

2013-15 Policy Option Package

Agency Name: Department of Human Services
Program Area Name: Child Welfare Programs
Program Name: Child Welfare Program Delivery & Design
Policy Option Package Initiative:
Policy Option Package Title: Title IV-E Foster Care Eligibility Rate
Policy Option Package Number: 106-6
Related Legislation: Not Applicable
Program Funding Team: Safety

Summary
Statement:

Department of Human Services must change their formula for calculating the Title IV-E eligibility rate which would create an \$11 million loss of federal revenue. With three additional policy analyst in the Federal Advocacy and Integrity unit, Child Welfare could increase their Title IV-E eligibility rate. For each 1% the eligibility rate is increased the federal revenue loss will be reduced by \$2 million. The goal is to achieve a 5.9% eligibility increase, which would offset POP position request as well as cover the loss of Federal Fund revenue.

	General Fund	Other Funds	Federal Funds	Total Funds
<u>Policy Option Package Pricing:</u>	\$11,302,586	\$3,063	\$232,479	\$11,538,128

1. WHAT WOULD THIS POLICY OPTION PACKAGE (POP) DO AND HOW WOULD IT BE IMPLEMENTED?

In April 2012, the Administration for Children and Families' clarified how states are to calculate their foster care Title IV-E eligibility rates. As a result, Child Welfare must correct the formula used to calculate its eligibility rate. By correcting the formula, it is estimated that Child Welfare will lose \$11 million in federal funds per biennium. These funds are used to pay Child Welfare and Central Services administrative costs, paid through a cost allocation methodology.

Add three Operations and Policy Analyst 2 positions to the Federal Advocacy and Integrity unit.

2. WHY DOES DEPARTMENT OF HUMAN SERVICES PROPOSE THIS POP?

The three additional analysts are needed to mitigate the potential reduction of \$11 million in federal funds. The three additional analysts would be responsible for working with the Title IV-E eligibility specialists in the field to clean up approximately 800 pended cases and develop processes and procedures to ensure timely determinations of Title IV-E eligibility. The goal is to increase the eligibility rate by 5.5% to mitigate the loss of \$11 in million federal funds. An increase of just 1% reduces the loss by \$2 million in federal funds (per biennium). On-going duties would include training, technical assistance, monitoring and quality assurance of all Child Welfare federal eligibility programs (Title XIX, TANF-EA and Targeted Case Management). The main responsibility of these positions will be to improve and maintain the eligibility rates for Title IV-E, Title XIX, TANF-EA and documentation of Targeted Case Management to maximize federal reimbursement for Child Welfare programs.

3. HOW DOES THIS FURTHER THE AGENCY'S MISSION OR GOALS?

Without these positions the Office of Child Welfare Program would be unable to meet two of the Financial Breakthrough goals for 2012 and 2013. These goals are:

- Federal funds increased thru increased eligibility percentages.
- Financial program integrity is improved.

4. IS THIS POP TIED TO A DHS PERFORMANCE MEASURE? IF YES, IDENTIFY THE PERFORMANCE MEASURE. IF NO, HOW WILL DHS MEASURE THE SUCCESS OF THIS POP?

It's related to the NOW Fundamentals Outcome Measurement of O6 – Fiscally Responsible. With a significant loss of federal funds the ability to control spending and balance the budget would be negatively impacted.

5. DOES THIS POP REQUIRE A CHANGE(S) TO AN EXISTING STATUTE OR REQUIRE A NEW STATUTE? IF YES, IDENTIFY THE STATUTE AND THE LEGISLATIVE CONCEPT.

No.

6. WHAT ALTERNATIVES WERE CONSIDERED AND WHAT WERE THE REASONS FOR REJECTING THEM?

Using existing staff to try and mitigate this significant change. That wasn't feasible due to current staffing level and would greatly delay the ability to complete the tasks, which would prolong the number of months Child Welfare would have a low Title IV-E eligibility rate.

7. WHAT WOULD BE THE ADVERSE EFFECTS OF NOT FUNDING THIS POP?

Department of Human Services would lose \$11 million in Title IV-E federal funding.

8. WHAT OTHER AGENCIES (STATE, TRIBAL AND/OR LOCAL GOVERNMENT) WOULD BE AFFECTED BY THIS POP? HOW WOULD THEY BE AFFECTED?

Citizen Review Board (CRB) and soon to be Court Appointed Special Advocate (CASA) agencies would be impacted by a reduction in Title IV-E eligibility rate. CRB receives Title IV-E reimbursement for administrative costs associated with completing six month administrative reviews. CASA will receive Title IV-E reimbursement for the costs of providing and attending training related to Child Welfare practice. The Title IV-E eligibility rate is part of the calculation for reimbursement and would amount of reimbursement would be reduced equally.

9. WHAT ASSUMPTIONS AFFECT THE PRICING OF THIS POP?

Implementation Date(s): _____

End Date (if applicable): _____

- a. **Will there be new responsibilities for DHS? None Specify which Program Area(s) and describe their new responsibilities.**

- b. **Will there be new administrative impacts sufficient to require additional funding? Specify which office(s) (i.e., facilities, computer services, etc.) and describe how it will be affected. See Addendum A - Administrative Services Division LC/POP Impact Questionnaire (at the end of this document). Computers, phones and desk space will need to be provided at the Human Services Building.**

- c. **Will there be changes to client caseloads or services provided to population groups? No Specify how many in each relevant program.**

- d. **Will it take new staff or will existing positions be modified? It will take new staff. For each classification, list the number of positions and the number of months the positions will work in each biennium. Specify if the positions are permanent, limited duration or temporary.**
3 OPA2 positions, 24 months per biennium as a permanent employee.

- e. **What are the start-up costs, such as new or significant modifications to computer systems, new materials, outreach and training? New computers and phones.**

- f. **What are the ongoing costs?**

- g. **What are the potential savings?**

- h. **Based on these answers, is there a fiscal impact? No, fiscal impact because these are considered federal revenue generating positions. As stated above, a 1% increase in Title IV-E eligibility rate will increase the federal reimbursement by \$2 million a biennium.**

The goal is to achieve a 5.9% eligibility increase, which would offset POP position request as well as cover the loss of Federal Fund revenue.

TOTAL FOR THIS PACKAGE

<u>Category</u>	<u>GF</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>	<u>Position</u>	<u>FTE</u>
Personal Services	\$260,007	\$2,631	\$199,578	\$462,216	3	3.00
Services & Supplies	\$42,579	\$432	32,901	\$75,912		
Capital Outlay	\$0	\$0	\$0	\$0		
Special Payments	\$11,000,000	\$0	\$0	\$11,000,000		
Other	\$0	\$0	\$0	\$0		
Total	\$11,302,586	\$3,063	\$232,479	\$11,538,128	3	3.00

DHS - Fiscal Impact Summary by Program Area:

	CW Program Delivery	CW Program Design	Program Area 3	Program Area 4	Total
General Fund	\$11,000,000	\$302,586	\$0	\$0	\$11,302,586
Other Fund	\$0	\$3,063	\$0	\$0	\$3,063
Federal Funds- Ltd	\$0	\$232,479	\$0	\$0	\$232,479
Total Funds	\$11,000,000	\$538,128	\$0	\$0	\$11,538,128
Positions	0	3	0	0	3
FTE	0.00	3.00	0.00	0.00	3.00

What are the sources of funding and the funding split for each one?

CW Program Design Revenue Impact:

<u>Description of Revenue</u>	<u>OF</u>	<u>FF</u>	<u>TF</u>
Other (Comp Srce 0975)	\$3,063	\$0	\$0
Medicaid (Comp Srce 0995)	\$0	\$232,479	\$0
Other (Comp Srce 0995)	\$0	\$0	\$0
Other (Comp Srce XXXX)	\$0	\$0	\$0
Other (Comp Srce XXXX)	\$0	\$0	\$0