

Child and Family Services Division

Justification for 60% GF for DPs 49 and 53

DP 49 Overtime: This decision package requests \$120,000 for overtime funds for each year of the 2007 biennium. The division funded this decision package with 60% general fund for several reasons.

1. The 60% represents our best estimate of what we believe will be the overall GF share in the 2007 biennium. Some of the overtime costs are incurred by Centralized Intake staff and these costs are paid at 100% general fund. In FY 2004, total overtime costs amounted to \$125,799 and \$15,415 (12.2%) of those costs were for Centralized Intake.
2. The 37% GF in the FY 2004 base budget for Regional Office expenses is not reflective of a "normal" year. The division received two years of Targeted Case Management revenue in FY 2004 and this one-time-only revenue reduced the GF share in the Regional Office reporting level.
3. The GF share of administrative costs started to increase in FY 2004 because of the declining IV-E saturation rate, however the base year reflects only a very small part of this change because of the 3 month lag in applying the saturation rate to administrative costs.

The division should have allocated this decision package to all of the affected reporting levels (Centralized Intake, Central Office and Regional Offices) but included it in the Regional Offices reporting level for simplicity purposes.

DP 49 Rent Increase: This decision package requests \$154,471 and \$184,968 for FY 2006 and FY 2007 respectively for rent increases. The division funded this decision package with 60% general fund for several reasons.

1. The 60% represents our best estimate of what we believe will be the overall GF share in the 2007 biennium. The 37% GF in the FY 2004 base budget for Regional Office expenses is not reflective of a "normal" year. The division received two years of Targeted Case Management revenue in FY 2004 and this one-time-only revenue reduced

the GF share in the Regional Office reporting level. In Fiscal Year 2002 the division's overall GF share was 62% for administrative costs.

2. The GF share of administrative costs started to increase in FY 2004 because of the declining IV-E saturation rate, however the base year reflects only a very small part of this change because of the three month lag in applying the saturation rate to administrative costs. And while the division is working hard to increase the IV-E saturation rate, the 60% GF share is the division's best estimate at this time of what we think the GF share will be in the 2007 biennium.