Adult Protective Services Investigations	415	305	250	250
Ombudsman Complaints Investigated	850	799	850	875
Guardianship/Rx Access Clients Served	55/2,147	61/2,450	75/3,000	75/3,500
Health Ins. Counseling Hours/Clients	1,500/1,017	574/397	2,400/1,659	2,880/1,990
Elderly Nutrition Program:				
Congregate Meals/Clients Served	1,148,860/9,783	1,142,602/10,714	1,147,244/10,720	1,005,078/10,300
Home Delivered Meals/Clients Served	481,304/3,841	493,491/4,167	504,022/4,200	517,768/4,250
Clients Served by Institutional Services:				
Nursing Facilities/Assisted Living Centers	4,127/654	4,124/694	4,100/740	4,100/810
Adult Foster Care	11	12	13	15
Domestic Abuse Program:				
Unduplicated Victims Served/Sheltered	14,606/3,647	14,467/3,585	15,000/4,000	15,000/4,000
Shelter Days	51,759	52,056	52,000	52,000

Child Protection Services

The Child Protection Services division protects children from abuse, neglect, and dependency. This is accomplished by foster homes and temporary care for children in need, and by finding permanent homes for children.

The total recommended budget consists of \$15,253,704 from the General Fund, \$31,522,385 from federal funds and, \$1,329,220 from other funds for a total budget of \$48,105,309 and 251.3 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	10,315,391	11,056,496	11,668,547	11,244,411	187,915	1.7%
Travel	897,377	940,805	1,050,595	1,011,616	70,811	7.5%
Contractual Services	2,690,399	3,438,889	3,347,422	3,293,456	(145,433)	-4.2%
Supplies and Materials	331,069	399,649	422,853	406,525	6,876	1.7%
Grants and Subsidies	27,838,515	30,722,618	32,570,529	32,149,301	1,426,683	4.6%
Capital Outlay	7,195	-	-	-	-	N/A
Other	22,342	-	-	-	-	N/A
TOTAL	42,102,288	46,558,457	49,059,946	48,105,309	1,546,852	3.3%
Funding Sources:						
General Funds	13,135,969	14,729,341	15,805,213	15,253,704	524,363	3.6%
Federal Funds	27,948,936	30,629,586	32,122,660	31,522,385	892,799	2.9%
Other Funds	1,017,383	1,199,530	1,132,073	1,329,220	129,690	10.8%
TOTAL	42,102,288	46,558,457	49,059,946	48,105,309	1,546,852	3.3%
FTE	240.9	246.3	263.3	251.3	5.0	2.0%

Revenues

	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Estimated FY2005</u>	<u>Estimated FY2006</u>	<u>% change from FY03</u>
None provided					

- An increase of \$152,789 from all funds is for continued growth of foster parent day and respite care services. This is a 27% increase for FY 2005 and another 28% increase for FY 2006.
- An increase of \$169,924 from all funds is requested and recommended for the growth in basic family foster care, special treatment family foster care, and emergency family foster care. The department expects an increase of 97 children in basic family foster care, 5 children in special family foster care, and 17 children needing emergency foster care.
- An increase of \$696,578 from federal funds is for psychiatric residential treatment facilities for children. The department anticipates an increase of 13 children in JCAHO accredited residential psychiatric treatment facilities. Title XIX pays 100% of the cost for this care. This increase is offset by a reduction in group and residential treatment.
- An increase of 5.0 FTEs and \$242,055 from all funds for additional child protection social workers to provide services to families with children at risk of abuse and neglect. The

department requests 17.0 additional FTE for child protection services and the Governor recommends an increase of 5.0 FTEs. The agency request includes an additional 12.0 FTEs and \$251,221 for social workers and aids to provide additional services across the state.

- An increase of \$598,676 (\$194,641 General Fund) for the recommended 1.4% provider inflation.
- The FMAP change for Child Protection Services (-federal +general funds) is \$136,600.

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
All Types of Requests for Services	18,018	20,373	20,811	21,015
Abuse and Neglect (A/N) Requests for Svcs.	16,294	16,643	16,975	17,315
Assigned A/N Requests for Svcs./Children	5,398/9,664	4,947/8,748	5,045/8,923	5,146/9,101
Pending Assigned A/N Requests for Svcs.	1,040	1,043	1,075	1,075
Disposed A/N Requests for Svcs./Children	5,551/10,118	4,447/8,322	4,580/8,738	4,672/8,913
Children at Risk of Maltreatment	4,228	4,359	4,489	4,624
Children Requiring Removal from Home	2,332	2,385	2,432	2,480
Children Staying at Home with Services	2,003	1,874	1,930	1,968
Intensive Family Services	300	351	402	440
Adoption Subsidies:				
Mo. Avg Maintenance & Med./Med. Only	928/61	979/64	1,083/64	1,179/64
Annual Maintenance Cost Per Client	\$4,081	\$4,278	\$4,335	\$4,393
Subsidized Guardianships:				
Average Clients/Cost Per Year	80/\$3,727	87/\$3,860	95/\$4,007	105/\$4,127
Alternative Care Placements:				
Relative Placements Avg. Clients/Month	169	182	195	209
Avg. Out-of-Home Paid Placements/Month	1,200	1,243	1,284	1,317
Paid Placements--Mo. Avg. Clients/Avg. Cost:				
Basic Foster Care	595/\$387	622/\$396	634/\$434	646/\$438
Treatment Foster Care	72/\$705	76/\$686	80/\$779	85/\$752
Emergency Care	126/\$250	133/\$251	140/\$261	147/\$265
Group and Residential Care	267/\$3,282	257/\$3,486	247/\$3,261	254/\$3,440
Psychiatric Facilities for Children	62/\$4,361	73/\$5,053	93/\$5,895	95/\$5,983
Length of Stay in Alternative Care:				
0-5 Mos/6-12 Mos/12 Mos & Over	333/221/689	406/295/775	414/301/791	422/307/807
Children Returned Home/Placed for Adopt.	854/140	767/137	782/135	798/135
Children Placed for Foster/Adoption	13	16	16	16
Children Emancipated/Guardianships	54/52	52/62	54/65	57/65
Children with Other Permanent Plan	240	160	163	166
Licenses Issued:				
Family Foster Homes/Child Placement Agcy	712/15	744/14	777/14	812/14
Group Homes/Residential Treatment	10/13	10/13	10/14	10/14
Shelter Care/Independent Living Programs	4/3	4/3	4/3	4/3

Child Care Services

The Child Care Services division increases the availability, accessibility, and quality of child care in the state, especially for low-income families. The division also implements the Child Care Services Plan.

The total recommended budget consists of \$1,884,152 from the General Fund, \$18,146,826 from federal funds and, \$879,806 from other funds for a total budget of \$20,910,784 and 25.0 FTE.

Item	Actual FY2004	Approved FY2005	Agency Req. FY2006	Gov. Rec. FY2006	Change from FY2005	% Change from FY2005
Personal Services	978,615	1,110,871	1,144,287	1,110,871	-	0.0%
Travel	54,693	63,512	64,962	62,462	(1,050)	-1.7%
Contractual Services	517,575	748,623	1,077,911	1,077,911	329,288	44.0%
Supplies and Materials	470,734	822,833	870,512	870,512	47,679	5.8%
Grants and Subsidies	14,133,498	15,692,601	17,789,028	17,789,028	2,096,427	13.4%
Capital Outlay	313	-	-	-	-	N/A
Other	-	-	-	-	-	N/A
TOTAL	16,155,428	18,438,440	20,946,700	20,910,784	2,472,344	13.4%
Funding Sources:						
General Funds	1,249,439	1,373,844	1,896,611	1,884,152	510,308	37.1%
Federal Funds	13,376,447	15,581,943	18,170,283	18,146,826	2,564,883	16.5%
Other Funds	1,529,543	1,482,653	879,806	879,806	(602,847)	-40.7%
TOTAL	16,155,429	18,438,440	20,946,700	20,910,784	2,472,344	13.4%
FTE	25.0	25.0	26.0	25.0	-	0.0%

Revenues

	<u>Actual FY2003</u>	<u>Actual FY2004</u>	<u>Estimated FY2005</u>	<u>Estimated FY2006</u>	<u>% change from FY03</u>
None provided					

- The agency requests an increase of 1.0 FTE and \$33,419 from all funds for an additional caseworker. The agency indicates the additional caseworker would greatly expand the program's ability to better serve clients' needs and accessibility to the public. By adding an additional caseworker the caseload for each worker would be reduced, thus allowing for more time on individual cases, cross referencing with other programs, and reducing the number of overpayments made by this program. The Governor does not concur with this request.
- An increase of \$1,746,924 from all funds is requested and recommended for child care direct assistance. \$596,519 is due to an increase of 133 child care assistance cases. \$1,150,405 is due to the impact of the mandatory market rate survey and increase to child rates paid.
- An increase of \$504,250 from federal funds is requested and recommended for implementation of a quality improvement rating system for child care providers.
- The FMAP change for Child Care Services (-federal +general funds) is \$29,537.

Selected Performance Indicators

	ACTUAL FY 2003	ACTUAL FY 2004	ESTIMATED FY 2005	ESTIMATED FY 2006
Child Care Assistance for TANF/AFDC Families:				
Average Monthly Cases *	214	235	249	264
Average Monthly Children Served	389	420	448	475
Average Monthly Payment Per Case	\$305	\$325	\$338	\$352
Child Care Assistance for Non-TANF Families **				
Average Monthly Cases	2,264	2,382	2,490	2,599
Average Monthly Children Served	4,082	4,288	4,482	4,676
Average Monthly Payment Per Case	\$359	\$377	\$392	\$408
Children with Advanced Special Needs: ***				
Average Monthly Full-Time Slots	N/A	12	15	15
Average Monthly Payment Per Child	N/A	\$1,124	\$1,169	\$1,215
Child Care Quality Improvement Grants:				
Out-of-School Time (OST) Grants	52	33	34	34
OST Enhancement Grants ****	12	25	45	60
Health, Safety, and Equipment Grants	136	139	145	170
Child Care Licensing and Registration: *****				
Registered Family Day Care Providers	931	926	928	930
Licensed Group Family Day Care Centers	85	92	100	105
Licensed Day Care Centers	133	136	144	150
Licensed Out-of-School Time Programs	125	141	148	155

* Includes families in contracted slots "Rapid City One-Stop Center" TANF work project.

** Includes those families transitioning from TANF, at risk of going TANF, foster care children, & low income working families.

*** Support for families with advanced special/medical needs.

**** Grant to support established OST programs for special equipment, resources, projects, etc that are normally absorbed in day-to-day ope

***** Child Care Licensing and Registration - FY04 figures are based on actual figures/average number of providers per month over 12 month

Other Departmental Issues

A. Interim Appropriation Actions

	Appropriated		
	FY2005 Budget	Interim Action*	Revised Budget
Funding Sources:			
General Funds	\$ 198,493,940	\$ -	\$ 198,493,940
Federal Funds	\$ 455,391,217	\$ -	\$ 455,391,217
Other Funds	\$ 8,579,607	\$ -	\$ 8,579,607
Total	\$ 662,464,764	\$ -	\$ 662,464,764
F.T.E.	972.5	0.0	972.5

*There was no interim action.

B. Agency Specific Questions

The following agency specific questions were asked by the committee to the Department:

Provide an update on the Food Tax Rebate Program, including statistics for the program, including the amount budgeted versus actual expenditures and FTEs.

What is the number of people who currently utilize the federal discount drug card?

Does the department use the services of non-English interpreters? If so, how many? What is the cost, and where are they used? Are any state employees?

What is your definition of a mandatory FTE? For FYs 2005 and 2006, identify the number of mandatory FTEs. What is the personal service cost associated with those positions? For each mandatory FTE, identify the requirement that mandates the position. For those agencies which have additional mandatory FTEs recommended for their budget, what will be the consequences for not granting and appropriation for those positions?