

Discussion Points

DEPARTMENT OF CHILDREN AND FAMILIES (GENERAL)

1. Following Hurricane Sandy in late October 2012, State agencies have been providing a wide range of services to individuals, families, and communities affected by the storm. For instance, DCF deployed teams to State-supported emergency shelters to assist families with securing housing and other needs. DCF also provided various hotlines and support services to youth, foster care families, and child care providers affected by the storm. Many disaster-related services are provided as part of existing State-funded programs, or are supported by existing, increased, or anticipated federal funding. However, significant increases in expenditures of State funds on storm-related activities may be possible.

- **Questions:** What impacts did Hurricane Sandy have on DCF, and which specific DCF programs were most affected? In which programs will federal or other non-State resources, either received or anticipated, likely be insufficient to cover increased, storm-related utilization and expenditures? Please quantify any additional expenditures of FY 2013 State funds anticipated in these programs due to Sandy's impact. Which programs are anticipated to have a continuing need for additional State funds in FY 2014, and where is this specifically reflected in the Governor's FY 2014 Budget Recommendation? What are the department's anticipated total storm-related expenditures, irrespective of funding source or fiscal year?

Answer: DCF maintained essential operations during Super Storm Sandy, including the child abuse and child behavioral health hotlines. In general, the DCF contracted programs, including out of home residential providers were able to maintain operations. Where necessary, disaster plans were activated and children were relocated to alternative sites. Once power was restored, all of the contracted programs were able to operate out of their primary locations with only minimal damage to facilities.

Two programs, the Traumatic Loss Coalition for Youth program and the 2nd Floor Youth Helpline have seen an increased demand for their services, but have not required additional state funding. Based on the experiences of other states, DCF is anticipating an increased service demand in several programs areas, including mental health and domestic violence. DCF will seek supplemental federal funding to address these and other service issues.

To address the devastation of the storm in the Bayshore area of Northern Monmouth County, DCF has established a new Family Success Center in Union Beach. DCF also expanded the services at the existing Family Success Center in Toms River Ocean County.

Through the FEMA disaster assistance program, DCF applied for reimbursement of certain costs related to damage from Super Storm Sandy. To date, applications totaling \$52,263.93 were submitted and approved by FEMA. DCF will receive 75% reimbursement (\$39,197.94) for expenses such as utilization of equipment, debris removal, overtime, administrative costs, food spoilage, the cleaning of a facility used as a shelter.

DCF does not anticipate a need for additional state expenditures related to the storm during Fiscal Year 2013 or 2014. It is anticipated that any programmatic or service needs will be managed with supplemental federal funding for storm related costs.

2. The federal Budget Control Act of 2011 (Pub.L.112-25) and the American Taxpayer Relief Act of 2012 (Pub.L.112-240) provided for the sequestration of federal funds effective March 1, 2013.

Discussion Points (Cont'd)

As of this writing, the sequestration is expected to affect federal funding in certain areas related to programs operated by DCF, such as mental health and substance abuse services.

- **Questions:** What specific State programs does DCF expect to be most significantly affected by the sequestration, and by what amounts? Will any programs require contingency funding if the sequestration is not overridden by Congress? Are any reductions reflected in FY 2013 adjustments or in the Governor's FY 2014 Budget?

Answer: DCF has not received official notification of any reductions to federal grant awards as a result of sequestration. Therefore, the effects of sequestration on Fiscal Year 2014 are being evaluated, as possible reductions are based on unconfirmed estimates. Programs that are being monitored include preventive health funding, rape prevention and education funds, child welfare services, family violence prevention, maternal & child health, educational supports and case management services.

At this time, there are no reductions for sequestration reflected in DCF's Fiscal Year 2013 adjusted budget or in its Fiscal Year 2014 Recommended Budget.

3. Approximately \$34.7 million (gross) in Direct State Services and Grants-in-Aid funding was transferred into DCF from the Division of Developmental Disabilities (DDD) in the Department of Human Services (DHS) as a result of the FY 2013 reorganization into DCF of services for children with developmental disabilities. The General Provisions in the FY 2013 Appropriations Act include language allowing further transfers that may be necessary to operationalize the planned restructuring.

The Governor's FY 2013 Budget anticipated that 6,349 children with developmental disabilities would be affected by the reorganization, and that 11 staff from DDD would be transferred into DCF.

- **Questions:** What additional children, funds, and staff have been transferred during FY 2013? Please disaggregate, by program/service: any additional funding amounts that have been transferred to DCF in FY 2013; and specific DCF accounts that have been affected. What additional transfers of children, funds, or staff are anticipated for FY 2014?

Answer: All children (approximately 16,000) previously determined as eligible to receive services by the Department of Human Services, Division of Developmental Disabilities (DDD) transitioned to DCF. Of this number, nearly 6,300 were receiving a service authorized by DDD. Approximately 500 of those children are in an out of home placement or an intensive in-home service, and 5,800 children receive Family Support Services.

No additional funds above the initial \$34.7 million were transferred into DCF during Fiscal Year 2013. For Fiscal Year 2014, an additional \$1.452 million in Social Services Block Grant Funds will be transferred to DCF from DDD for Family Support Services. In addition, the Fiscal Year 2014 Recommended Budget includes \$1.502 million in State funds to support growth in the Children's Placement Enhancement Project (C-PEP).

4a. The Governor's FY 2014 Budget (page D-161) indicates that, as part of the Statewide reorganization of programs into the DCF, addiction services for adolescents up to age 18 are being

Discussion Points (Cont'd)

transferred to DCF from the Division of Mental Health and Addiction Services (DMHAS) in DHS during FY 2013. Although the FY 2013 Appropriations Act did not reflect any transfers of DMHAS funds, appropriations language allowed for transfers of funds and services during the fiscal year.

In response to an FY 2013 OLS Discussion Point, DCF indicated that the reorganization was expected to commence in January 2013 and that, on an annual basis, at least \$4.3 million previously transferred to DHS was expected to be retained by DCF for substance abuse treatment for adolescents.

- **Questions:** Please provide an update on the reorganization of adolescent addiction services from DMHAS into DCF. Please disaggregate, by program/service: the specific funding amounts that have been transferred to DCF in FY 2013; and the specific DCF accounts that have been affected. How many adolescents, and which specific services, do any funding transfers represent? What further transfers of funds, clients, and services are anticipated for FY 2014?

Answer: There was no transfer of funding or staff during Fiscal Year 2013. The transition of adolescent addiction services will be effective July 1, 2013. In the Fiscal Year 2014 Recommended Budget, approximately \$8 million of federal Substance Abuse Block Grant funds will be realigned from DHS to DCF to support adolescent addiction treatment services for youth under age 18. These funds will be available for outpatient, partial care, residential long term, residential short term and fee for service programs.

The DHS Division of Mental Health and Addiction Services is in the process of quantifying the funding dedicated to the 18-20 year old population so that funding and services can transition during Fiscal Year 2014.

4b. The Governor's FY 2014 Budget also indicates that certain mental health services for adolescents up to age 18 will be transferred from DMHAS to DCF during FY 2014, as will certain mental health and addiction services for individuals ages 18-20.

- **Questions:** Please disaggregate, by program: the specific funding amounts to be transferred to DCF in FY 2014; and the specific DCF accounts that will be affected. How many adolescents, and which specific services, will any funding transfers represent? Which specific adolescent addiction services and mental health services are expected to remain within DMHAS, and how do those services differ (in terms of clients, settings, purposes, etc.) from the services that will be moved to DCF?

Answer: As noted above, the DHS is in the process of quantifying the funding dedicated to the 18-20 year old population so that funding and services can transfer during Fiscal Year 2014. Specific funding levels have not been determined. All of the affected mental health services are in contracts where the detail regarding the allocable portion of cost, revenue and DHS funding for the 18-20 year old population is not routinely collected. DHS constructed a survey that providers are presently completing to aid in developing the allocation.

The following Mental Health services for individuals age 18-20 are expected to transition to DCF:

- Outpatient services
- Intensive Outpatient Treatment and Support Services (IOTSS)

Discussion Points (Cont'd)

- Early Intervention and Support Services
- Partial Care/Hospitalization
- Integrated Case Management Services (ICMS)
- Supported employment
- Justice involved services
- Legal services

All substance abuse treatment services funded by state funds and federal block grant dollars for the 18-20 age group except Medication Assisted Treatment are expected to transition DCF during Fiscal Year 2014.

All substance abuse treatment services funded by the following initiatives/interagency agreements for the 18-20 age group will remain with DMHAS:

- Driving Under the Influence Initiative (DUII) programs
- Drug Court services
- State Parole Board Mutual Agreement Program (SPB-MAP) services for parolees and current inmates awaiting parole
- Department of Corrections Mutual Agreement Program (DOC-MAP) services for inmates

5. The enacted FY 2013 Appropriations Act assumed department savings of approximately \$37.2 million relative to FY 2012, including Executive and Legislative adjustments, as follows:

DIVISION/AREA	ITEM	SAVINGS
Child Protection and Permanency	Additional Federal and Dedicated Resources (dedicated grant increases and increased Title IV-E funds)	\$12.0 million
Child Protection and Permanency	Additional Federal Resources (underestimated Title IV-E funds) ²	\$7.5 million
Child Protection and Permanency; Children’s System of Care	Aggregate trend savings	\$6.3 million
Child Protection and Permanency	Updated hiring plan ¹	\$5.0 million
Children’s System of Care	Out-of-Home Treatment Services trend ¹	\$1.7 million
Children’s System of Care	Mobile Response trend ²	\$3.0 million
Children’s System of Care	In-Home Behavioral Assistance trend ²	\$1.0 million
Safety and Security Services	Department of Human Services Institutional Security Efficiency	\$0.7 million

¹ Executive adjustments to Governor’s FY 2013 Budget recommendations.

² Legislative adjustments to Governor’s FY 2013 Budget recommendations.

Discussion Points (Cont'd)

- **Questions:** For each item, are these savings and additional revenues likely to be realized, based on FY 2013 expenditures and receipts to date? If not, what accounts for any shortfall? What is the anticipated service impact of any shortfall?

Answer: It is anticipated that the additional federal and dedicated revenues (\$12.0 million) will be realized in Fiscal Year 2013. However, the additional Title IV-E revenue (\$7.5 million per the Legislative adjustment that was significantly above the Executive estimates) will not be realized. The Fiscal Year 2013 Adjusted Appropriation reflects the supplemental appropriations needed to address the anticipated shortfalls in the trend savings linked to the Child Protection and Permanency as well as the updated hiring plan. Therefore, no service impacts are anticipated.

Due to the increased federal claiming associated with the Comprehensive Medicaid Waiver, fewer state dollars will be utilized for the programs that were impacted by the Fiscal Year 2013 Legislative reductions to the Children’s System of Care. As a result of this additional Medicaid claiming (higher federal match), there are no state shortfalls anticipated. The savings associated with the Safety and Security Services will be fully realized.

6. The table below indicates the amount of federal revenues anticipated in the Governor’s FY 2012 Budget and actual FY 2012 federal revenues realized, as reported on page C-17 of the Governor’s FY 2014 Budget. Total FY 2012 federal revenues realized were approximately \$16 million higher than originally anticipated, including \$6.9 million in additional Title IV-B funds (an increase of 125 percent).

REVENUE SOURCE	FY 2012 ESTIMATED (\$000)	FY 2012 ACTUAL (\$000)
Title IV-E Foster Care	138,510	138,272
Title IV-B Child Welfare Services	5,500	12,396
Restricted Federal Grants	11,670	---
Community Based Child Abuse Prevention	---	3,186
Family Violence Prevention and Services	---	2,260
Various Federal Programs and Accruals	---	15,522
TOTAL	155,680	171,636

- **Questions:** What accounts for the \$6.9 million in higher than anticipated Title IV-B funds for FY 2012? What accounts for the remaining \$9.1 million in higher than expected federal funds for FY 2012? Please identify the specific sources and amounts contributing to the remaining \$9.1 million increase.

Answer: The Fiscal Year 2012 Estimated amount for Title IV-B only reflects Sub-part 1 of this grant (Child Welfare Services). The Actual Fiscal Year 2012 reflects both the Sub-part 1 grant plus the Title IV-B Sub-part 2 grants (Promoting Safe and Stable Families and Caseworker Visitation). In the previous budget displays, the Sub-part 2 grants were reflected in the Restricted Federal Grants summary but are now combined with Sub-part 1 in the Title IV-B Child Welfare Services revenue category.

Discussion Points (Cont'd)

The remaining \$9.1 million does not reflect new or unexpected revenue but rather is the result of displaying federal accruals which is an accounting adjustment that captures already budgeted revenues expected to be realized across all federal programs.

7. The table below indicates the amount of Title IV-E and Title IV-B federal revenues anticipated in the Governor's FY 2013 Budget and revised estimates for FY 2013 federal revenues presented in the Governor's FY 2014 Budget (page C-17).

Title IV-E Foster Care revenues realized were approximately \$4.2 million higher than originally anticipated, while Title IV-B revenues were approximately \$4.7 million higher than anticipated (an increase of 86 percent).

REVENUE SOURCE	FY 2013 ESTIMATED (\$000)	FY 2013 REVISED (\$000)
Title IV-E Foster Care	149,355	153,569
Title IV-B Child Welfare Services	5,500	10,252

- **Questions:** What accounts for the upwards revisions in estimated Title IV-E funds and Title IV-B funds for FY 2013? Are final Title IV-E and Title IV-B revenues for FY 2013 likely to be higher than those currently estimated?

Answer: The Fiscal Year 2013 Revised amount for Title IV-B does not reflect an upward revision to the original estimate. Rather, the revised amount reflects both Sub-part 1 of this grant (Child Welfare Services) as well as the Title IV-B Sub-part 2 grants (Promoting Safe and Stable Families and Caseworker Visitation). In the previous budget displays, the Sub-part 2 grants were reflected in the Restricted Federal Grants summary but are now combined with Sub-part 1 in the Title IV-B Child Welfare Services revenue category.

The upward revision to the Title IV-E Foster Care estimate reflects the Legislative adjustment made to the Fiscal Year 2013 Governor's Recommended Budget which increased the Title IV-E estimate significantly above the original estimate put forth in the Fiscal Year 2013 Governor's Recommended Budget. Based on our current data and claiming trends, DCF does not anticipate it will reach this revenue target.

Discussion Points (Cont'd)

8a. In February 2013, the Office of the State Auditor (OSA) issued findings from an audit of DCP&P contracted foster care and related services conducted between July 2009 and August 2012. The audit examined average annual expenditures of approximately \$40 million associated with 20 non-profit organizations contracting with DCP&P to provide case management and care coordination for 522 children in foster care placements. These children represented roughly nine percent of the 5,751 children in foster care placements at the time (as of FY 2011), with the remainder under the direct supervision of DCP&P.

The OSA report found that at least \$1.8 million in unrealized savings could be achieved if DCP&P properly monitored provider contracts and enforced standardized rate payments to foster care families. Examples of potential savings included:

- \$250,000 (annually) from contracting directly for all foster care services rather than allowing a provider to subcontract services and charge DCF for administrative costs.
- \$875,000 (annually) from standardizing provider payments to foster care families using U.S. Department of Agriculture (USDA) rates.
- \$669,500 (annually) from utilizing existing shelter care capacity more effectively based on more effective DCP&P monitoring of level-of-service measures.
- **Questions: What steps has DCF taken to address the above opportunities for unrealized savings identified in the OSA audit? What specific amounts of savings does the department anticipate realizing in the remainder of FY 2013? In FY 2014?**

Answer: DCF has reviewed each of the recommendations made in the OSA audit, and is committed to strengthening its review and monitoring of contracted services. The department has initiated a review of these contracted services. The department's primary goal in this process will be to ensure that it has sufficient service capacity throughout the state. As this service review is on-going, it is not possible at this time to quantify any savings.

In Fiscal Year 2014, DCF will review individual child board rates with providers and resource parents and will authorize appropriate board rates based on an evaluation of each child's specific needs.

8b. The February 2013 OSA report also found about \$8.7 million in inappropriate provider charges, unspent funds, and overpayments, some of which may subject to recovery by DCF. These include:

- \$4.2 million in inefficiencies and questionable costs, such as: questionable employee pension contribution bonuses and retention payments; physician payments in excess of DCF guidelines; questionable holiday event expenses and gift purchases; unallowable mortgage payments, fundraising costs, and gym membership fees; unsupported consulting and administrative costs, and avoidable administrative costs associated with subcontracting.

Discussion Points (Cont'd)

- \$3.9 million in unrecovered, unspent contract funds dating back to 2007, due to improper contract closeouts (this amount excludes an additional \$2.3 million and \$1.0 million in unpaid State and federal tax liabilities, respectively, associated with two contracted providers).
- \$630,000 in overpayments to providers from NJSPIRIT software and operational issues.

In DCF's response to the OSA report, the department indicated that it had recovered over \$300,000 of the expenditures identified in the report as of February 1, 2013 and was taking steps to address a number of the report's findings and recommendations.

- **Questions:** What steps has DCF taken to address the above opportunities for unrealized savings and recoveries identified in the OSA audit? Which expenditures, and what amounts, have been recovered to date? How much in additional, related recoveries is the department anticipating for the remainder of FY 2013? In FY 2014?

Answer: In December 2012, prior to the release of the audit, DCF clarified for all providers, a number of contracting policies and procedures, and has initiated a training program for contract staff to strengthen their ability to review these issues.

DCF has contacted all providers where a concern was raised in the audit, and is working with them to obtain additional documentation regarding the expenses to determine "allowability" and where expenses were unallowable, to collect funds that were incorrectly charged to the DCF contract. These reviews are on-going, and there is no estimate of savings available at this time.

The contract close-out process has collected \$438,625 from one provider, who has agreed to a repayment plan for the balance of the funds due. The remaining agencies overpayments require further reconciliation with the DCF accounting system.

The department continues to review the finding concerning NJ SPIRIT and consistent with our practices, any overpayments are subject to collection.

DCF has instructed two agencies where it has fee for service contracts to recruit homes, to stop recruiting new families. DCF will pay these providers for families they are currently preparing for licensure.

8c. The February 2013 OSA report indicated that DCF originally developed the contracted foster care program to supplement its recruitment and retention of foster homes during periods in which DCP&P was unable to recruit sufficient providers to serve youth requiring out-of-home placements. However, the OSA noted that DCP&P currently maintains a capacity to serve more than twice the number of children currently in out-of-home placements.

The OSA suggested that DCP&P should evaluate whether there is a continued need for all of the contracted foster care providers, as: DCP&P provides such services directly to more than 90 percent of children in out-of-home placements; and, by providing services directly, the division may be able to better monitor and control service delivery. In response, DCF indicated that it has begun

Discussion Points (Cont'd)

an intensive review of the entire contracted foster care program to ascertain if the program and contracts were aligned with DCF's ongoing foster care needs.

- **Questions:** Please provide an update on DCF's review of its contracted foster care program. Could DCF feasibly discontinue most or all of its foster care contracts? What net State savings or net State costs might be expected if all contracts were discontinued? Is DCF currently planning to discontinue any foster care contracts through FY 2014? If so, how many contracts, representing what value?

Answer: The review of the contracted foster care program contracts has been initiated and is anticipated to continue for at least the balance of this fiscal year. The Department's primary concern in modifying any of its contracted foster care services is to ensure that there is no placement disruption for children being cared for in these homes.

9a. The Center for the Study of Social Policy (CSSP) serves as the independent Federal Monitor to assess DCF's compliance with the Modified Settlement Agreement (MSA) requiring improvements to the State's child welfare system. The CSSP December 2012 Monitoring Report (evaluating the January-June 2012 period) is available here:

<http://www.state.nj.us/dcf/about/welfare/federal/>

The December 2012 Monitoring Report noted that, overall, the department met or partially met 24 out of the 54 final performance targets established under Phase II of the Modified Settlement Agreement (MSA). An additional four performance measures were not assessed for December 2012. Of the remaining 26 measures that were not met, the December 2012 Monitoring Report highlighted certain areas that needed particular attention, including:

Case Planning:

- By June 2010, 95 percent of case plans were to be developed within 30 days for children entering out-of-home placements. However, as of June 2012, only 45 percent of children entering placements had case plans developed within 30 days (as compared to 61 percent of children in June 2011).
- By June 2010, 95 percent of case plans were to be reviewed and modified at least every six months for children in out-of-home placements. However, as of June 2012, only 63 percent of children in placements had case plans reviewed and modified at least every six months (as compared to 71 percent of children in June 2011).

Family Team Meetings:

- By June 2010, DCF was required to hold, for 90 percent of cases, Family Team Meetings (FTMs) within 30 days of a child entering an out-of-home placement and quarterly thereafter. However, as of June 2012, DCF held FTMs in only 68 percent of cases within 30 days of a placement and held quarterly FTMs in only 45 percent of applicable cases.

Although the December 2012 Monitoring Report indicated that DCF continued to struggle to meet these standards, the report also noted that performance had improved on these measures. (As of June 2011, DCF held FTMs in 50 percent of cases within 30 days of a placement and held quarterly FTMs in 37 percent of applicable cases.)

Discussion Points (Cont'd)

Caseworker Visits:

- By December 2010, 95 percent of children in foster care were to be visited at least twice a month during the first two months of a new placement. However, as of June 2012, only 53 percent of children in foster care were visited twice a month during the first two months of placement (as compared with 58 percent of children in June 2011).
- By December 2010, 95 percent of parents or other legally responsible family members were to be visited at least twice a month when the goal was family reunification. However, as of June 2012, only 54 percent of families were visited twice a month when the goal was family reunification (as compared with 51 percent of families in June 2011).

Completing Risk Reassessments Prior to Non-Investigation Case Closure:

- By December 2010, 98 percent of *non-investigation* cases were required to have risk of harm reassessments completed within 30 days prior to case closure. However, as of June 2012, only 49 percent of such risk reassessments were completed prior to non-investigation case closures.

(The December 2012 Monitoring Report noted that, as of June 2012, DCF was conducting applicable safety and risk assessments in 100 percent of *investigation* cases within 30 days prior to case closure.)

- **Questions:** What actions has the department taken to address each of the above areas of concern in the current fiscal year? What specific increases or redeployments of staff, funds, or other resources have been implemented, if any, to address these concerns? What additional actions are planned for FY 2014, with what impact on staff, funds, or other resources?

Answer: As noted, throughout several monitoring periods, CP&P has maintained positive performance in many areas of the MSA including placement in family like settings, provision of health services to children in placement, adoption finalization, and continued implementation of a robust Qualitative Review process.

In other areas however, such as those listed above, performance improvements are needed. These include case plan, visitation measures (with the exception of MVRs) and more recently caseload compliance particularly in intake.

These areas have been the focus of our work in the most recent monitoring period (July 1, 2012-March 31, 2013) with particular focus on January, February and March of 2013. As a result, the recent data reflects a much higher performance in case planning, visitation measures, family team meetings and in maintaining manageable worker caseloads.

It is clear that DCF has continued to improve practice and performance and will continue to focus its efforts in any area where improvement is required. See Chart Below:

MSA MEASURE (MSA Target % Required)	Recent Monthly Compliance (4/9/2013):
Initial Case Plan (Target: 95%)	99% February 2013
Ongoing Case Plan (Target: 95%)	99% March 2013

Discussion Points (Cont'd)

Initial FTM (Target: 90%)	100%	February 2013
Quarterly FTM (Target: 90%)	79%	March 2013
Worker Visits with Children Twice/Month in first 2 Months of Placement (Target: 95%)	90%	January 2013
Visits with Parents Twice/Month – Goal of Reunification (Target: 95%)	94%	February 2013
Weekly Parent Visits with Child Goal of Reunification (Target: 60%)	61%	March 2013
Monthly Worker Visits with Children in Placement at Placement Site (Target: 98%)	93%	March 2013

9b. The CSSP December 2012 Monitoring Report stated that meeting performance targets for intake caseworkers' individual caseloads has been an ongoing challenge, as noted in previous monitoring reports.

The December 2012 Monitoring Report also noted that permanency and adoption caseworkers' individual caseloads have fallen slightly below MSA standards for the past two monitoring periods (July-December 2011 and January-June 2012), after having generally been compliant since Phase II of the MSA (beginning in January 2009). Recent individual caseload trends are presented in the table below.

Percent of Caseworkers with Individual Caseloads At or Below the Applicable Individual Caseload Standards

CASEWORKER TYPE	JUNE 2009	JUNE 2010	JUNE 2011	JUNE 2012	FINAL TARGET (MSA)
Intake	78%	76%	84%	76%	95%
Permanency	97%	96%	96%	92%	95%
Adoption	91%	94%	94%	90%	95%

DCF indicates that a continued increase in intakes over the past year has affected caseload compliance. In response, DCF hired 30 additional intake workers and created Impact Teams that are deployed throughout the State in offices where intakes were unusually high.

- **Questions:** Beyond the actions identified above, what further staffing adjustments or other actions have occurred, or will occur, in FY 2013 to address these caseload concerns, with what fiscal impact? What adjustments or actions are anticipated for FY 2014, with what fiscal impact? Did the 30 intake workers cited in the December 2012 Monitoring Report represent a net increase in DCP&P staff? If so, at what cost? If not, from which other program area(s) were staff reallocated?

Answer: There have been no additional staffing increases or adjustments during this period. Actions previously identified remain in effect, and the department believes that they will remain sufficient to address this issue. DCF managed this realignment of personnel within its approved position allocation.

Discussion Points (Cont'd)

10. The CSSP December 2010 Monitoring Report provided data, by office, on the number of DCP&P adoption, intake, and permanency caseload-carrying staff (Tables C-1, C-2, and C-3) as well as office-wide average caseloads. Although these data were not provided in subsequent Monitoring Reports, more recent data are available on the DCF web site: <http://www.state.nj.us/dcf/childdata/workforce/>

However, the same Monitoring Report also provided data, by office, on the number and percentage of DCP&P adoption, intake, and permanency staff in compliance with individual caseload requirements (Table B-6). These data were not provided in subsequent Monitoring Reports, and available data on the DCF web site only reports aggregated individual caseload data.

In response to an FY 2013 OLS Discussion Point regarding these data, DCF provided data, by office, for DCP&P adoption, intake, and permanency staff in compliance with individual caseload requirements for June 2011 and December 2011. These data suggest that challenges with meeting MSA caseload standards may be more concentrated in certain local offices and counties than in others. For instance, in December 2011, the following local offices had fewer than one-half of their intake caseworkers with caseloads meeting the MSA standards (out of the 46 local offices with intake workers):

Local Offices with Fewer Than 50% of Intake Caseworkers Meeting Caseload Standards as of December 2011

OFFICE	PERCENTAGE OF INTAKE WORKERS IN COMPLIANCE
Atlantic East	36%
Atlantic West	17%
Bergen South	47%
Camden East	42%
Hudson North	18%
Hudson South	29%
Middlesex Central	33%
Middlesex West	48%
Newark South	47%
Ocean South	39%
Passaic Central	34%
Somerset	43%

- Questions:** How does the department address any locally concentrated challenges with meeting MSA individual caseload standards for DCP&P intake, permanency, and adoption staff? Are these local caseload challenges typically short-term or long-term in nature? Which local offices are currently experiencing individual caseload challenges, and why? Please provide an updated breakdown, by office, of DCP&P intake, permanency, and adoption staff in compliance with individual caseload requirements as of June 2012 and December 2012.

Answer: At times, external events such as the sexual abuse scandal at Penn State or other national or local news events may impact referral rates across the state or in specific counties. The Department monitors caseload compliance monthly and in conjunction with local office management assesses and implements steps to address caseload compliance. The development of the Intake Impact teams is an example of this effort.

Discussion Points (Cont'd)

See the following charts for individual office performance for June 2012, December 2012 and March 2013.

Discussion Points (Cont'd)

WORKER COMPLIANCE June 2012									
Local Office	Intake			Permanency			Adoption		
	Total Workers	Workers In Compliance	Percent in Compliance	Total Workers	Workers In Compliance	Percent in Compliance	Total Workers	Workers In Compliance	Percent in Compliance
Atlantic East	18	8	44%	24	4	17%			
Atlantic West	15	1	7%	5	2	40%	8	0	0%
Bergen Central	21	15	71%	24	22	92%	3	3	100%
Bergen South	34	34	100%	33	29	88%	7	7	100%
Burlington East	21	16	76%	27	26	96%	5	5	100%
Burlington West	20	16	80%	24	22	92%	2	1	50%
Camden Central	21	20	95%	41	39	95%	4	1	25%
Camden East	21	13	62%	22	22	100%	4	4	100%
Camden North	18	10	56%	33	33	100%	4	2	50%
Camden South	19	19	100%	31	30	97%	3	1	33%
Cape May	13	13	100%	24	24	100%	5	5	100%
Cumberland East	11	11	100%	13	13	100%	6	6	100%
Cumberland West	23	20	87%	23	23	100%			
Essex Central	20	20	100%	32	31	97%	6	6	100%
Essex North	16	16	100%	23	23	100%	2	2	100%
Essex South	15	14	93%	26	26	100%	5	5	100%
Gloucester East	18	16	89%	18	17	94%			
Gloucester West	18	16	89%	25	24	96%	8	8	100%
Hudson Central	16	15	94%	26	26	100%	4	4	100%
Hudson North	18	18	100%	21	21	100%	3	3	100%
Hudson South	19	19	100%	27	12	44%	4	0	0%
Hudson West	20	20	100%	25	25	100%	2	2	100%
Hunterdon	8	8	100%	6	5	83%	2	2	100%
Mercer North	20	19	95%	20	20	100%	6	6	100%
Mercer South	24	24	100%	25	25	100%	4	4	100%
Middlesex Central	16	5	31%	18	18	100%	4	4	100%
Middlesex Coastal	23	21	91%	39	31	79%	3	3	100%
Middlesex West	21	16	76%	35	31	89%	2	2	100%
Monmouth North	32	25	78%	23	23	100%	5	5	100%
Monmouth South	24	9	38%	18	18	100%	3	3	100%
Morris East	15	15	100%	12	12	100%	2	1	50%
Morris West	24	24	100%	14	14	100%	4	4	100%
Newark Adoption Office							42	42	100%
Newark Center City	21	21	100%	35	35	100%			
Newark Northeast	19	19	100%	36	23	64%			
Newark South	23	20	87%	38	36	95%			
Ocean North	34	31	91%	28	28	100%	4	4	100%
Ocean South	27	15	56%	31	12	39%	3	1	33%
Passaic Central	29	21	72%	25	24	96%	5	5	100%
Passaic North	29	26	90%	28	28	100%	7	7	100%
Salem	14	12	86%	18	18	100%	3	2	67%
Somerset	24	24	100%	24	24	100%	5	4	80%
Sussex	18	18	100%	13	13	100%	5	5	100%
Union Central	20	20	100%	27	27	100%	3	3	100%
Union East	18	18	100%	25	25	100%	5	5	100%
Union West	18	17	94%	20	20	100%	4	4	100%
Warren	18	12	67%	14	14	100%	5	5	100%
Total	934	790	85%	1,119	1,018	91%	211	186	88%
Statewide Total	Total Workers			Workers In Compliance			Percent in Compliance		
	2,264			1,994			88%		
Intake Standard - Percentage of workers that meet the 8 new investigation and 12 family standard (Standard = 95%)									
Permanency Standard - Percentage of workers that meet the 15 family and 10 children in placement standard (Standard = 95%)									
Adoption Standard - Percentage of workers that meet the 15 or fewer children standard (Standard = 95%)									
Excludes On-Leave Workers. Prepared by the Data Analysis and Reporting Unit - July 10, 2012; Data Extracts on July 3, 2012									

Discussion Points (Cont'd)

WORKER COMPLIANCE December 2012									
Local Office	Intake			Permanency			Adoption		
	Total Workers	Workers In Compliance	Percent in Compliance	Total Workers	Workers In Compliance	Percent in Compliance	Total Workers	Workers In Compliance	Percent in Compliance
Atlantic East	15	1	7%	35	17	49%			
Atlantic West	16	3	19%	11	1	9%	6	3	50%
Bergen Central	23	22	96%	24	24	100%	4	4	100%
Bergen South	34	33	97%	35	35	100%	6	6	100%
Burlington East	21	15	71%	30	28	93%	5	2	40%
Burlington West	19	12	63%	30	28	93%	2	1	50%
Camden Central	22	18	82%	43	36	84%	4	1	25%
Camden East	22	21	95%	23	23	100%	3	3	100%
Camden North	18	8	44%	38	38	100%	5	4	80%
Camden South	18	13	72%	35	35	100%	3	1	33%
Cape May	14	12	86%	25	23	92%	5	5	100%
Cumberland East	10	10	100%	16	16	100%	6	6	100%
Cumberland West	23	21	91%	22	22	100%			
Essex Central	22	22	100%	33	33	100%	6	6	100%
Essex North	15	15	100%	24	24	100%	2	2	100%
Essex South	15	13	87%	24	23	96%	5	5	100%
Gloucester East	18	17	94%	24	24	100%			
Gloucester West	20	14	70%	25	24	96%	6	5	83%
Hudson Central	16	15	94%	31	31	100%	4	4	100%
Hudson North	20	18	90%	20	20	100%	2	2	100%
Hudson South	19	18	95%	31	19	61%	6	6	100%
Hudson West	18	18	100%	24	24	100%	3	3	100%
Hunterdon	9	9	100%	5	5	100%	2	2	100%
Mercer North	22	20	91%	22	20	91%	5	5	100%
Mercer South	21	19	90%	25	20	80%	4	4	100%
Middlesex Central	16	13	81%	20	20	100%	3	3	100%
Middlesex Coastal	21	19	90%	39	38	97%	2	1	50%
Middlesex West	22	15	68%	38	38	100%	2	2	100%
Monmouth North	31	28	90%	29	29	100%	4	4	100%
Monmouth South	24	13	54%	15	15	100%	3	3	100%
Morris East	15	12	80%	12	12	100%	2	1	50%
Morris West	20	13	65%	16	16	100%	6	6	100%
Newark Adoption Office							39	39	100%
Newark Center City	20	18	90%	36	36	100%			
Newark Northeast	20	19	95%	37	30	81%			
Newark South	22	16	73%	40	40	100%			
Ocean North	31	28	90%	30	30	100%	4	4	100%
Ocean South	35	31	89%	35	34	97%	4	4	100%
Passaic Central	30	28	93%	30	30	100%	5	5	100%
Passaic North	26	21	81%	31	30	97%	6	6	100%
Salem	15	14	93%	21	21	100%	3	3	100%
Somerset	26	26	100%	24	24	100%	3	3	100%
Sussex	17	15	88%	11	11	100%	3	3	100%
Union Central	20	20	100%	24	24	100%	3	3	100%
Union East	19	19	100%	27	27	100%	4	4	100%
Union West	19	19	100%	21	21	100%	4	4	100%
Warren	18	17	94%	14	14	100%	5	5	100%
Total	937	791	84%	1,205	1,133	94%	199	183	92%
Statewide Total	Total Workers			Workers In Compliance			Percent in Compliance		
	2,341			2,107			90%		
Intake Standard - Percentage of workers that meet the 8 new investigation and 12 family standard (Standard = 95%)									
Permanency Standard - Percentage of workers that meet the 15 family and 10 children in placement standard (Standard = 95%)									
Adoption Standard - Percentage of workers that meet the 15 or fewer children standard (Standard = 95%)									
Excludes On-Leave Workers. Prepared by the Office of Research, Evaluation and Reporting - Jan 11, 2013; Data Extracts on January 7, 2013									

Discussion Points (Cont'd)

WORKER COMPLIANCE March 2013									
Local Office	Intake			Permanency			Adoption		
	Total Workers	Workers In Compliance	Percent in Compliance	Total Workers	Workers In Compliance	Percent in Compliance	Total Workers	Workers In Compliance	Percent in Compliance
Atlantic East	17	5	29%	35	21	60%			
Atlantic West	15	13	87%	11	1	9%	6	0	0%
Bergen Central	23	21	91%	26	22	85%	5	5	100%
Bergen South	31	30	97%	31	30	97%	6	6	100%
Burlington East	22	18	82%	29	29	100%	6	2	33%
Burlington West	19	9	47%	31	24	77%	2	1	50%
Camden Central	22	21	95%	43	38	88%	5	2	40%
Camden East	23	23	100%	24	24	100%	3	3	100%
Camden North	21	19	90%	36	36	100%	5	5	100%
Camden South	19	19	100%	31	30	97%	4	2	50%
Cape May	14	14	100%	23	23	100%	5	5	100%
Cumberland East	12	11	92%	17	17	100%	5	5	100%
Cumberland West	22	17	77%	24	24	100%			
Essex Central	22	22	100%	32	32	100%	6	6	100%
Essex North	15	15	100%	25	25	100%	2	2	100%
Essex South	13	13	100%	25	25	100%	4	4	100%
Gloucester East	17	9	53%	22	22	100%			
Gloucester West	20	15	75%	25	24	96%	6	5	83%
Hudson Central	16	15	94%	32	32	100%	4	4	100%
Hudson North	19	19	100%	18	18	100%	1	1	100%
Hudson South	20	19	95%	34	27	79%	6	5	83%
Hudson West	17	11	65%	23	23	100%	3	3	100%
Hunterdon	10	10	100%	7	7	100%	1	1	100%
Mercer North	21	18	86%	22	22	100%	5	5	100%
Mercer South	24	22	92%	28	28	100%	4	4	100%
Middlesex Central	14	12	86%	19	19	100%	3	3	100%
Middlesex Coastal	17	15	88%	38	34	89%	4	3	75%
Middlesex West	26	25	96%	37	35	95%	2	2	100%
Monmouth North	29	27	93%	30	30	100%	5	5	100%
Monmouth South	24	12	50%	20	18	90%	3	3	100%
Morris East	16	16	100%	11	11	100%	2	1	50%
Morris West	23	20	87%	19	19	100%	6	6	100%
Newark Adoption Office							38	38	100%
Newark Center City	21	20	95%	34	34	100%			
Newark Northeast	21	20	95%	37	36	97%			
Newark South	24	21	88%	37	37	100%			
Ocean North	31	29	94%	29	29	100%	4	4	100%
Ocean South	32	31	97%	35	35	100%	6	6	100%
Passaic Central	28	28	100%	31	31	100%	5	4	80%
Passaic North	27	25	93%	29	28	97%	7	7	100%
Salem	15	13	87%	22	22	100%	3	3	100%
Somerset	25	24	96%	29	29	100%	4	4	100%
Sussex	17	17	100%	14	14	100%	3	3	100%
Union Central	19	19	100%	25	25	100%	3	3	100%
Union East	22	22	100%	26	26	100%	4	4	100%
Union West	18	18	100%	20	20	100%	4	4	100%
Warren	17	16	94%	16	16	100%	5	5	100%
Total	940	838	89%	1,212	1,152	95%	205	184	90%
Statewide Total	Total Workers		Workers In Compliance			Percent in Compliance			
	2,357		2,174			92%			

Intake Standard - Percentage of workers that meet the 8 new investigation and 12 family standard (Standard = 95%)
 Permanency Standard - Percentage of workers that meet the 15 family and 10 children in placement standard (Standard = 95%)
 Adoption Standard - Percentage of workers that meet the 15 or fewer children standard (Standard = 95%)
 Excludes On-Leave Workers. Prepared by the Office of Research, Evaluation and Reporting - April 11, 2013. Data Extracts on April 5, 2013

11. The Governor's FY 2014 Budget reports various performance data and key performance indicators for DCF. One of the key performance indicators evaluates the percent of abuse/neglect

Discussion Points (Cont'd)

investigations completed within 90 days. Performance data indicate that DCF did not meet the performance target of 90 percent originally established for FY 2012.

	Actual FY 2011 ¹	Actual FY 2012 ²	Performance Target FY 2012 ¹	Performance Target FY 2013 ²	Performance Target FY 2014 ²
Investigations of Abuse/Neglect Reports completed within 90 days	91%	85.6%	90%	92.0%	92.0%

¹Reported in the Governor's FY 2013 Budget Summary. ²Reported on p. D-32 of the Governor's FY 2014 Budget.

- Questions:** What accounts for the decrease in actual performance on this indicator between FY 2011 and FY 2012? Is the FY 2013 performance target attainable with current resources? What additional resources might be required for the department to reach the performance target in FY 2014?

Answer: The decline in actual performance is directly related to the significant and sustained increase in referrals – and subsequently the volume of investigations – to DCP&P following the Penn State child abuse scandal in October, 2011 and continuing through May 2012. This represents a 59% increase in the amount of referrals assigned to CP&P Local Offices. Since that time, we have seen our referral rates return to their usual patterns and our performance for investigation completion in 90 days return to 91% as of December, 2012 (most recent data available). See chart below.

Discussion Points (Cont'd)

New Jersey Department of Children and Families							
CPS Investigations Completed Within 90 Days							
SafeMeasures Screen "Timely CPS Investigation Completion"							
DCP&P Local Offices							
	Jul 2012	Aug 2012	Sep 2012	Oct 2012	Nov 2012	Dec 2012	Average
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Total Intakes Completed 0 - 90 Days	87.0%	83.7%	84.7%	85.7%	88.7%	91.1%	86.8%
Source: Safe Measures; Extract Date: 4/02/2013							
*Intakes Included: All CPS Intakes received and assigned to DCP&P Local Offices as of the month indicated.							
Note: Data for Aug, Sept, Oct are significantly lower than other months. Superstorm Sandy could be one reason for this variation.							

12. The table below indicates appropriated, expended, and unexpended FY 2012 funds for various Grants-In-Aid accounts, as reported on page D-40 of the Governor’s FY 2014 Budget:

GRANTS-IN-AID ACCOUNT	FY 2012 AVAILABLE (\$000)	FY 2012 EXPENDED (\$000)	FY 2012 UNEXPENDED (\$000)
<i>Out-of-Home Placements</i>	24,709	17,814	6,895
<i>Foster Care</i>	96,172	90,516	5,656
<i>Child Health Units</i>	35,516	31,020	4,496
<i>Purchase of Social Services</i>	68,202	59,442	8,760

- **Questions:** In each of the accounts/programs listed above, what specifically accounts for the unexpended funds in FY 2012? To what extent did unexpended funds equate to: children or families entitled to or awaiting services that did not receive such services; or a lower level of services that were provided?

Answer: Unexpended funds in the Out-of-Home Placements, Foster Care and Purchase of Social Services areas are due to several factors such as the availability of prior year contract recoveries; excess dedicated fund balances; and prior year federal fund balances that are all credited to these accounts and thus offset a portion of the Fiscal Year 2012 State expenditures. These unexpended funds did not impact service delivery to any children or families. The Child Health Units are reimbursed for their actual costs, so therefore the unexpended funds did not impact service delivery.

13. DCF is requesting FY 2013 supplemental appropriations totaling \$18.8 million. Of this amount, \$3.7 million is attributed to “salary shortfall.” Available information indicates that this shortfall is within DCP&P Direct State Services.

Discussion Points (Cont'd)

- Questions:** What accounts for the \$3.7 million in salary shortfall? Which specific DCP&P functions exceeded their budgeted FY 2013 staffing levels and generated this shortfall, and to which specific functions will the supplemental appropriation be allocated? If the supplemental appropriation will be allocated to multiple areas, please disaggregate the amount by function.

Answer: The projected salary shortfall is due in part to the federal Title IV-E revenue estimate put forth by the Legislature in the Fiscal Year 2013 Appropriations Act that replaced state salary funds with estimated federal revenue. DCF projections indicate that these additional federal funds will not be realized in Fiscal Year 2013.

14. Of the \$18.8 million in FY 2013 supplemental appropriations being requested, \$15.1 million is attributed to "Child Protection and Permanency (DCPP) Grant Trend." The Governor's FY 2014 Budget indicates that the supplemental appropriations will be applied to the accounts listed on the chart below.

DCP&P accounts with requested FY 2013 supplemental appropriations (\$000)

GRANTS-IN-AID ACCOUNT	FY 2013 BUDGET REC.	FY 2013 APPROP. ACT¹	FY 2013 ADJ. APPROP., EXCLUDING SUPPLEMENTAL	FY 2013 SUPPLEMENTAL REQUEST	FY 2013 ADJ. APPROP., INCLUDING SUPPLEMENTAL
<i>Out-of-Home Placements</i>	27,961	27,961	12,961	3,871	16,832
<i>Foster Care</i>	89,133	89,133	89,133	7,132	96,265
<i>Subsidized Adoption</i>	126,810	126,810	126,810	2,177	128,987
<i>Family Support Services</i>	79,573	79,573	79,436	1,950	81,386

¹Includes original appropriations and originally estimated receipts. Available information indicates that the \$15 million decrease in Out-of-Home Placements from the original FY 2013 appropriation to the FY 2013 adjusted appropriation corresponds to an internal realignment of DCF funds (from DCP&P to DCSOC) reflecting the FY 2013 reorganization of services for children with developmental disabilities into DCF from DHS.

- Question:** For each of the above accounts, please provide more detail on the specific DCP&P caseload, service, or cost trends accounting for the requested supplemental appropriation.

Answer: The initial analysis that informed these funding decisions was based on overall trends in foster care – which show a downward trend of children being placed in foster care. However the number of children in foster care increased during this fiscal year, in part due to the increase in referrals following the Penn State child abuse scandal in October, 2011 and continuing through May 2012 which represents a 59% increase in the amount of referrals assigned to CP&P Local Offices. Since that time, we have seen our referral rates return to their usual patterns.

Discussion Points (Cont'd)

The supplemental appropriations are needed to manage the increase in these program areas that were not contemplated at the time of the original projections.

15. The Governor’s FY 2013 Budget estimated an FY 2013 average daily population of 312 children for Out-of-Home Placements. The Governor’s FY 2014 Budget (page D-36) revises the estimated FY 2013 average daily population to 243 children (a decrease of 22 percent from the original FY 2013 estimate) and indicates that the FY 2014 average daily population is expected to remain stable at 243 children.

The Governor’s FY 2013 Budget estimated FY 2013 expenditures for Out-of-Home Placements at about \$28.0 million. The Governor’s FY 2014 Budget (page D-36) revises the estimated FY2013 expenditures to \$16.8 million (a decrease of 40 percent from the original estimate) and recommends an FY 2014 appropriation of \$16.6 million (page D-40).

- **Question:** What accounts for revised FY 2013 Out-of-Home Placements estimates indicating expenditures decreasing at a significantly faster rate than the average number of children to be served?

Answer: As part of the transition of services for the youth with developmental disabilities to the Children’s System of Care, services for youth with development disabilities previously served by the Division of Child Protection and Permanency are also being realigned to the Children’s System of Care.

The reductions in both the expenditures and clients reflect the transfer of the youth with developmental disabilities and the resources to support their out-of-home placements from the Division of Child Protection and Permanency to the Children’s System of Care.

16. The Governor’s FY 2013 Budget had estimated that the division’s FY 2013 average daily foster care population would be 7,677. The Governor’s FY 2014 Budget revises the estimated FY 2013 average daily foster care population to 8,224 (page D-36), a growth of seven percent over the initial FY 2013 estimate.

Similarly, the Governor’s FY 2013 Budget had estimated total FY 2013 foster care expenditures at \$89.1 million. The Governor’s FY 2014 Budget revises estimated FY 2013 foster care expenditures to \$96.3 million (page D-36), a growth of eight percent over the initial estimate.

As indicated in the chart below, the average daily foster care population has generally decreased each year since FY 2007.

FY	TOTAL FOSTER CARE (AVG. DAILY POPULATION)
2006 actual	10,422
2007 actual	10,524

Discussion Points (Cont'd)

2008 actual	9,758
2009 actual	9,484
2010 actual	8,828
2011 actual	8,159
2012 actual	8,031
2013 (original estimate)	7,677
2013 (revised estimate)	8,224
2014 (estimate)	8,239

- Question:** What specific factors account for the FY 2013 growth of foster care utilization and expenditures relative to the original FY 2013 estimates? Is the long-term trend of annual decreases in the foster care population expected to reach a point of equilibrium or reverse itself in FY 2014? Why?

Answer: The initial analysis that informed these estimates was based on overall trends in foster care – which show a downward trend of children being placed in foster care. However the projection could not have anticipated the atypical volume of referrals (and subsequent investigations and placements) following the Penn State child abuse scandal in October, 2011 and continuing through May 2012 which represented a 59% increase in the amount of referrals assigned to CP&P Local Offices. Since that time, we have seen our referral rates return to their usual patterns.

In addition to the increase in clients, expenditures are also impacted by increases in the board rates paid to foster parents that must remain equal to the United States Department of Agriculture (USDA) rates as per the Modified Settlement Agreement (MSA).

DIVISION OF CHILDREN'S SYSTEM OF CARE (DCSOC)

17. The Governor's FY 2014 Budget assumes \$16.5 million in DCF State savings resulting from the implementation of New Jersey's Comprehensive Medicaid Waiver, which received federal approval in October 2012. These savings are attributed to federal revenues resulting from two new programs providing home- and community-based services under the Comprehensive Waiver: a program serving children with serious emotional disturbances (SED); and a program serving children who are dually diagnosed with intellectual developmental disabilities and mental illness (IDD/MI).

The approved Comprehensive Medicaid Waiver also includes the following programs, both of which may apply to certain children with developmental disabilities served by DCF:

- A Pervasive Developmental Disorders (PDD) Pilot Program, providing habilitation services to NJ FamilyCare/Medicaid eligible children below age 13 who have a diagnosis of PDD.
- An Intellectual Developmental Disability Program for Out of State New Jersey Residents (IDD/OOS), providing home- and community-based services to certain individuals with developmental disabilities who are residing in an eligible out-of-state setting or who are court ordered to receive services outside of New Jersey.

Available information does not indicate how many DCF children might be served under the four Comprehensive Waiver-related programs described above.

Discussion Points (Cont'd)

- **Questions:** When will each of the Comprehensive Waiver-related programs above (SED, IDD/MI, PDD, and IDD/OOS) commence implementation? How many DCF children are anticipated to be served by each of the Comprehensive Waiver-related programs in FY 2014? How much, if any, DCF State savings due to offsetting federal revenues is anticipated from each of the above Comprehensive Waiver-related programs in FY 2014? (please disaggregate information by program)

Answer: The current implementation schedule for these programs is as follows:

IDD/OOS (Out-of-State) program will be managed by of the Department of Human Services. This is not a DCF initiative.

IDD/MI: DCF will phase-in this program serving approximately 50 children during Fiscal Year 2014. The estimated state savings is projected to be \$3.6 million.

PDD: DCF anticipates the phase-in of this program in 2014. This program is ultimately expected to serve approximately 200 children.

SED: DCF is implementing this component of the waiver during Fiscal Year 2013 in order to maximize federal reimbursement for approximately 6,000 youth currently being served with state-only funding. The estimated state savings is projected to be \$15.9 million.

18a. In response to an FY 2012 OLS Discussion Point, the department indicated that the Contracted System Administrator for the Children's System of Care, PerformCare Behavioral Health Solutions, had not met all the daily performance standards that form the basis for payment. The department also indicated that, after PerformCare was placed under a corrective action plan in September 2009, performance improved significantly and that contract standards were being met in most operational areas.

In response to an FY 2013 OLS Discussion Point, DCF indicated that PerformCare was meeting all performance standards and that no payments were being withheld at that time.

- **Questions:** Did PerformCare conclude FY 2012 having met all performance standards and receiving full payment? Is PerformCare currently meeting all applicable performance standards? If not, which performance standards are not being met and what corrective actions are being taken?

Answer: Yes, PerformCare has been meeting or exceeding all contract requirements and has been receiving full payment. At this time, CSOC is working directly with PerformCare to ensure that identified service deliverables in the PerformCare contract are met. These meetings are held frequently and the service deliverables are reviewed on an on-going basis.

18b. Effective January 1, 2013, PerformCare assumed responsibility for administering services for children with developmental disabilities who had been transferred into DCF from DHS under the FY 2013 reorganization of services for children with developmental disabilities.

Media reports indicate that at least 240 families previously served by DHS may have experienced some service disruption following PerformCare's assumption of new responsibilities,

Discussion Points (Cont'd)

including being required to reapply for services, temporarily losing services, or being without case management.

- **Questions:** To date, how many families of children with developmental disabilities have experienced service disruptions following PerformCare's assumption of new responsibilities? What types of disruptions have occurred, and what steps have PerformCare and DCF taken to address these disruptions? What specific performance standards does DCF have in place to assess PerformCare's administration of services for children with developmental disabilities?

Answer: Services for some families were periodic in nature and were previously authorized for a limited time only. All reported service disruptions were reviewed by CSOC and PerformCare. Where a true service disruption may have occurred CSOC arranged for service delivery to be reinitiated.

At this time, CSOC is working directly with PerformCare to ensure that the identified service deliverables in the PerformCare contract are met. These meetings are held frequently and the service deliverables are reviewed on an on-going basis. At this time PerformCare has met or exceeded the contract deliverables.

19. The Governor's FY 2013 Budget originally estimated FY 2013 expenditures of \$11.8 million for Outpatient/Partial Care/Partial Hospitalization services. The Governor's FY 2014 Budget (page D-36) revises the FY2013 expenditure estimate to \$13.4 million (an increase of about 13 percent from the previous estimate) and recommends an FY 2014 appropriation of \$14.2 million.

However, the Governor's FY 2013 Budget originally estimated that 17,350 youth would receive Outpatient/Partial Care/Partial Hospitalization services in FY 2013. The Governor's FY 2014 Budget (page D-36) presents a revised estimate indicating that 15,500 youth will receive Outpatient/Partial Care/Partial Hospitalization services in FY 2013 (a decrease of 11 percent from the previous estimate) and that 15,500 youth will also receive those services in FY 2014.

- **Questions:** What accounts for revised FY 2013 estimates indicating increasing expenditures coinciding with decreasing utilization? As fewer youth are expected to receive Outpatient/Partial Care/Partial Hospitalization services in FY 2014 than were originally anticipated in FY 2013, can the FY 2014 appropriation be reduced?

Answer: DCF does not support a reduction to this recommended appropriation. The revised Fiscal Year 2013 estimates prepared for the Fiscal Year 2014 budget request are based on more current data than the original estimates prepared for the Fiscal Year 2013 budget request.

In terms of the increased expenditures, the Fiscal Year 2013 revised amount reflects the transfer of the resources supporting the adolescent outpatient substance abuse contracts from the Division of Child Protection and Permanency to the Children's System of Care while the Fiscal Year 2014 estimate includes the additional resources supporting adolescent outpatient substance abuse contracts that are being realigned from the Department of Human Services to the Children's System of Care. These two actions are part of the restructuring of adolescent substance abuse services to the Children's System of Care. At this time, the data does not

Discussion Points (Cont'd)

reflect the number of youth likely to be served with the funds that will be realigned from DHS.

20. The Governor's FY 2014 Budget (page D-40) recommends an FY 2014 appropriation of \$68.7 million for services provided by Care Management Organizations, representing a six percent increase over anticipated FY 2013 expenditures of \$64.8 million (gross).

However, the Governor's FY 2014 Budget (page D-37) estimates that 17,900 youth will receive these services in FY 2014, representing a 0.3 percent increase over the 17,850 youth expected to be served in FY 2013.

- **Questions:** What accounts for estimated growth in FY 2014 expenditures significantly outpacing estimated growth in FY 2014 utilization? As nearly the same numbers of youth are expected to be served by Care Management Organizations in FY 2014 as in FY 2013, can the FY 2014 appropriation be reduced?

Answer: The increase is attributed to a realignment of accounts to include CMO and YCM, due to the unification of these programs. Therefore, DCF does not support a reduction to the recommended appropriation.

To support the unification, DCF 'right-sized' the federal funds in this account in anticipation of additional federal claiming for these services. This realignment was based on the state/federal expenditure trend for these programs.

DIVISION OF FAMILY AND COMMUNITY PARTNERSHIPS (DFCP)

21. School-Linked Youth Services programs provide youth and their families with an array of prevention and support services on elementary, middle, and high school campuses.

In an FY 2012 Discussion Point, the OLS noted that many school districts curtailed or terminated various educational programs and services in 2010 and 2011 due to financial constraints, and that these reductions may have affected the School-Linked Youth Services programs. In response, DCF stated that funding had been realigned within existing contracts to address the loss of any in-kind contributions from school districts and that the programs continued to provide the essential School-Linked Services. In response to a separate question from the Senate Budget and Appropriations Committee during the FY 2012 budget hearings, DCF reported that all funded School-Linked Youth Services programs continued to be supported by their respective school districts.

In response to an FY 2013 OLS Discussion Point requesting an update on any reductions or eliminations of local funding for School-Linked Services, DCF indicated that school-linked programs continue to be supported in schools and their respective school districts. DCF indicated that the "vast majority" of School-Linked Youth Services programs continue to be supported at the 25 percent match level.

It is noted that the Governor's FY 2014 Budget (page D-37) indicates that the number of School-Linked Youth Services programs is expected to decrease slightly in FY 2014, from 164 to 161 programs.

Discussion Points (Cont'd)

- **Questions:** What accounts for the slight decrease in the number of programs anticipated for FY 2014? How many School-Linked Youth Services Programs are currently operating? In FY 2013 to date, how many schools or school districts have reduced or eliminated local funding for this program? How many of those programs are supported below the 25 percent local resource match level?

Answer: The reduction can be attributed to two school districts (three sites) requesting that programs be closed.

At this time, all programs continue to be supported at the 25% match requirement; however, many that were supportive above and beyond that amount no longer have that match. The space allocation satisfies the match requirement in most cases.

22a. Pursuant to P.L.2012, c.16, the Division on Women in the Department of Community Affairs was transferred to DCF. This transfer was in accordance with the Governor's FY 2013 Budget Recommendation to consolidate women's services within DCF for the purpose of: enhancing the network of community supports developed for women, children and families; creating continuity of services provided to children by incorporating services and programs developed for women; and address the co-occurrences that exist between child abuse and domestic violence by integrating related services within a single department.

A total of \$5.4 million (gross) in funding was transferred from DCA into DCF as part of this reorganization. In response to an FY 2013 OLS Discussion Point, DCF indicated that 11 funded positions were anticipated to shift from DCA to DCF in FY 2013.

- **Questions:** How has the transfer of the Division on Women to DCF affected the coordination and delivery of related services? Has there been any change in the allocation of funding among the Division's programs during FY 2013? Is any change in funding allocation anticipated in FY 2014? When were the personnel shifts from DCA to DCF completed, and how many funded positions are currently in the Division on Women? Of those funded positions, how many are currently vacant? How many funded positions are budgeted for FY 2014?

Answer: The transfer of DOW to DCF has been smooth in all respects. The coordination and delivery of services has remained strong, intact and uninterrupted. With the fiscal elements of the contracts now managed by the DCF business offices, DOW staff are now able to spend more time focusing on program related elements of the contracts with the service providers. DOW and the Division of Family and Community Partnerships now have joint staff meetings which allows for the sharing of information and ideas as to how DCF can better coordinate and leverage these division resources in the service of women, children and families. In addition, post Super Storm Sandy, the DOW Displaced Homemaker programs in the nine most impacted counties out-posted staff in the Disaster Recovery Centers to assist in serving women in need of help after the storm.

The personnel realignment of 11 positions from DCA to DCF was completed on July 1, 2012. There are currently 11 funded positions that support the work of the Division on Women. Of those funded positions; two are currently vacant.

22b. Available information indicates that an "EMPOWER II" federal grant totaling \$100,000 ended in FY 2013, accounting for the decrease of \$63,000 in the FY 2014 recommended grants-in-

Discussion Points (Cont'd)

aid appropriation for Women's Services (page D-41). The EMPOWER II grant had supported various capacity-building activities related to the State's sexual violence prevention system.

- **Questions:** What specific activities did EMPOWER II support in New Jersey? Will the cessation of this grant affect the long-term sustainability of those activities, or will they be supported under other funds? How did the loss of the remaining EMPOWER II funding (\$37,000 previously allocated to direct state services) affect the Division on Women? Are any other federal grants for Women's Services anticipated to end in either FY 2013 or FY 2014, and with what anticipated DCF funding adjustments?

Answer: The federal Center for Disease Control's EMPOWER project was for the express purpose of building the state's prevention system capacity to plan, implement, evaluate and sustain sexual violence primary prevention strategies using an empowerment evaluation approach. New Jersey received between \$99,000-100,000 annually for only three years of this six year project although we participated for the full six years.

This grant ended before the Division on Women was transferred to DCF. The reduction in the Women's Services account is a technical adjustment to reflect the termination of this federal grant. At this time, no other federal grant funds are anticipated to end in either Fiscal Year 2013 or Fiscal Year 2014.

22c. The FY 2014 Governor's Budget recommends a slight decrease of \$63,000 in the grants-in-aid appropriation for Women's Services (page D-41), to \$19.5 million (gross). As noted above, the \$63,000 decrease is associated with the ending of the federal EMPOWER II grant.

Among other programs, Women's Services funding supports a network of domestic violence programs that provide core services for domestic violence victims and their families including: emergency shelter; 24-hour hotline; counseling; advocacy; children's services; and community education and networking. These funds also support PALS (PEACE: A Learned Solution), which is an intensive therapeutic program that provides comprehensive services for children exposed to domestic violence. PALS also provides counseling, advocacy and case management for non-offending parents.

The Governor's FY 2014 Budget (page D-37) anticipates that the number of PALS and Domestic Violence programs will increase from 37 to 41 in FY 2014, with an associated increase from \$14.4 million to \$15.2 million in estimated FY 2014 expenditures.

- **Questions:** What specific programs are being added, and in which counties? What programmatic or policy goals account for the expansion? As expenditures on these programs are expected to increase by \$0.8 million, but the recommended Women's Services appropriation for FY 2014 is slightly decreased from FY 2013, how will funding be reallocated within Women's Services to add these new programs? Which Women's Services activities will receive reduced funding as a result of this reallocation?

Answer: In March 2013, the Department awarded four (4) new contracts for Responsible Fatherhood/Batterer's Intervention Programs (BIP) in Sussex, Middlesex, Morris and Atlantic Counties. The resources to support these new contracts have been redirected from certain School-based Services programs that have ended and are reflected as an increase from the Fiscal Year 2013 revised budget to the Fiscal Year 2014 budget estimate.

Discussion Points (Cont'd)

23a. In response to a request from the Assembly Budget Committee during the department's FY 2013 budget hearings, DCF provided the following list of the department's State-operated Regional Schools, their locations, and their enrollments.

DCF REGIONAL SCHOOL	COUNTY	STUDENT ENROLLMENT (APRIL 2012)
Atlantic Campus	Atlantic	32
Bergen Campus	Bergen	54
Burlington Campus	Burlington	21
Cape May Campus	Cape May	35
Cherry Hill Campus	Camden	62
Cumberland Campus	Cumberland	19
Essex Campus	Essex	35
Gloucester Campus	Gloucester	N/A – Southern Region Child Study Team Office
Hudson Campus	Hudson	15
Mercer Campus	Mercer	23
Middlesex Campus (closed in FY 2013)	Middlesex	15
Monmouth Campus	Monmouth	16
Morris Campus	Morris	16
Ocean Campus	Ocean	30
Passaic Campus	Passaic	50
Union Campus	Union	28
Warren Campus	Warren	15
Wanaque Campus	Passaic	65
TOTAL:		531

- **Questions:** Please provide an updated list of current enrollments for each of the department's Regional Schools. Please also provide data on each Regional School's maximum current capacity.

Answer: The chart below provides updated enrollment information for April 2013. Maximum student capacity is an estimate based on building size, current staffing levels, age range requirements, and typical student needs for each population. These numbers are subject to variation depending on the specific requirements of individual children which may be driven by an IEP (Individualized Education Program). For example, a student with severe cognitive disabilities must have a 3:1 student to staff ratio based on special education regulations. A school with a Project TEACH program must be able to accommodate the needs of both the school aged student and her infant/toddler. The chart below does not include the 93 infants/toddlers currently served in our six (6) Project TEACH programs for pregnant and parenting teens. In some cases, current capacity in the chart below may be less than the student enrollment a year ago due to staff resignations or retirements which have not been backfilled.

DCF REGIONAL SCHOOL	COUNTY	STUDENT ENROLLMENT (APRIL 2013)	CURRENT MAXIMUM STUDENT CAPACITY
Atlantic Campus	Atlantic	41	45

Discussion Points (Cont'd)

Bergen Campus	Bergen	47	50
Burlington Campus	Burlington	30	36
Cape May Campus	Cape May	32	42
Cherry Hill Campus	Camden	53	60
Cumberland Campus	Cumberland	18	22
Essex Campus	Essex	32	45
Gloucester Campus	Gloucester	N/A – Southern Region Child Study Team Office	N/A
Hudson Campus	Hudson	10	18
Mercer Campus	Mercer	33	38
Monmouth Campus	Monmouth	12	25
Morris Campus	Morris	19	25
Ocean Campus	Ocean	31	35
Passaic Campus	Passaic	45	50
Union Campus	Union	25	33
Warren Campus	Warren	20	25
Wanaque Campus	Passaic	62	65
TOTAL:		510	

23b. DCF closed the Middlesex Campus as of FY 2013. This Regional School had served 15 children from two group homes providing DCF behavioral health services. During the FY 2013 Assembly Budget Committee hearing, Commissioner Blake stated that the closure was due to a declining census and to the department's broader efforts to transition children into their communities' school districts.

- **Questions:** What FY 2013 State savings are anticipated from the closure of the Middlesex Campus? Are any additional Regional School closures anticipated for FY 2014? If so, please indicate the rationale for each closure and the total State savings anticipated.

Answer: The Middlesex Campus was primarily supported by the Office of Education's SFEA (State Facilities Education Act) allocation. These are non-state resources utilized to support educational services. The Fiscal Year 2013 State appropriation provided some funding for operational expenses at Middlesex Campus such as food, office supplies, gasoline for school buses, medical supplies, utilities, water/sewage, telephone, postage, household/extermination services, security alarm contracts, refuse disposal, copy machine rental, building/equipment maintenance/repair and bus maintenance/repair.

Middlesex Campus remained open for two months in Fiscal Year 2013 (July and August 2012) so some operational costs were still incurred. Remaining resources will be used to support various needs at other campuses. No additional Regional School closures are planned for Fiscal Year 2014.

SAFETY AND SECURITY SERVICES

Discussion Points (Cont'd)

24. In past years, there have been concerns regarding overtime expenditures incurred by the Department of Human Services (DHS) Police for escort and intervention services provided to the Department of Children and Families. In response to an FY 2011 Assembly Budget Committee question and a subsequent FY 2013 OLS Discussion Point, the department provided the following expenditure information:

FY	HUMAN SERVICES POLICE OVERTIME
2007	\$1,530,758
2008	\$1,382,928
2009	\$1,025,234
2010	\$888,769
2011	\$778,180
2012 (estimate)	\$797,083

- Questions:** What were final overtime expenditures for FY 2012? What are anticipated overtime expenditures for FY 2013, and how does this compare to the amount budgeted for overtime in FY 2013? How much is budgeted for overtime for FY 2014?

Answer: The Fiscal Year 2012 final overtime expenditures for the Human Services Police assigned to DCF totaled \$776,285. For Fiscal Year 2013, overtime expenditures are projected to be \$695,202. Overtime is not budgeted separately, but rather all expenditures related to Human Services Police services provided to DCF are paid from a Special Purpose account totaling \$3.8 million.