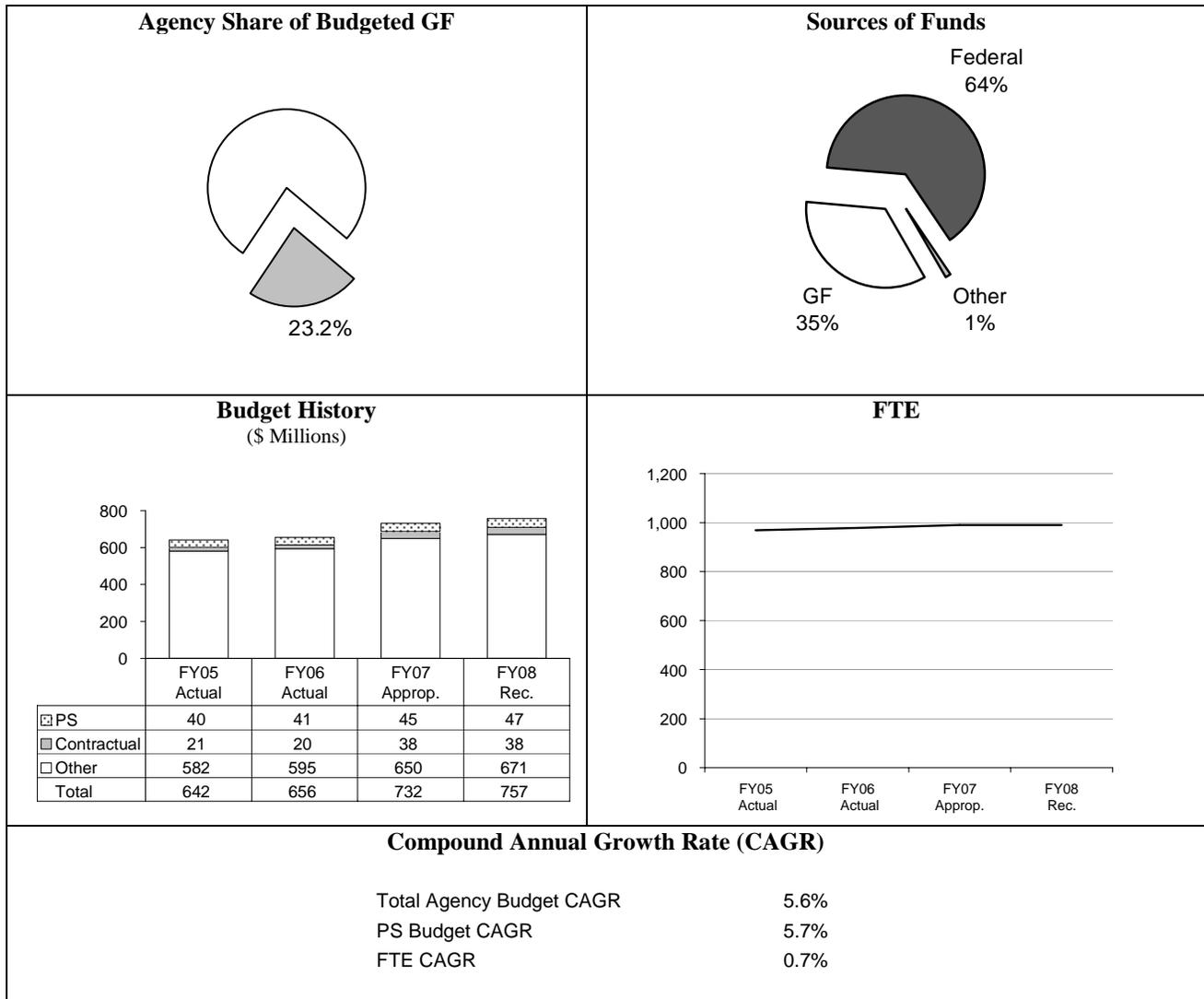


FY08 Budget Briefing

Department of Social Services



Key Responsibilities

- The Department of Social Services aids individuals and families by fostering independence and personal responsibility; protecting people; providing opportunities for individuals to achieve their full potential; and promoting healthy families and safe communities by ensuring quality, cost effective and comprehensive services are provided in cooperation with our partners.

Key Personnel

- Deb Bowman, Secretary
- Brenda Zeltinger, Finance Officer

Department Total – Social Services

The Department of Social Services recommended budget consists of \$263,496,580 from the General Fund, \$483,842,712 from federal funds, \$9,198,440 from other funds, and 990.5 FTEs.

Item:	Actual FY2006	Budgeted FY2007	Agency Requested FY2008	Governor's Recommended FY2008	Inc/Dec FY2008	% Change From FY07
Personal Services	41,334,778	44,803,271	44,803,271	46,660,393	1,857,122	4.1%
Travel	1,959,143	1,912,376	2,073,677	2,073,677	161,301	8.4%
Contractual Services	20,266,960	37,701,988	38,350,481	38,399,866	697,878	1.9%
Supplies & Materials	3,086,130	3,134,239	3,139,584	3,139,584	5,345	0.2%
Grants And Subsidies	587,148,397	643,397,147	671,369,458	665,139,425	21,742,278	3.4%
Capital Outlay	2,455,222	1,072,351	1,072,787	1,072,787	436	0.0%
Other	65,790	52,000	52,000	52,000	-	0.0%
Total	656,316,420	732,073,372	760,861,258	756,537,732	24,464,360	3.3%
Funding Types:						
General	220,039,662	238,955,154	265,864,836	263,496,580	24,541,426	10.3%
Federal	431,953,225	486,212,605	486,526,348	483,842,712	(2,369,893)	(0.5%)
Other	4,323,532	6,905,613	8,470,074	9,198,440	2,292,827	33.2%
Total	656,316,420	732,073,372	760,861,258	756,537,732	24,464,360	3.3%
FTE	978.8	990.5	990.5	990.5	0.0	0.0%

SALARY POLICY

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package for the Department of Social Services are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	172,981	281,673	19,562	474,216
3% Across-the-Board	425,968	689,390	48,115	1,163,473
Health Insurance	83,223	127,418	8,792	219,433
Total	682,172	1,098,481	76,469	1,857,122

Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	Total Funds *	FTE	State General Fund	Total Funds *	FTE
A. FMAP	13,193,423	0		13,193,423	0	
B. Provider Inflation	10,222,708	25,979,650		11,219,298	28,454,440	
C. Administration: technology	(21,175)	(141,168)		(21,175)	(141,168)	
D. Medical & Adult Services: medical services	4,362,081	11,331,350		4,362,081	11,331,350	
loss of Title XIX non-psychiatric funds	1,737,110	333,631		1,737,110	333,631	
long term care	(1,213,745)	(3,092,343)		(1,213,745)	(3,092,343)	
in-home services	(650,000)	0		(650,000)	0	
reduced budget	(7,754,729)	(17,674,324)		(7,754,729)	(17,674,324)	
E. Children's Services loss of Title XIX non-psychiatric funds	2,206,959	1,941,498		2,206,959	1,941,498	
loss of incentive award/match child support enforcement hearings	407,677	0		407,677	0	
PRIDE	18,874	109,500		18,874	109,500	
family foster care	80,945	222,183		80,945	222,183	
subsidized adoption and medical	58,441	255,277		58,441	255,277	
field support services	102,217	505,722		102,217	505,722	
	68,304	206,420		68,304	206,420	
Total of items listed	22,819,090	19,977,396	0.0	23,815,680	22,452,186	0.0

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

A. FMAP

An increase of \$13,193,423 from the State General Fund is necessary due to a change in the FMAP (Federal Medical Assistance Percentage) rate. This change results in an appropriation shift to the State General Fund from federal funds.

(The Federal government pays a share of the medical assistance expenditures under each State's Medicaid program. That share, known as the FEDERAL MEDICAL ASSISTANCE PERCENTAGE or FMAP, is determined annually by the feds with a formula that compares the State's average per capita income level with the national income average. States with a higher per capita income level are reimbursed a smaller share of their costs. In State Fiscal Year 2008 the federal share will be 60.75% and the state share will be 39.25%. This is 2.71% higher than what the state's share was last year.)

Note that this is only a portion of the total cost of the FMAP change to South Dakota. The Department of Human Services and the Department of Corrections budgets are also impacted.

<u>Division</u>	<u>Amount</u>
Economic Assistance	13,375
Medical & Adult Services	12,479,645
Children's Services	700,403
DEPARTMENT TOTAL	<u>\$13,193,423</u>

B. 3% PROVIDER INFLATION

The Governor recommends a provider inflation **increase of 3% equating to \$28,545,475** from all funds. The department initially requested a 2% provider inflation increase.

Note this is only a portion of the total cost of the provider inflation change to South Dakota. The Department of Human Services and the Department of Health budget's are also impacted.

<u>Division</u>	<u>General Funds</u>	<u>Total</u>
Economic Assistance	359,558	659,558
Medical & Adult Services	10,570,432	27,000,071
Children's Services	289,308	794,811
DEPARTMENT TOTAL	<u>\$11,219,298</u>	<u>\$28,454,440</u>

(The department includes increased costs with provider inflation in the Economic Assistance division.)

C. ADMINISTRATION

➤ Technology: The Governor recommends a **decrease of \$141,168** from all funds for computer consultants. The Department plans to reduce two consultant contracts of \$285,240 and increase State Computer Consultants by \$144,072. BIT is proposing to add two (2.0) additional FTE and funding to provide these services.

D. MEDICAL & ADULT SERVICES

➤ Medical Services: The Governor recommends an **increase of \$11,331,350** for an increase in medical services. The agency explains this is for the projected increase in clients and an increase in utilization. (\$4,362,081 general, \$6,969,269 federal)

➤ Loss of Title XIX Non-Psychiatric Funding: The Governor recommends a **net increase of \$333,631** due to a change in this guideline. Federal guidelines have changed relating to funding for Group and Residential Treatment facilities. (**\$1,737,110 general increase** and -\$1,403,479 federal decrease)

➤ Long Term Care Services: The Governor recommends a **decrease of \$3,092,343** for Long Term Care Services. The agency explains this is due to a reduction of total anticipated Medicaid days from 1,452,039 in FY07 to 1,421,400 in FY08. (\$1,213,745 general decrease, \$1,878,598 federal decrease)

➤ In-Home Services: The Governor recommends a **decrease of \$650,000 general funds and an offsetting increase of \$650,000 in other funds** for in-home adult services. The agency indicates it

is using homemaker donations in place of general funds and that this is a one-time use of these funds to minimize the general fund request.

➤ Medical Services: The Governor recommends a **decrease of \$17,674,324** due to reduced costs of the Medical Services budget. (\$7,754,729 general decrease, \$9,919,595 federal decrease)

E. CHILDREN'S SERVICES

➤ Loss of Title XIX Non-Psychiatric Funding: The Governor recommends a **net increase of \$1,941,498** due to a change in this guideline. Federal guidelines have changed relating to funding for Group and Residential Treatment facilities. (**\$2,206,959 general increase** and -\$265,461 federal decrease)

➤ Child Support Enforcement: The Governor recommends a funding source change of **\$407,677 general fund increase, \$1,723,379 federal fund decrease and \$1,315,702 other funds increase** for child support enforcement. The agency indicates incentive awards can no longer be used as a match for the child support enforcement budget. This change is a result of the Deficit Reduction Act. The agency plans to utilize some unspent incentive dollars in FY08 as a one-time offset to its general fund request.

➤ Child Support Enforcement Hearings: The Governor recommends an **increase of \$109,500** for increased costs to UJS (Unified Judicial System). The agency explains the change is due to increased costs to UJS for referees associated with conducting child support establishment and modification hearings in IV-D child support cases. UJS anticipates the cost of these hearings to increase from \$220 to \$250 in FY08. (\$18,874 general, \$72,270 federal, \$18,356 other)

➤ Placement Resource Recruitment/Training (PRIDE): The Governor recommends an **increase of \$222,183** to expand the PRIDE program. The agency proposes to increase the contract with Children's Home Society for the expansion. The change will allow 10 additional PRIDE sessions per year and will increase the number of foster and adoptive homes. This increase will also increase the number of kinship studies completed by Children's Home Society. (\$80,945 general, \$141,238 federal)

➤ Family Foster Care: The Governor recommends an **increase of \$255,277** for family foster care. This change is due to the agency's estimated increase in caseloads. (\$58,441 general, \$175,323 federal, \$21,513 other)

➤ Subsidized Adoption and Medical: The Governor recommends an **increase of \$505,722** for subsidized adoptions and medical. \$180,000 is for a contract with Children's Home Society. The contract is for the provision of specialized, individual recruitment for children who due to their behavioral and emotional issues, are difficult adoption candidates. The contract also provides post adoption services to families in the areas of respite care, counseling, family therapy, in-home services and evaluation. The remaining change is due to increased caseloads. (\$102,217 general, \$402,824 federal, \$681 other)

➤ Child Protection Services-Field Support Services: The Governor recommends an **increase of \$206,420** for increased travel, space, supplies, postage and heating in the field support offices. This request aligns the budget with 2006 actual expenditures. (\$68,304 general, \$138,116 federal)

Administration

The Administration Division manages and coordinates all other offices, programs, and activities in the agency. It provides the services of legal, statistical analysis, budgetary review, accounting and financial management, provider reimbursement and audits, electronic benefits, and operations technology services.

The total recommended budget for Administration consists of \$6,390,920 from the General Fund, \$18,786,906 of federal fund authority, and \$218,924 from other funds, for a total budget of \$25,396,750 and 166.7 FTEs.

Item:	Actual FY2006	Budgeted FY2007	Agency Requested FY2008	Governor's Recommended FY2008	Inc/Dec FY2008	% Change From FY07
Personal Services	6,107,154	6,792,334	6,792,334	7,072,859	280,525	4.1%
Travel	133,108	148,056	148,056	148,056	-	0.0%
Contractual Services	7,594,944	17,104,114	16,962,946	16,969,945	(134,169)	(0.8%)
Supplies & Materials	147,738	133,539	133,539	133,539	-	0.0%
Grants And Subsidies	626	-	-	-	-	0.0%
Capital Outlay	2,392,822	1,072,351	1,072,351	1,072,351	-	0.0%
Other	11	-	-	-	-	0.0%
Total	16,376,403	25,250,394	25,109,226	25,396,750	146,356	0.6%
Funding Types:						
General	6,958,689	6,292,158	6,270,983	6,390,920	98,762	1.6%
Federal	9,411,104	18,739,661	18,619,668	18,786,906	47,245	0.3%
Other	6,611	218,575	218,575	218,924	349	0.2%
Total	16,376,403	25,250,394	25,109,226	25,396,750	146,356	0.6%
FTE	158.8	166.7	166.7	166.7	0.0	0.0%

REVENUES – None Reported

➤ **Technology:** The Governor recommends a **decrease of \$141,168** from all funds for computer consultants. The Department plans to reduce two consultant contracts of \$285,240 and increase State Computer Consultants by \$144,072. BIT is proposing to add two (2.0) additional FTE and funding to provide these services.

PERFORMANCE INDICATORS

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
ADMINISTRATIVE HEARINGS:							
Fair Hearings Requested	350	371	21	400	375	(25)	375
RECOVERIES and INVESTIGATIONS:							
Fraud Investigation Activity:							
Investigations Assigned	760	814	54	850	800	(50)	820
Fraud Prevention Investig. Completed	450	104	(346)	130	125	(5)	125
Fraud Prevention Investig. Substantiated	100	81	(19)	110	90	(20)	90
Investigations Completed	650	1,322	672	840	1,300	460	1,300
Fraud and Nonfraud Recovery Activity:							
Dollars Recovered	\$26,000,000	\$30,114,042	4,114,042	\$25,000,000	\$20,000,000	(5,000,000)	\$20,000,000
State Share of Dollars Recovered	\$9,360,000	\$10,841,055	1,481,055	\$8,625,000	\$7,308,000	(1,317,000)	\$7,534,000

Economic Assistance

The Economic Assistance division provides financial, medical, food, and energy assistance to eligible people to enable them to achieve and maintain a reasonable standard of living.

The total recommended budget for Economic Assistance consists of \$20,310,935 from the General Fund, \$42,324,067 of federal fund authority, and \$300,000 of other funds for a total budget of \$62,935,002 and 315.5 FTEs.

Item:	Actual FY2006	Budgeted FY2007	Agency Requested FY2008	Governor's Recommended FY2008	Inc/Dec FY2008	% Change From FY07
Personal Services	13,064,943	14,205,003	14,205,003	14,796,054	591,051	4.2%
Travel	354,398	356,298	356,766	356,766	468	0.1%
Contractual Services	2,207,266	2,035,065	2,025,897	2,049,667	14,602	0.7%
Supplies & Materials	1,004,143	1,000,738	997,894	997,894	(2,844)	(0.3%)
Grants And Subsidies	38,961,644	44,063,519	44,690,371	44,734,621	671,102	1.5%
Capital Outlay	3,834	-	-	-	-	0.0%
Other	1,316	-	-	-	-	0.0%
Total	55,597,544	61,660,623	62,275,931	62,935,002	1,274,379	2.1%
Funding Types:						
General	20,276,300	19,678,266	20,006,949	20,310,935	632,669	3.2%
Federal	35,321,244	41,982,357	41,968,982	42,324,067	341,710	0.8%
Other	-	-	300,000	300,000	300,000	0.0%
Total	55,597,544	61,660,623	62,275,931	62,935,002	1,274,379	2.1%
FTE	310.0	315.5	315.5	315.5	0.0	0.0%

REVENUES – None Reported

➤ 3% provider inflation increase for the Economic Assistance Division is **\$659,558** (\$359,558 general, \$300,000 federal). (The department includes increased costs with provider inflation in this division.)

➤ FMAP change (-federal + general) for Economic Assistance Division is **\$13,375**.

PERFORMANCE INDICATORS

	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
ENERGY ASSISTANCE							
Weatherization:							
Homes Weatherized/Average Cost	1,315/2,730	1,190/\$,2450		1250/\$2,805	1,100/\$2,805	NA	1,100/\$2,805
Elderly Households Served	968	430	(538)	575	450	(125)	450
Energy Assistance:							
Househld Served/Elderly Househld Served	17,858/8,792	18,169/6,638	NA	18,821/6,750	18,821/6,750	NA	19,421/6,900
Community Assistance:							
Individuals Served	30,450	37,614	7,164	35,000	38,000	3,000	38000
MEDICAL ELIGIBILITY							
Total Avg. Persons Elig. (XIX & XXI)	100,404	100,274	(130)	101721	102446	725	104335
Aged/Blind	5,707/98	5,608/91	NA	5,415/94	5,512/91	NA	5,417/91
Disabled Adults/Disabled Children	10,774/2,368	10,955/2,431	NA	11,281/2,372	11,140/2,500	NA	11,342/2,550
DSS and DOC Foster Care Children	3,600	3,606	6	3,402	3,692	290	3731
Pregnant Women (Pregnancy Serv.)	1,830	1,832	2	1765	1806	41	1780
Medical Programs for Low Income Children:							
Title XIX Funded	31,530	31,204	(326)	317,412	31,715	(285,697)	32064
Title XXI Funded <140%/140-200% of FPL	7,950/2,129	8,679/2,417	NA	8,553/2,329	9,081/2,528		9,500/2,645
Medicare Savings Program - QMB	2,973	2,973	0	2,995	3,280	285	3587
Supplemental Medical Insurance (Buy-In):							
Medicare Sav. Program-SLMB & QI-1	NA	1,527/649	NA	1,484/625	1,676/770	NA	1,826/894
Total Medicare Part A/B Buy-In Recipients	NA	926/14,683	NA	1,110/14,862	1,110/14,862	NA	1,110/14,862
Renal Disease		11	11	9	11	2	11
FOOD & NUTRITION PROGRAMS:							
Food Stamp (FS) Benefits Issued	55,969,479	65,357,779	9,388,300	68,668,986	69,523,262	854,276	73,481,644
FS Certified Households/Persons Ave./Mo.	29,816/63,529	23,766/58,642	NA	27,879/65,766	25,281/62,379	NA	26,720/65,931
FS: EMPLOY & TRAING PARTIC.(Ave./mo)	1400	1584	184	1350	1595	245	1595
TANF CASES (Per Mo./Avg. Pay)	3003/353.36	2,829/\$359.27	NA	3,004/363.32	3,005/\$360.25	NA	3,005/\$360.25
TANF Parent Cases (Avg per Month)	1,100	1,018	(82)	1,050	1,025	(25)	1025
Annual Job Placements	1,575	1,425	(150)	1,575	1,450	(125)	1450
AUXILIARY PLACEMENT:							
Children Served	665	659	(6)	665	665	0	690
DOC Children/CPS & Aux. Children	233/432	246/413	NA	245/420	245/420	NA	261/429

Medical and Adult Services

The Medical Services division provides medical assistance to eligible South Dakotans under Medicaid (Title XIX of the Social Security Act). It also provides a range of in-home and community based services to older adults in accordance with the Older Americans Act as well as administering the Victim Assistance programs.

The total recommended budget for Medical and Adult Services consists of \$212,183,855 from the General Fund, \$368,901,092 of federal fund authority, and \$3,486,090 from other funds, for a total budget of \$584,571,037 and 134.5 FTEs.

Item:	Actual FY2006	Budgeted FY2007	Agency Requested FY2008	Governor's Recommended FY2008	Inc/Dec FY2008	% Change From FY07
Personal Services	6,074,524	6,572,334	6,572,334	6,845,878	273,544	4.2%
Travel	315,364	320,942	330,633	330,633	9,691	3.0%
Contractual Services	4,037,019	11,437,094	11,611,776	11,617,776	180,682	1.6%
Supplies & Materials	420,283	485,200	461,895	461,895	(23,305)	(4.8%)
Grants And Subsidies	499,395,594	547,577,538	571,826,105	565,314,419	17,736,881	3.2%
Capital Outlay	691	-	436	436	436	0.0%
Other	-	-	-	-	-	0.0%
Total	510,243,475	566,393,108	590,803,179	584,571,037	18,177,929	3.2%
Funding Types:						
General	167,409,047	192,568,809	215,302,335	212,183,855	19,615,046	10.2%
Federal	340,058,675	370,993,650	372,670,195	368,901,092	(2,092,558)	(0.6%)
Other	2,775,753	2,830,649	2,830,649	3,486,090	655,441	23.2%
Total	510,243,475	566,393,108	590,803,179	584,571,037	18,177,929	3.2%
FTE	136.4	134.5	134.5	134.5	0.0	0.0%

REVENUES – None Reported

FMAP (Federal Medical Assistance Percentage) is the percentage of federal matching funds a state receives for its Medicaid Program. It is calculated based on a three-year average of state per capita personal income compared to the national average. South Dakota's FMAP rate is going down because its personal income is going up.

Year	State %	Federal %	For every SD dollar, CMS matches with:
2008	39.25%	60.75%	\$1.53
2007	36.54%	63.46%	\$1.74
2006	34.69%	65.31%	\$1.88
2005	34.06%	65.94%	\$1.94
2004 - Fiscal Relief-first 3 quarters of FFY	31.38%	68.62%	\$2.19
2004 - Original	34.33%	65.67%	\$1.91
2003 - Fiscal Relief-final 2 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

- FMAP change for Medical and Adult Services (-federal +general funds) is **\$12,479,645**.
- 3% provider inflation increase of **\$27,000,071** (\$10,570,432 general) for Medical and Adult Services.
- Medical Services: The Governor recommends an **increase of \$11,331,350** for an increase in medical services. The agency explains this is for the projected increase in clients and an increase in utilization. (\$4,362,081 general, \$6,969,269 federal)
- Loss of Title XIX Non-Psychiatric Funding: The Governor recommends a **net increase of \$333,631** due to a change in this guideline. Federal guidelines have changed relating to funding for Group and Residential Treatment facilities. (**\$1,737,110 general increase** and -\$1,403,479 federal decrease)
- Long Term Care Services: The Governor recommends a **decrease of \$3,092,343** for Long Term Care Services. The agency explains this is due to a reduction of total anticipated Medicaid days from 1,452,039 in FY07 to 1,421,400 in FY08. (\$1,213,745 general decrease, \$1,878,598 federal decrease)
- In-Home Services: The Governor recommends a **decrease of \$650,000 general funds and an offsetting increase of \$650,000 in other funds** for in-home adult services. The agency indicates it is using homemaker donations in place of general funds and that this is a one-time use of these funds to minimize the general fund request.
- Medical Services: The Governor recommends a **decrease of \$17,674,324** due to reduced costs of the Medical Services budget. (\$7,754,729 general decrease, \$9,919,595 federal decrease)

<u>PERFORMANCE INDICATORS</u>	<u>FY06</u>			<u>FY07</u>			<u>FY08</u>
	<u>Original Estimate</u>	<u>Actual</u>	<u>Difference Over (Under) Estim.</u>	<u>Original Estimate</u>	<u>Current Estimate</u>	<u>Change in Estimate</u>	<u>Estimate</u>
Total Title XIX Eligibles	90,325	89,178	(1,147)	90,839	90,837	(2)	92,190
Total Title XXI Eligibles	10,079	11,096	1,017	10,882	11,609	727	12,145
Total Avg. Persons Elig (XIX & XXI)	100,404	100,274	(130)	101,721	102,446	725	104,335
Total Avg Cost Per Title XIX Eligible	\$4,156	\$3,664	(492)	\$3,828	\$3,864	36	\$4,110
Average Cost Per Prescription	\$69.84	\$64.49	(5)	\$72.15	\$69.65	(3)	\$76.62
Childrens Care Hospital:							
Avg. Residents/Per Diem Paid	55/\$310	55/\$308.13	NA	65/373.19	55/\$326.34	NA	55/\$386.94
Managed Care Program Participants:							
Eligibles/Physicians in Primary Care	74,108/657	74,585/694	NA	76,516/659	76,199/694	NA	77,604/694
ADULT SERVICES AND AGING:							
Avg Monthly Cases/Unduplicated Clients	6,250/11,000	6,250/9,317	NA	6,250/10,000	6,250/10,000	NA	6,250/10,000
Personal Care, Nurs. & Homemaker Clients	5,074	5,074	0	950	5,250	4,300	5,250
Contracted Nursing and Aide Hours	390,000	380,653	(9,347)		423,462	423,462	423,462
Adult Day Care Hours/Clients	38,700/136	38,700/136	NA	65,000/175	57,180/150	NA	60,000/200
Adult Foster Care	11	11	0	15	15	0	15
Victims Services							
Unduplicated Victims Served/Sheltered	16,970/4,113	16,976/4,113	NA	16,000/4,000	17,000/4,200	NA	17,000/4,200
Victims Compensation Claims Approved	260	260	0	350	325	(25)	350

Children's Services

The Children's Services division provides services to families in the areas of child support and enforcement, child protection services, and child care services.

The total recommended budget consists of \$24,610,870 from the General Fund, \$53,830,647 of federal fund authority and \$5,193,426 from other funds, for a total budget of \$83,634,943 and 373.8 FTEs.

Item:	Actual FY2006	Budgeted FY2007	Agency Requested FY2008	Governor's Recommended FY2008	Inc/Dec FY2008	% Change From FY07
Personal Services	16,088,156	17,233,600	17,233,600	17,945,602	712,002	4.1%
Travel	1,156,273	1,087,080	1,238,222	1,238,222	151,142	13.9%
Contractual Services	6,427,731	7,125,715	7,749,862	7,762,478	636,763	8.9%
Supplies & Materials	1,513,966	1,514,762	1,546,256	1,546,256	31,494	2.1%
Grants And Subsidies	48,790,533	51,756,090	54,852,982	55,090,385	3,334,295	6.4%
Capital Outlay	57,874	-	-	-	-	0.0%
Other	64,464	52,000	52,000	52,000	-	0.0%
Total	74,098,997	78,769,247	82,672,922	83,634,943	4,865,696	6.2%
Funding Types:						
General	25,395,626	20,415,921	24,284,569	24,610,870	4,194,949	20.5%
Federal	47,162,203	54,496,937	53,267,503	53,830,647	(666,290)	(1.2%)
Other	1,541,169	3,856,389	5,120,850	5,193,426	1,337,037	34.7%
Total	74,098,997	78,769,247	82,672,922	83,634,943	4,865,696	6.2%
FTE	373.7	373.8	373.8	373.8	0.0	0.0%

REVENUES

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
Income Withholding	44,300,000	43,339,456	(960,544)	46,100,000	45,500,000	(600,000)	47,800,000
Direct from Noncustodial Parents	12,300,000	14,059,381	1,759,381	14,600,000	15,000,000	400,000	15,800,000
Non-DCS Collections	15,700,000	15,178,361	(521,639)	16,000,000	15,500,000	(500,000)	15,800,000
IRS Tax Refund Offsets	4,200,000	4,322,444	122,444	4,200,000	4,300,000	100,000	4,300,000
Received from Other States	6,000,000	5,840,420	(159,580)	6,200,000	6,000,000	(200,000)	6,300,000
Total	82,500,000	82,740,062	240,062	87,100,000	86,300,000	(800,000)	90,000,000

- **FMAP** change for Children's Services (-federal +general funds) is **\$700,403**.
- **3% provider inflation** increase of **\$794,811** (\$289,308 general) for Children's Services.
- **Loss of Title XIX Non-Psychiatric Funding:** The Governor recommends a **net increase of \$1,941,498** due to a change in this guideline. Federal guidelines have changed relating to funding for Group and Residential Treatment facilities. (**\$2,206,959 general increase**, \$265,461 federal decrease)
- **Child Support Enforcement:** The Governor recommends a funding source change of **\$407,677 general fund increase, \$1,723,379 federal fund decrease and \$1,315,702 other funds increase** for child support enforcement. The agency indicates incentive awards can no longer be used as a match for the child support enforcement budget. This change is a result of the Deficit Reduction

Act. The agency plans to utilize some unspent incentive dollars in FY08 as a one-time offset to its general fund request.

➤ Child Support Enforcement Hearings: The Governor recommends an **increase of \$109,500** for increased costs to UJS (Unified Judicial System). The agency explains the change is due to increased costs to UJS for referees associated with conducting child support establishment and modification hearings in IV-D child support cases. UJS anticipates the cost of these hearings to increase from \$220 to \$250 in FY08. (\$18,874 general, \$72,270 federal, \$18,356 other)

➤ Placement Resource Recruitment/Training (PRIDE): The Governor recommends an **increase of \$222,183** to expand the PRIDE program. The agency proposes to increase the contract with Children's Home Society for the expansion. The change will allow 10 additional PRIDE sessions per year and will increase the number of foster and adoptive homes. This increase will also increase the number of kinship studies completed by Children's Home Society. (\$80,945 general, \$141,238 federal)

➤ Family Foster Care: The Governor recommends an **increase of \$255,277** for family foster care. This change is due to the agency's estimated increase in caseloads. (\$58,441 general, \$175,323 federal, \$21,513 other)

➤ Subsidized Adoption and Medical: The Governor recommends an **increase of \$505,722** for subsidized adoptions and medical. \$180,000 is for a contract with Children's Home Society. The contract is for the provision of specialized, individual recruitment for children who due to their behavioral and emotional issues, are difficult adoption candidates. The contract also provides post adoption services to families in the areas of respite care, counseling, family therapy, in-home services and evaluation. The remaining change is due to increased caseloads. (\$102,217 general, \$402,824 federal, \$681 other)

➤ Child Protection Services-Field Support Services: The Governor recommends an **increase of \$206,420** for increased travel, space, supplies, postage and heating in the field support offices. This request aligns the budget with 2006 actual expenditures. (\$68,304 general, \$138,116 federal)

PERFORMANCE INDICATORS

	FY06			FY07			FY08
	Original Estimate	Actual	Difference Over (Under) Estim.	Original Estimate	Current Estimate	Change in Estimate	Estimate
CHILD SUPPORT:							
TANF/IVE Cases	3,100	3,459	359	3,100	3,600	500	3,700
Non-TANF Cases	25,200	26,217	1,017	25,800	28,200	2,400	30,000
TANF/IVE Arrears Only Cases	6,400	6,758	358	6,600	6,800	200	6,800
Non-DCS Cases	8,600	8,166	(434)	8,900	8,600	(300)	9,000
Total Payments Processed	480,000	499,075	19,075	425,000	520,000	95,000	540,000
Paternities Established	800	625	(175)	800	650	(150)	700
CHILD PROTECTION SERVICES:							
All Types of Requests for Services	21,015	18,838	(2,177)	19,500	19,000	(500)	19,000
Abuse & Neglect Requests for Srvs.	17,315	15,207	(2,108)	15,970	15,200	(770)	15,200
Assigned A/N Requests for Srvs./Children	5,146/9,101	4,074/7,476	NA	4,312/7,654	4,104/7,600	NA	4,104/7,600
Disposed A/N Requests for Srvs./Children	4,672/8,913	3,684/6,822	NA	4,250/7,650	3,504/7,387	NA	3,504/7,387
Children at Risk of Maltreatment	4,624	4,164	(460)	4,682	4,180	(502)	4,180
Children Req. Removal from Home	2,480	1,403	(1,077)	1,498	1,421	(77)	1,421
Children Staying at Home Need. Svcs	1,968	1,762	(206)	2,481	1,797	(684)	1,797
Adoption Subsidies:							
Mo. Avg. Maintenance & Med./Med. Only	1,179/64	1,207/61	NA	1,196/70	1,245/65	NA	1,269/70
Annual Maintenance Cost Per Client	\$4,393	\$4,299	(94)	\$4,465	\$4,465	0	\$4,637
Subsidized Guardianships:							
Average Clients/Cost Per Year	105/\$4,127	128/\$4,258	NA	148/3,986	148/\$4,363	NA	148/\$4,470
Alternative Care Placements:							
Relative Placemts Avg. Clients/Month	209	279	70	290	290	0	300
Avg. Out-of-Home Paid Placemts/Mo	1,317	1,295	(22)	1,317	1,334	17	1,334
Pd Placemts-Mo. Avg. Clients/Avg. Cost:							
Basic Foster Care	646/438	672/\$415	NA	646/456	672/\$456	NA	672/\$465
Specialized Treatment Foster Care	85/752	159/\$1,236	NA	91/792	184/\$1,277	NA	189/\$1,302
Emergency Care	147/265	128/\$276	NA	147/276	137/\$296	NA	137/\$301
Group and Residential Care	254/3,440	241/\$3,889	NA	240/3,836	241/\$3,889	NA	81/\$3,206
Psychiatric Facilities for Children	95/5,983	95/\$6,216	NA	100/6,206	100/\$6,603	NA	257/\$5,478
Child Care Assistance:							
Average Monthly Families Served	2,730	2,713	(17)	2,756	2,813	57	2,913
Average Monthly Children Served	4,883	4,883	0	4,961	5,063	102	5,243
Average Monthly Payment Per Case	\$377	\$377	0	\$381	\$380	(1)	\$409
Child Care Licensing and Registration:							
Registered Family Day Care Providers	930	907	(23)	900	910	10	920
Licensed Grp Family Day Care Centers	105	91	(14)	107	92	(15)	93
Licensed Day Care Centers	150	152	2	158	158	0	163
Licensed Out-of-School Time Progs	155	159	4	160	164	4	168

Other Departmental Issues

A. Interim Appropriation Actions

No interim appropriation actions were taken.

B. Audit Findings

The Department of Legislative Audit's 2005 Single Audit Report does list several current and prior audit findings. However, in all cases the Department of Social Services concurs with the finding and has implemented or plans to implement the necessary corrective action. (The department has worked collaboratively with Legislative Audit to resolve prior audit findings.)