



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2015 Biennium

<b>Bill #</b>	HB0075
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<b>Title:</b>	Require DPHHS undertake accreditation process for children and family services
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<b>Primary Sponsor:</b>	Pease-Lopez, Carolyn
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<b>Status:</b>	As Introduced
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|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact     | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts           | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2014 Difference</u>	<u>FY 2015 Difference</u>	<u>FY 2016 Difference</u>	<u>FY 2017 Difference</u>
<b>Expenditures:</b>				
General Fund	\$1,981,977	\$3,267,381	\$6,704,624	\$6,603,493
Federal Special Revenue	\$962,655	\$1,475,006	\$3,082,460	\$3,020,637
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
Federal Special Revenue	\$962,655	\$1,475,006	\$3,082,460	\$3,020,637
<b>Net Impact-General Fund Balance:</b>	<u>(\$1,981,977)</u>	<u>(\$3,267,381)</u>	<u>(\$6,704,624)</u>	<u>(\$6,603,493)</u>

**Description of fiscal impact:** This bill will require the Department of Public Health and Human Services (DPHHS) Child and Family Services Division (CFSD) to undertake the process to meet national accreditation standards of the Council on Accreditation (CoA). Undertaking the accreditation process includes costs associated with the actual accreditation process, including site visits, required off-site trainings, and program evaluations conducted by the CoA. It also includes the long-term costs of bringing CFSD programs, policies, and staff credentials into alignment with accreditation standards. In addition, this bill will require an information technology system which will capture and report CFSD accreditation standards data.

### FISCAL ANALYSIS

#### Assumptions:

#### **Child and Family Services Division (CFSD)**

1. These costs include an initial assessment of the organization's policies, programs, and workload. HB 75 contains an appropriation to cover upfront expenditures associated with the initial accreditation assessment of \$100,000.

2. Based on the initial assessment conducted by CoA, additional activities will be necessary to bring CFSD into compliance with the list of accreditation standards. These standards are broken down into the following general categories: Administration and Management, Service Delivery Administration Standards, and Service Standards (see <http://www.coastandards.org/standards.php>).
3. All personal services costs are developed using base hourly rates and total annual compensation (75% market rate + 17% benefits x working hours per year + health insurance totaling \$8,976 annually). Additionally, there is a 1.5% inflationary factor per year applied to base hourly rates for FY 2016 and FY 2017.
4. It is anticipated that six program assessment specialists (PAS) will be needed to work on the accreditation process. These include one central office FTE to manage the accreditation process and five regional FTE (one in each of the five CFSD regions) to oversee the implementation of the accreditation standards consistently statewide. These FTE would begin July 1, 2013.
5. The base compensation rate for a PAS is \$14.74 per hour in FY 2014 and FY 2015, \$14.96 per hour in FY 2016 and \$15.19 per hour in FY 2017. Based on this, the additional expenditures for 6.00 FTE with benefits, insurance and inflation totals \$268,770 in FY 2014 and FY 2015, \$272,845 in FY 2016, and \$275,298 in FY 2017. These positions are funded at 76.50% general fund and 23.50% federal fund.
6. Within the subcategory of standards for Child Protective Service's investigations, PA-CPS 5.07 requires that investigations are completed within 30 days, and a determination is made to: close the case, close and refer the case to community providers, or open the case for ongoing protective services. Under 41-3-202(6), MCA, CFSD currently has 60 days to furnish a written report documenting the outcome of investigations. CFSD would require two additional child protection specialists and one social service technician support position per field and regional office to meet this standard.
7. The CFSD has 32 county and five regional offices, equating to an additional 74 child protection specialists (CPS) and 37 social service technicians statewide. It is anticipated half of these FTE would be hired by 7/1/2014 and the remainder by 7/1/2015.
8. The base compensation rate for a CPS is \$15.10 per hour in FY 2015, \$15.33 per hour in FY 2016, and \$15.56 per hour in FY 2017. Based on this, additional expenditures for 37.00 FTE in FY 2015 and an additional 37.00 FTE in FY 2016 (total of 74.00 FTE) with benefits, insurance and inflation totals \$1,690,303 in FY 2015, \$3,432,149 in FY 2016, and \$3,463,111 in FY 2017. These positions are funded at 71.30% general fund and 28.70% federal fund.
9. The base compensation rate for a social service technician is \$11.59 per hour in FY 2015, \$11.76 per hour in FY 2016, and \$11.94 per hour in FY 2017. Based on this, additional expenditures for adding 18.50 FTE in FY 2015 and an additional 18.50 FTE in FY 2016 (total of 37.00 FTE) with benefits, insurance and inflation totals \$686,372 in FY 2015, \$1,392,501 in FY 2016, and \$1,404,387 in FY 2017. These positions are funded at 71.30% general fund and 28.70% federal fund.
10. To supervise the additional staff and ensure the safety of children, it is estimated that 10 additional child protection specialist supervisors (CPSS) would be required in order to maintain current workload ratios. It is anticipated half of these FTEs would be hired by 7/1/2014 and the remainder by 7/1/2015.
11. The base compensation rate for a CPSS is \$22.68 per hour in FY 2015, \$23.02 per hour in FY 2016, and \$23.37 per hour in FY 2017. Based on this, additional expenditures for adding 5.00 FTE in FY 2015 and 5.00 additional FTE in FY 2016 (total of 10.00 FTE) with benefits, insurance and inflation totals \$321,038 in FY 2015, \$652,542 in FY 2016, and \$658,831 in FY 2017. These positions are funded at 71.30% general fund and 28.70% federal fund.
12. Within the subcategory of standards for Foster Care Services, PA-FC 12.01 and PA-FC 12.02, CFSD would be required to create "Family Foster Care Worker" positions by expanding the duties of existing family resource specialists (FRS) who currently license foster families for CFSD. In addition to licensing duties, these workers would have to meet separately with foster children and foster parents monthly in the home and assess, formulate, and monitor service plans for these families. CFSD would require an additional 37

FRS (one in each of the 32 county and 5 regional offices). It is anticipated half of these FTEs would be hired by 7/1/2014 and the remainder by 7/1/2015.

13. The base compensation rate for a FRS is \$12.30 per hour in FY 2015, \$12.48 per hour in FY 2016, and \$12.67 per hour in FY 2017. Based on this, additional expenditures for adding 18.50 FTE in FY 2015 and 18.50 additional FTE in FY 2016 (total 37.00 FTE social service technician) with benefits, insurance and inflation totals \$718,440 in FY 2015, \$1,457,857 in FY 2016, and \$1,470,439 in FY 2017. These positions are funded at 58.67% general fund and 41.33% federal fund.
14. The additional furniture expenditures (\$1,600 new employee office package) for the total additional 164.00 FTE total \$9,600 in FY 2014 (6.0 FTE), \$126,400 in FY 2015 (79.0 FTE), and \$126,400 in FY 2016 (79.00 FTE). These expenditures are funded 68.82% general fund and 31.18% federal fund.
15. The additional computer equipment expenditures (\$1,275 new employee computer package) for the total additional 164.00 FTE total \$7,650 in FY 2014 (6.00 FTE), \$100,725 in FY 2015 (79.00 FTE), and \$100,725 in FY 2016 (79.00 FTE). These expenditures are 58.22% general fund and 41.78% federal fund.
16. The additional computer networking/licensing and telephone costs (\$1,430 per employee annually) for the additional 164.00 FTE total \$8,580 in FY 2014 (6.00 FTE), \$121,550 in FY 2015 (85.00 FTE), \$234,520 in FY 2016 (164.00 FTE), and \$234,520 in FY 2017 (164.00 FTE). These expenditures are 68.82% general fund and 31.18% federal fund.
17. The additional travel expenditures (\$1,663 per employee annually) for the total additional 164.00 FTE total \$9,977 in FY 2014 (6.00 FTE), \$141,346 in FY 2015 (85.00 FTE), \$272,715 in FY 2016 (164.00 FTE), and \$272,715 in FY 2017 (164.00 FTE). These expenditures are 68.82% general fund and 31.18% federal fund.
18. The additional rent expenditures (\$6,676 per employee annually) for the total additional 164.00 FTE total \$40,055 in FY 2014 (6.00 FTE), \$567,441 in FY 2015 (85.00 FTE), \$1,094,828 in FY 2016 (164.00 FTE), and \$1,094,828 in FY 2017 (164.00 FTE). These expenditures are 68.82% general fund and 31.18% federal fund.
19. Within the subcategory of standards for Foster Care Services, PA-FC 19.06, the division would be required to ensure a manageable workload to make it possible for workers to meet all accreditation practice requirements, achieve desired outcomes, and take into consideration the qualifications and competencies of the worker and case status and complexity. The FTE request included is based upon an initial assessment of those standards and current caseload.

### **Technology Services Division (TSD)**

20. An information technology system will be necessary to capture and report on the required data elements. It is estimated that over 500 data elements will be captured in order to meet the 1,000 accreditation standards.
21. It is estimated that an information technology system will require 20,000 hours of professional information technology programming and project management time over a two year period.
22. This system project will include requirements gathering, design, development, user acceptance testing, and training of staff on use of the system.
23. Information technology professional services are estimated to cost \$125 per hour.
24. The information technology system is estimated to cost \$2,500,000 (20,000 hours x \$125 = \$2,500,000).
25. Work flow processes will need to be established for the accreditation process and reporting.
26. The Child Adult Protective Services computer system (CAPS) is funded based on a split of approximately 65% general fund and 35% federal IV-E funds. The FY 2014 general fund required is \$1,625,000 and federal fund is \$875,000.
27. This fiscal note assumes that these funds will be appropriated as a biennial appropriation for use over the two year period as needed.
28. Annual maintenance of the system will be needed on an on-going base after implementation. It is estimated that maintenance and operations of the system will cost 30 percent of the development cost, or \$750,000 per year in FY 2016 and beyond.

29. Funding for the system maintenance is 65% general fund and 35% federal funds. On-going maintenance will require \$487,500 general fund and \$262,500 federal fund per year.

CFSD	FY 14			FY 15			FY 16			FY 17		
<b>Personal Services</b>	<b>FTE</b>	<b>Rate</b>	<b>Total</b>	<b>FTE</b>	<b>Rate</b>	<b>Total</b>	<b>FTE</b>	<b>Rate</b>	<b>Total</b>	<b>FTE</b>	<b>Rate</b>	<b>Total</b>
CPS	0.00	\$15.10	\$0	37.00	\$15.10	\$1,690,303	74.00	\$15.33	\$3,432,149	74.00	\$15.56	\$3,463,111
CPSS	0.00	\$22.68	\$0	5.00	\$22.68	\$321,038	10.00	\$23.02	\$652,542	10.00	\$23.37	\$658,831
FRS	0.00	\$12.30	\$0	18.50	\$12.30	\$718,440	37.00	\$12.48	\$1,457,857	37.00	\$12.67	\$1,470,439
PAS	6.00	\$14.74	\$268,770	6.00	\$14.74	\$268,770	6.00	\$14.96	\$272,845	6.00	\$15.19	\$275,298
Social Service Tech	0.00	\$11.59	\$0	18.50	\$11.59	\$686,372	37.00	\$11.76	\$1,392,501	37.00	\$11.94	\$1,404,387
<b>Total Personal Services</b>	<b>6.00</b>		<b>\$268,770</b>	<b>85.00</b>		<b>\$3,684,924</b>	<b>164.00</b>		<b>\$7,207,896</b>	<b>164.00</b>		<b>\$7,272,067</b>
<b>Equipment Expenditures</b>	<b>FTE</b>	<b>Cost / FTE</b>	<b>Total</b>	<b>FTE</b>	<b>Cost / FTE</b>	<b>Total</b>	<b>FTE</b>	<b>Cost / FTE</b>	<b>Total</b>	<b>FTE</b>	<b>Cost / FTE</b>	<b>Total</b>
Office Furniture	6.00	1,600	\$9,600	79.00	1,600	\$126,400	79.00	1,600	\$126,400	0.00		\$0
Computers	6.00	1,275	\$7,650	79.00	1,275	\$100,725	79.00	1,275	\$100,725	0.00		\$0
<b>Total Equipment</b>			<b>\$17,250</b>			<b>\$227,125</b>			<b>\$227,125</b>			<b>\$0</b>
<b>Operating Expenditures</b>	<b>FTE</b>	<b>Cost / FTE</b>	<b>Total</b>	<b>FTE</b>	<b>Cost / FTE</b>	<b>Total</b>	<b>FTE</b>	<b>Cost / FTE</b>	<b>Total</b>	<b>FTE</b>	<b>Cost / FTE</b>	<b>Total</b>
Consulting			\$100,000									
Communications	6.00	1,430	\$8,580	85.00	1,430	\$121,550	164.00	1,430	\$234,520	164.00	1,430	\$234,520
Travel	6.00	1,663	\$9,977	85.00	1,663	\$141,346	164.00	1,663	\$272,715	164.00	1,663	\$272,715
Rent	6.00	6,676	\$40,055	85.00	6,676	\$567,441	164.00	6,676	\$1,094,828	164.00	6,676	\$1,094,828
<b>Total Operating</b>			<b>\$158,612</b>			<b>\$830,337</b>			<b>\$1,602,063</b>			<b>\$1,602,063</b>
<b>Total Expenditures</b>			<b>\$444,632</b>			<b>\$4,742,387</b>			<b>\$9,037,083</b>			<b>\$8,874,129</b>
<b>Funding Sources</b>		<b>Percentage</b>	<b>Total</b>		<b>Percentage</b>	<b>Total</b>		<b>Percentage</b>	<b>Total</b>		<b>Percentage</b>	<b>Total</b>
General Fund		80.29%	\$356,977		68.90%	\$3,267,381		68.80%	\$6,217,124		68.92%	\$6,115,993
Federal Fund		19.71%	\$87,655		31.10%	\$1,475,006		31.20%	\$2,819,960		31.08%	\$2,758,137
<b>TSD</b>												
<b>Operating</b>			<b>Total</b>			<b>Total</b>			<b>Total</b>			<b>Total</b>
System Development			\$2,500,000			\$0			\$0			\$0
System Maintenance			\$0			\$0			\$750,000			\$750,000
<b>Total Operating</b>			<b>\$2,500,000</b>			<b>\$0</b>			<b>\$750,000</b>			<b>\$750,000</b>
<b>Funding Sources</b>		<b>Percentage</b>	<b>Total</b>		<b>Percentage</b>	<b>Total</b>		<b>Percentage</b>	<b>Total</b>		<b>Percentage</b>	<b>Total</b>
General Fund		65.00%	\$1,625,000		65.00%	\$0		65.00%	\$487,500		65.00%	\$487,500
Federal Fund		35.00%	\$875,000		35.00%	\$0		35.00%	\$262,500		35.00%	\$262,500
<b>Total DPHHS</b>												
			<b>Total</b>			<b>Total</b>			<b>Total</b>			<b>Total</b>
Personal Services			\$268,770			\$3,684,924			\$7,207,896			\$7,272,067
Equipment			\$17,250			\$227,125			\$227,125			\$0
Operating			\$2,658,612			\$830,337			\$2,352,063			\$2,352,063
<b>Total Expenditures</b>			<b>\$2,944,632</b>			<b>\$4,742,387</b>			<b>\$9,787,083</b>			<b>\$9,624,129</b>
<b>Funding Sources</b>			<b>Total</b>			<b>Total</b>			<b>Total</b>			<b>Total</b>
General Fund			\$1,981,977			\$3,267,381			\$6,704,624			\$6,603,493
Federal Fund			\$962,655			\$1,475,006			\$3,082,460			\$3,020,637

	<u>FY 2014</u> <u>Difference</u>	<u>FY 2015</u> <u>Difference</u>	<u>FY 2016</u> <u>Difference</u>	<u>FY 2017</u> <u>Difference</u>
<b><u>Fiscal Impact:</u></b>				
FTE	6.00	85.00	164.00	164.00
<b><u>Expenditures:</u></b>				
Personal Services	\$268,770	\$3,684,924	\$7,207,896	\$7,272,067
Operating Expenses	\$2,658,612	\$830,337	\$2,352,063	\$2,352,063
Equipment	\$17,250	\$227,125	\$227,125	\$0
<b>TOTAL Expenditures</b>	<u><u>\$2,944,632</u></u>	<u><u>\$4,742,386</u></u>	<u><u>\$9,787,084</u></u>	<u><u>\$9,624,130</u></u>
<b><u>Funding of Expenditures:</u></b>				
General Fund (01)	\$1,981,977	\$3,267,381	\$6,704,624	\$6,603,493
Federal Special Revenue (03)	\$962,655	\$1,475,006	\$3,082,460	\$3,020,637
<b>TOTAL Funding of Exp.</b>	<u><u>\$2,944,632</u></u>	<u><u>\$4,742,387</u></u>	<u><u>\$9,787,084</u></u>	<u><u>\$9,624,130</u></u>
<b><u>Revenues:</u></b>				
General Fund (01)	\$0	\$0	\$0	\$0
Federal Special Revenue (03)	\$962,655	\$1,475,006	\$3,082,460	\$3,020,637
<b>TOTAL Revenues</b>	<u><u>\$962,655</u></u>	<u><u>\$1,475,006</u></u>	<u><u>\$3,082,460</u></u>	<u><u>\$3,020,637</u></u>
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>				
General Fund (01)	(\$1,981,977)	(\$3,267,381)	(\$6,704,624)	(\$6,603,493)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0

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*Sponsor's Initials*

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*Budget Director's Initials*

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