

DCF FY2016 Budget Testimony

March 30, 2015

Budget Highlights

DCF programs and services foster the healthy development, safety, well-being, and self-sufficiency of Vermonters. We do this through a wide variety of programs and services, administered through our six programmatic divisions:

- Child Development Division (CDD) – child care, early childhood, and afterschool programs
- Economic Services Division (ESD) – 3SquaresVT, General Assistance, LIHEAP, Reach Up
- Family Services Division (FSD) – child protection, ongoing family support services, foster care and youth transitional services, adoption, juvenile justice
- Office of Child Support (OCS)
- Office of Disability Determination Services (DDS)
- Office of Economic Opportunity (OEO) – homeless support services/shelters, anti-poverty/asset development programs, weatherization

Administration & Support Services

- Funding for ESD management, HAEU and Assistant Attorney General Positions
- State Health Care Resources Fund (SHCRF) – this funding for the exchange comes to DCF from DVHA through inter-departmental transfer
- 211 Contract – AHS administers a contract with United Way of Chittenden County to provide 211 and hotline services during non-office hours to all AHS departments, including DCF
- ESD contract for Reach Up Medical Review Team – new contract
 - o Independent medical review of work deferments is required by last year’s Reach Up legislation
- Modifications to leases – BGS mandated costs for new leases
- VSNIP surcharge increase – to address increased demand and the increased cost of veterinary services

Family Services Division

- Position Pilot – added new staff using Reach Up caseload savings to address urgent child protection needs; total of 30 positions
- Substance abuse specialists/screeners – Lund contract
- Transfer from DOC – support services for youthful offenders in DCF custody
- Insurance premium increase - a direct result of the increased caseload
- IV-E foster care Federal Medicaid Assistance Percentage (FMAP) change: 56% of the amount we pay for Medicaid services can be claimed. This funding goes towards the room and board costs for all Title IV-E children in foster care
- Transfer from DOC: Move the Prevent Child Abuse Vermont (PCAV) Nurturing Parent grant to DCF
- Position Pilot Family Support Grants - Strengthening Families Demonstration Project Grants funding was initially allocated to FSD, but grants are managed by CDD through grants to the Parent Child Centers (\$150,000)
- Increase in substitute care/subsidized-adoption/child and family support grants – due to caseload increases
 - o Intakes have increased from 17,500 to 19,500

- 20% increase in custody caseload (908 to 1,096)
- Of children in custody, children 0 - 6 increased 37%
- The overall cost per case went down even though the number went up because there are more young children
- Increase in caseload for Department of Mental Health (DMH) Individualized Service Budgets (ISB) waivers
 - High-needs children in FSD custody are served by the Designated Agencies (DAs) through contracts with DMH through ISBs
 - There has been an increase in cost per case and caseload
 - In 2013, there were 52 children on ISBs; there are currently 62 children on ISBs, at a rate that ranges from \$80-\$289/day
- **Eliminate STEPS program – College of St. Joseph’s grant**
 - The STEPS program funds room and board costs during breaks in the academic year for former foster youth attending St. Joseph’s College
 - We are exploring avenues that will allow former foster youth to have more connected, natural experiences with permanent connections during school breaks
- See Woodside information below

Child Development Division

- Race to the Top – Early Learning Challenge grant (ELCG) spending authority
 - CDD/DCF/AHS is one of five key partners in implementation of the \$37.9 million ELCG in Vermont (other partners are the Governor’s Office, Maternal and Child Health in Department of Health, Agency of Education and the Building Bright Futures Council)
 - ELCG includes 24 inter-related projects that reflect the goals, strategies and priorities described in the Governor’s Early Childhood Framework and Action Plan
 - CDD is directly responsible for leadership in 11 of those projects and \$19.2 million of overall grant funds over the four years of the project
- **Reduce child care referral program costs by centralizing referral line - save \$229,585 annually**
 - Currently child care referral services for Vermont families are contracted out to 12 community agencies as part of the Community Child Care Support Services (CCCSA) network. Six of these are also Parent Child Centers. These agencies also determine eligibility for Child Care Financial Assistance Program and support professional development and program improvement services
 - We propose centralizing child care referral services in SFY16 as part of a hotline created through the Early Learning Challenge Grant

Office of Child Support

- **Reduce contracted and 3rd party – IT services** – Postpone project management work involved in moving OCS off of the Access system
- Barre lease – Buildings and General Services -mandated costs for leases

Economic Services Division

Aid to the Aged, Blind, and Disabled

- Admin check fee increase – a mandated check processing fee assessed by the Social Security Administration; no caseload increase

General Assistance

- Transfers from GA to OEO – efforts to coordinate housing programs and services within DCF, in line with Report to Governor on Plan to Prevent and End Homelessness
 - o Community Housing Grants
 - o Family Supportive Housing
 - o Emergency Solutions Grants
- **Modify Cold Weather Policy/Expand Heating Shelters**
 - o The General Assistance (GA) Emergency Housing Program provides temporary shelter to homeless individuals and families
 - o The proposal seeks to achieve \$300,000 savings; approaches will include expanding the use of warming shelters across the state

3SquaresVT

- Increase in federal funding to support caseload increase; estimate is based on current trends

Reach Up

- GF Transfers – movement of funds for position pilots previously mentioned in Administrative Services and FSD
- Housing case management
 - o Maintained grant programs to support reach up recipients’ efforts to obtain stable housing
 - o We expanded the Vermont Rental Subsidy Program (VRS) (80 of the 140 families receiving VRS are on Reach Up) and improved coordination with the GA temporary housing program for families on Reach Up (a family, for whom Reach Up is the sole source of income, will not be required to contribute any of its income toward the cost of temporary housing)
- Lund contract increase from 22 to 26 beds – given the increased needs of single parents with substance abuse issues, we needed to expand capacity at Lund (cost is \$10,000/bed per month)
- **Count \$125 of SSI income in calculating Reach Up benefit**
 - o Reach Up eligibility determinations have historically excluded SSI income. This proposal will count \$125 of SSI Income for adult household members in the eligibility calculation for Reach Up benefits
 - o SSI grants for children will continue to be excluded
 - o This change will affect approximately 1,106 households
 - o All other DCF eligibility programs count SSI income
- Earned income disregard
 - o In May 2014, the General Assembly enacted legislation that increased the amount of earned income that may be disregarded from \$200 to \$250 for Reach Up and made changes to the Reach Ahead program extending it from 12 to 24 months
- Enhanced child care subsidy
 - o In May 2014, the General Assembly enacted legislation to address the benefits cliff. This legislation extended a guaranteed 100% child care subsidy for families on Reach Ahead from 12 months to 24 months. This positively affects many Vermonters moving off of Reach Up
- Caseload savings – after using Reach Up caseload savings to pay position pilot costs, we project \$2.75 million in savings based on consultant projections

Home Heating Fuel Assistance/LIHEAP

We propose to eliminate the \$6M of state funding for this program.

- The Federal Low-Income Home Energy Assistance Program (LIHEAP) rules stipulate that funds can only be used for program participants who are at or below 150% of the Federal Poverty Level (FPL) threshold
- We currently use state funds to serve individuals who are between 150 - 185% of the FLP for Seasonal Fuel assistance and up to 200% FPL for Crisis Fuel assistance
- Federal law authorizes that up to 15% of the LIHEAP funds can be transferred to the Weatherization program
- We propose to transfer federal LIHEAP funds to the Weatherization Program; then transfer state Weatherization funds to the LIHEAP program. This will enable us to use state funds for LIHEAP recipients who are between 150 - 200% of the FPL

Office of Economic Opportunity

- Transfer from GA to OEO for the management of Community Housing Grants, Family Supportive Housing, and Emergency Solutions Grants – consolidating housing grants within OEO to better coordinate services

Weatherization

- Green Mountain Power (GMP) Weatherization Project completed: The \$2M reduction is due to the end of GMP funds. The associated work will result in approximately 230 fewer homes being weatherized and an approximate 15% reduction in the Weatherization Assistance Program workforce from 150 people to 128 (or a loss of 22 FTEs). This cut will impact the employees of Community Action Agencies that implemented the program.

Woodside

- This facility is part of the Family Services Division
- Teaching staff not eligible for Title-I funding – Woodside is a high school, but Title-I funding may not be used for existing staff, only for enhanced services
- Agency of Education Title-I funding – inter-departmental transfer, using Title-I funding for The Sterns Center to provide services for students with learning disabilities (rather than teaching staff, as above)

Disability Determination Services

- Six new positions – the federal government has funded and approved positions to enhance the workforce for disability determinations related to SSI and Medicaid disabilities