

## Big Picture:<sup>1</sup>

SB 1 as amended spends about \$12 billion more in all funds as compared to HB 1 as passed. But it is still short by \$11 billion to maintain services at 2010-11 levels (accounting for caseload growth). Here's how the additional \$12 billion roughly breaks down:

- Spend an additional \$3 billion from the rainy day fund – may be reduced to extent increase in general revenue estimate
  - Eliminated with floor amendment that also cut Medicaid by \$1.25 billion and across the board cut of 1.2% to GR in every agency except Foundation School Program and constitutionally required programs
- \$2 billion from deferring payment to School Foundation fund
- \$2 billion from other non-tax revenue such as other deferred payments, speeding up tax collections, selling the tobacco settlement annuity
- \$2 billion in bonds for highways
- \$830 million from feds for schools
- \$2.1 billion in additional federal matching funds
  - Contingent on appropriating required GR

Senator West has suggested spending an additional \$3 billion of rainy day fund for 2011 and use freed up GR to spend on public ed in 2012-13

- Would only require 3/5<sup>th</sup> vote of each chamber

With respect to CPS:

- SB 1 appropriates about \$35 million more in CPS funding, \$16 million more in PEI funding and \$5.6 million to NFP
- Foster care rates restored and caseload growth funded in both HB 1 and SB 1 – Foster care redesign should be able to move forward
- HB 1 and SB 1 restored family support and services (for relatives, reunification and in-home) close to 2010-11 levels but did not fund caseload growth and so still 20% less than what CPS needs
- Both HB 1 and SB 1 cut direct delivery staff, although SB 1 has larger cut than HB 1
- SB 1 funds adoption subsidies for 2012-13, HB 1 does not
- SB 1 still cuts child abuse and neglect prevention programs in PEI by 40% and NFP by 18%

### Statewide Intake – HB 1 and SB 1 are the same

Both HB 1 as passed and SB 1 as amended cut 17.2 FTEs

- Projected increase in hold time from 8.9 minutes (FY 10) to 10.5 minutes (FY 13) and 18% increase in abandonment rate (additional 85,000 calls abandoned over the biennium)

### CPS Direct Delivery Staff – HB 1 funds more than SB 1

DFPS needed \$73 million in GR funding to keep currently authorized 749 FTEs.

HB 1 as passed included \$48 million funding for 462 FTEs. Means 184 FTEs cut from direct delivery staff, including 88 caseworker FTEs.

- Projected caseload increases from FY 11: INV (7%), FBSS (25%) and CVS (6%)
- Will likely increase turnover – already 1 in 4 caseworkers leave every year<sup>2</sup>

SB 1 as amended included \$40 million funding for 462 FTEs. Means 287 FTEs cut from direct delivery staff, including 146 caseworker FTEs.

- Projected caseload increases from FY 11: INV (9%), FBSS (26%) and CVS (8%)
- Will likely increase turnover – already 1 in 4 caseworkers leave every year

### Foster care payments and day care – SB 1 funds more than HB 1

HB 1 as passed restored rate reduction and funded most of projected caseload growth. SB 1 as amended restored rates and fully funded projected caseload growth. In either case, funding should be sufficient to move forward with foster care redesign.

### Relative payment program, day care and assessments – HB 1 and SB 1 are the same

HB 1 as passed and SB 1 as amended restored all 3 parts of relative support to 2010-11 levels. SB 1 requires DFPS to use a sliding scale for relative day care.

Neither HB 1 as passed nor SB 1 as amended funded caseload growth, meaning some children who could've stayed with a relative will still go into foster care.<sup>3</sup>

- Average spending in 2009 per child for relative care: \$ 2,432<sup>4</sup>
- Average spending in 2009 per child for foster care: \$14,588

### Protective Day Care – SB 1 funds more than HB 1

HB 1 as passed was \$2 million less than 2010-11 funding levels and did not fund caseload growth.

- An estimated 5,400 children<sup>5</sup> who need protective day care will not get it and may end up in foster care instead of staying at home
- Average monthly protective day care cost: \$ 582 vs. Average monthly foster care cost: \$1,943

SB 1 restored funding to 2010-11 levels but did not fund caseload growth.

- An estimated 3,400 children<sup>6</sup> who need protective day care will not get it and may end up in foster care instead of staying at home
- Average monthly protective day care cost: \$ 582 vs. Average monthly foster care cost: \$1,943

### Adoption purchased services – HB 1 and SB 1 are the same

Both HB 1 as passed and SB 1 as amended cut funding by \$5.8 million (about 28%) with assumption that funding would be replaced by county/local organizations.

### Adoption subsidies – SB 1 funds more than HB 1

HB 1 as passed did not restore 1% rate cut and did not fund any adoption subsidies for 2012-13.

- Cost of funding adoption subsidies: \$34 million GR
- Cost of foster care for children who would have otherwise been adopted: \$100 million GR
- Cost to state of not funding adoption subsidies: \$66 million in GR

SB 1 as amended restored the rate cut and funded adoption subsidies for 2012-13.

### PAL Services – HB 1 and SB 1 are the same

HB 1 as passed and SB 1 as amended cut by 5%

### Family/Foster Care purchased services – HB 1 and SB 1 are the same

This includes substance abuse services and other purchased services (excluding relative home assessments). HB 1 as passed and SB 1 as amended cut services by 4%.

- Primarily from discontinuing Family Strengthening program in 2011

### IT – HB 1 and SB 1 are the same

HB 1 as passed and SB 1 as amended cut IT by \$3.7 million

## Prevention – SB 1 funds more than HB 1

HB 1 as passed partially restored funding to STAR program by transferring funds from family planning so that program is now cut by 7%. Child abuse and neglect prevention programs in PEI cut by 55%. Nurse Family Partnership cut by 50%. HB 1 also contains a contingency rider that if HB 259 (imposing video subscription fees) passes, all PEI funding will be restored to 2010-11 levels (does not include NFP). HB 259 is still pending in House Committee. HB 2637/SB 1867 would pull funding from marriage license fees that currently goes into the Children's Trust Fund which is used to fund PEI programs and reallocate it to the Family Trust Fund which funds pre-marital counseling. It appears that HB 2637 will not pass out of committee and SB 1867 will not get a hearing.

SB 1 as amended restored funding for STAR program to 2010-11 levels. Partially restored funding for NFP so now program cut by 18%. Partially restored funding for child abuse and neglect prevention programs in PEI so now cut by 40%.

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<sup>1</sup> Unless otherwise noted, information is from HB 1 as passed, CSHB 1 and information provided by DFPS.

<sup>2</sup> DFPS Rider 13- Human Resources Management Plan, Mid-Year Update. April 1, 2011.

<sup>3</sup> Given the differences in the budgets and how the various line items were calculated, it is difficult to determine exactly how many children overall will not receive some type of support.

<sup>4</sup> *Upside Down Child Protection*. Center for Public Policy Priorities. February 7, 2011.

<sup>5</sup> DFPS estimates that 1,959 children could be provided day care with the \$2.1 million needed to restore the program to 2010-11 levels. In its original legislative appropriations request (LAR), DFPS requested funding for caseload growth to cover 3,430 children.

<sup>6</sup> In its original legislative appropriations request (LAR), DFPS requested funding for caseload growth to cover 3,430 children.