

**Program Budget Comparison**

The following table summarizes the total legislative budget for the program by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2012	Approp. Fiscal 2013	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 12-13	Biennium Fiscal 14-15	Biennium Change	Biennium % Change
FTE	369.15	369.15	369.15	369.15	369.15	369.15	0.00	0.00%
Personal Services	18,606,388	19,002,027	20,148,688	20,172,187	37,608,415	40,320,875	2,712,460	7.21%
Operating Expenses	5,510,177	5,561,216	5,601,227	5,655,951	11,071,393	11,257,178	185,785	1.68%
Equipment & Intangible Assets	32,220	14,240	32,220	32,220	46,460	64,440	17,980	38.70%
Grants	7,181,939	6,338,025	7,181,939	7,181,939	13,519,964	14,363,878	843,914	6.24%
Benefits & Claims	29,832,885	32,142,537	33,047,099	34,322,496	61,975,422	67,369,595	5,394,173	8.70%
Debt Service	1,527	130,912	1,527	1,527	132,439	3,054	(129,385)	(97.69%)
<b>Total Costs</b>	<b>\$61,165,136</b>	<b>\$63,188,957</b>	<b>\$66,012,700</b>	<b>\$67,366,320</b>	<b>\$124,354,093</b>	<b>\$133,379,020</b>	<b>\$9,024,927</b>	<b>7.26%</b>
General Fund	31,865,778	33,318,418	34,907,946	35,971,663	65,184,196	70,879,609	5,695,413	8.74%
State Special	2,187,150	2,513,522	2,187,150	2,187,150	4,700,672	4,374,300	(326,372)	(6.94%)
Federal Special	27,112,208	27,357,017	28,917,604	29,207,507	54,469,225	58,125,111	3,655,886	6.71%
<b>Total Funds</b>	<b>\$61,165,136</b>	<b>\$63,188,957</b>	<b>\$66,012,700</b>	<b>\$67,366,320</b>	<b>\$124,354,093</b>	<b>\$133,379,020</b>	<b>\$9,024,927</b>	<b>7.26%</b>

**Program Description**

The Child and Family Services Division (CFSD) administers child protective services, child abuse and neglect services, prevention services, domestic violence grants, and other programs designed to keep children safe and families strong. CFSD is composed of three bureaus and five regions that administer programs and are advised by Local Family Services Advisory Councils, which serve as the link between local communities and DPHHS. CFSD is the primary user of the statewide Child and Adult Protective Services (CAPS) computer system.

Statutory authority for the program is provided in Titles 41, 42, and 52, MCA, and 45 CFR, Parts 1355, 1356, 1357 and 1370.

**Program Highlights**

<b>Child and Family Services Division</b>	
<b>Major Budget Highlights</b>	
◆	The legislature increased total funding for the division by nearly 7.3% over the 2013 biennium primarily due to: <ul style="list-style-type: none"> <li>• Statewide present law adjustment that net \$2.1 million total funds</li> <li>• Present law adjustments of over \$6.4 million total funds supporting \$5.2 million for caseload adjustments and \$1.2 million to address overtime, other personal services, and leases</li> <li>• \$2.5 million total funds to support a stipend for foster care and kinship care families, Tribal foster care, and a 2% provider rate increase</li> </ul>

**Program Narrative**

The legislature approved a budget of just over \$133.0 million total funds for the biennium comprising 53% general fund, 3% state special revenue, and 44% federal funds.

The increase in the budget when the 2013 and 2015 biennia are compared is primarily due to:

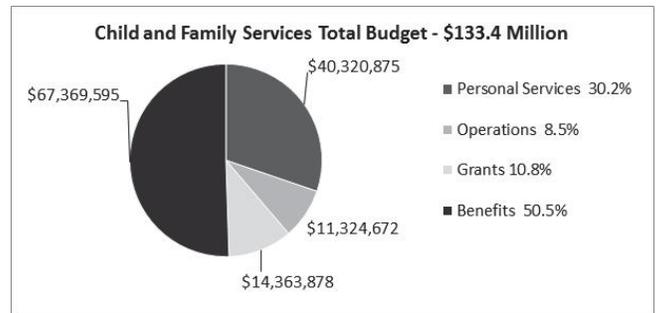
- Present law adjustments of about \$8.6 million total funds over the biennium for:
  - \$5.2 million for caseload adjustments (about \$3.3 million general fund)

- Statewide present law adjustment of \$2.1 million representing about \$3.8 million in personal services offset by about \$1.6 million in vacancy savings and a small reduction for deflation
- \$967,000 to restore overtime and other personal services
- \$267,000 for vehicle and office leases
- New proposals of over \$2.5 million total funds include about:
  - \$1.2 million federal TANF funds for a stipend supporting regular foster care and kinship care families
  - \$0.9 million for provider rate increases (about \$0.6 million general fund)
  - \$0.4 million general fund to address tribal foster care

The increase to the general fund of about \$5.7 million is primarily due to the \$7.2 million general fund in the appropriations mentioned above that is offset by executive interim reductions combined with yearend adjustments and reversions. These actions reduced the FY 2012 budget but are not reflected in the FY 2013 budget.

The reduction in state special revenue of about \$300,000 relates to a reduction in payments for Supplemental Security Income (SSI) payments for SSI eligible children and funds from child support.

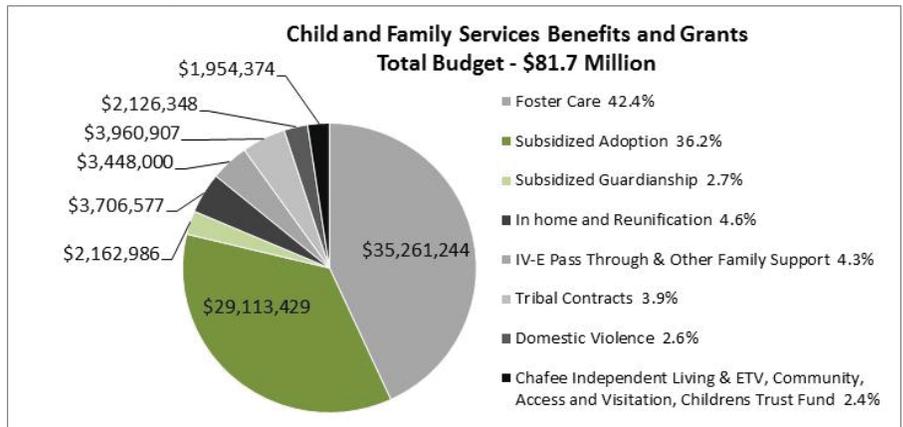
The chart shows that the \$133.0 million biennium total funds budget primarily includes funding for personal services and grants and benefits. At nearly \$82.0 million, benefits and grant funded programs serving foster care, subsidized adoption, subsidized guardianship, and a myriad of activities with the mission to keep children safe and support their families in reunification efforts comprise over 61.3% of the total budget. Personal services and operations costs support the field staff in five regional offices, centralized intake (all general fund), and administration.



*Benefits and Grants*

As mentioned earlier, benefits and grants account for nearly \$82.0 million total funds. The chart reflects that foster care, subsidized adoption, and subsidized guardianship represent 81.3% of the benefit and grant support budget.

Funding for grants and benefits serving children and families throughout the state ranges from in-home and reunifications services at 4.6% to family support at 4.3% and Tribal contracts at 3.9%. The remainder helps address independent living, domestic violence issues, access and visitation, and other activities.



The Children’s Trust Fund resides in the Director’s Office but serves programs of CFSD. It contains an Endowment for Children managed by the Board of Investments that was launched in FY 2000 and later received a \$1.0 million general fund legislative appropriation to provide a permanent source of funding to support the programs and services related to child abuse and neglect, including family services programs operated by nonprofit or public community-based educational and service organizations.

Caseload

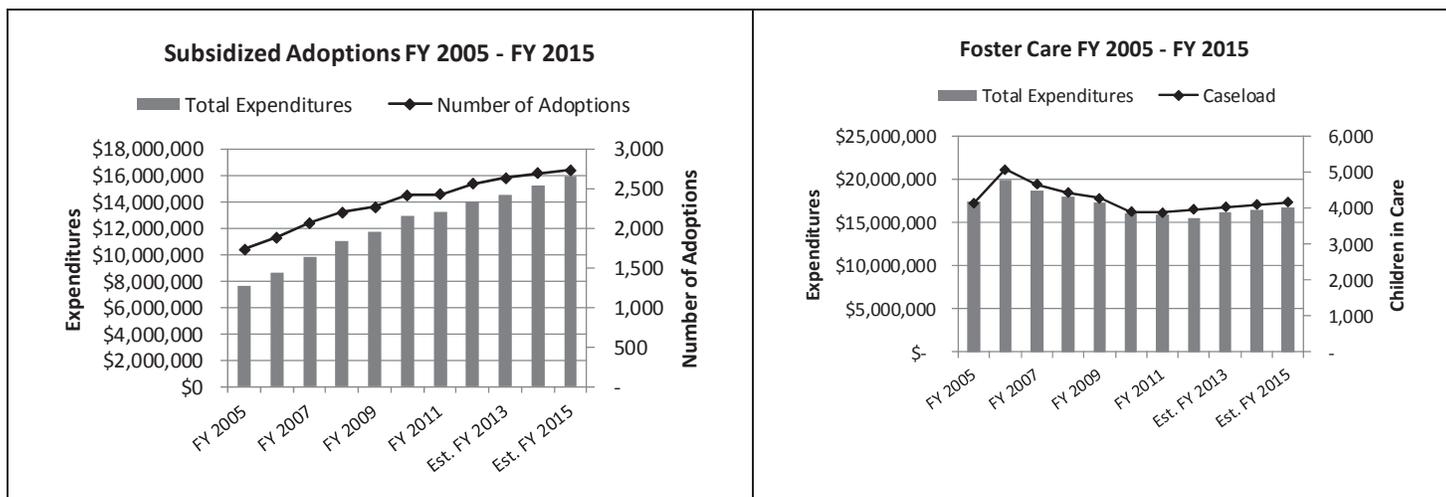
The legislature funded projected benefits through FY 2015 for foster care and increased efforts to unite children with relatives through subsidized adoption and guardianship and relative foster placements.

The following table and charts reflect the legislative appropriations for subsidized guardianship, subsidized adoption, and foster care. The table shows benefit increases to the base. The charts show the historical changes in the number of foster care and subsidized adoption clients with the subsidized guardianship and adoption categories combined. The caseload reflects children receiving multiple services.

Child and Family Services Increases to the Base and Estimated Caseload Served											
	FY 2014 Appropriation						FY 2015 Appropriation				
	FY 2012 Base	Estimated Caseload	General Fund	Federal Funds	Total Funds	Increase over Base	Estimated Caseload	General Fund	Federal Funds	Total Funds	Increase over Base
<b>Present Law Caseload Increase</b>											
Subsidized Guardianship	\$897,534	190	\$88,591	\$56,258	\$144,849	16.1%	202	\$128,999	\$79,453	\$208,452	23.2%
Subsidized Adoption	13,118,575	2,380	500,124	575,599	1,075,723	8.2%	2,482	766,423	877,072	1,643,495	12.5%
Foster Care	15,448,896	4,198	729,288	176,017	905,305	5.9%	4,286	1,088,638	143,751	1,232,389	8.0%

The following foster care chart shows that caseload and expenditures increased from FY 2005 to FY 2006. This was due to a surge of adult addictive behavior that was primarily due to methamphetamine, alcohol, and prescription drugs and the related impact on families. The expenditures gradually returned to the \$15.4 million level by FY 2012. and are projected to near \$17.0 million by FY 2015.

The increase in subsidized adoption expenditures relates to the number of children available for adoption and the negotiated cost plans. The children enter with cost plans based upon the economy at that time and families generally negotiate a higher cost plan for subsidies than those children already in the program. Parents that are already in the program may also negotiate subsidies for a higher level.



*Additional Legislative Appropriations*

The legislature appropriated funding for an information technology (IT) project and a child and family ombudsman in divisions other than CFSD.

Montana Adult and Child Welfare Information System (MACWIS)

The legislature provided a \$350,000 one-time-only biennial appropriation to bring the MACWIS project closer to the original legislative intent. The funding source is one-time Montana Chemical Dependency Center (MCDC) cost recovery funds that had built up.

MACWIS was initially funded in HB 4 with Long Range Information Technology (LRIT) funding during the 2007 May Special Session, but became part of the Governor’s 17-7-140 reductions in the 2011 session. The project replaces the Child and Adult Protective Services System (CAPS) used in the monitoring of foster care cases, adoption cases, payment for service to providers, and reporting. The original budget was \$27.1 million with \$15.2 million in LRIT funds and

\$11.9 million in federal funds. Prior to placing the project on hold and reverting \$10.3 million to the general fund in the 17-7-140 reductions, the Governor transferred \$3.4 million LRIT funds to the MMIS (\$2.9 million) and CHIMES TANF / SNAP (\$0.5 million) projects.

The 2015 biennium appropriation was assigned to the DPHHS Technology Services Division (TSD) and does not impact the CFSD budget. It does allow TSD staff and CFSD staff to work together throughout the biennium on the MACWIS definition and validation planning process.

The legislature included language: "The Department of Public Health and Human Services must use the biennial appropriation of \$350,000 in fiscal year 2014 and fiscal year 2015 in the Technology Services Division to complete the planning process for the Montana adult and child welfare information system (MACWIS) including a complete plan for funding the development of the MACWIS system for presentation to the 2015 Legislature."

#### Child and Family Ombudsman

The legislature also created an office of the child and family ombudsman as an independent, impartial, and confidential entity to protect the interests and rights of the state's children and families. It is to be located within the Department of Justice (DOJ) but work collaboratively with CFSD. The office was created in HB 76 and was funded in HB 2 with \$125,000 general fund each year of the biennium.

There is additional information for the two projects in the Fiscal Report for TSD in Section B and in the DOJ write up for the Legal Services Division in Section D.

#### Additional Legislation

The legislature addressed child abuse through additional legislation. It passed several bills related to disclosure of information to persons submitting reports of alleged abuse of neglect, providing for criminal background checks of residents where an emergency placement could be made, and increasing penalties for assault on a minor under 36 months of age and requiring counseling and treatment. The full list of legislation can be seen in the agency overview.

#### **Funding**

The following table shows the program funding, by source for the base year and for the 2015 biennium as adopted by the legislature.

Total Economic Security Services Branch Funding by Source of Authority 2015 Biennium Budget - Child & Family Services							
Funds	HB 2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	MCA Reference	Statutory Category
<b>General Fund</b>	<b>\$70,879,609</b>	<b>\$0</b>	<b>\$0</b>	<b>\$70,879,609</b>	53.1%		
<b>State Special Total</b>	<b>\$4,374,300</b>	<b>\$0</b>	<b>\$182,462</b>	<b>\$4,556,762</b>	3.4%		
02089 Child Abuse & Neglect Program	300,194	-	-	300,194	0.2%		
02209 Third Party Contributions-f.c.	3,860,262	-	-	3,860,262	2.9%		
02473 Assault Intervention & Trtmnt	196,444	-	-	196,444	0.1%		
02483 Adoption Services / Sa	-	-	182,462	182,462	0.1%	402-2-105	Direct
02496 Family Preservation Conference	17,400	-	-	17,400	0.0%		
<b>Federal Special Total</b>	<b>\$58,125,111</b>	<b>\$0</b>	<b>\$0</b>	<b>\$58,125,111</b>	43.5%		
03109 Tanf Benefits	5,108,526	-	-	5,108,526	3.8%		
03224 Access & Visitation Grt 93.597	196,490	-	-	196,490	0.1%		
03458 6901 - Chafee - Etv 93.599	338,198	-	-	338,198	0.3%		
03522 93.556 - Family Preservation	1,898,967	-	-	1,898,967	1.4%		
03526 93.643 - Child Justice	197,230	-	-	197,230	0.1%		
03529 Iv-e Guardianship	833,360	-	-	833,360	0.6%		
03530 6901-foster Care 93.658	15,221,966	-	-	15,221,966	11.4%		
03531 6901-subsidized Adopt 93.659	15,582,036	-	-	15,582,036	11.7%		
03532 93.669 - Child Abuse	329,234	-	-	329,234	0.2%		
03533 93.671 - Domestic Violence	1,695,410	-	-	1,695,410	1.3%		
03534 93.672 - Child Abuse Challenge	336,470	-	-	336,470	0.3%		
03536 93.674 - Iv-e Independent Livi	901,025	-	-	901,025	0.7%		
03593 03 Indirect Activity Prog 03	15,486,199	-	-	15,486,199	11.6%		
<b>Total All Funds</b>	<b>\$133,379,020</b>	<b>\$0</b>	<b>\$182,462</b>	<b>\$133,561,482</b>	100.0%		
<b>Percent - Total All Sources</b>	<b>99.9%</b>	<b>0.0%</b>	<b>0.1%</b>				

The division is funded from a variety of sources and funding and federal matching rates vary by function. Some costs are allocated among funding sources through a complex federally approved cost allocation plan that considers such factors as the results of a random moment in time study of social worker time spent on various activities.

General fund comprises 53.1% of the budget, with most used as matching funds to draw federal funds supporting benefits, grants, and functions serving foster care, subsidized adoptions, and family reunifications as well as safe, non-violent environments for children. The only major activity of the division that is supported entirely by general fund is the centralized intake function at about \$2.1 million over the biennium for 18.00 FTE. Over \$26.1 million over the biennium supports the five regional offices across the state with 305.80 FTE, and about \$5.2 million over the biennium supports the 45.35 FTE and operating costs of central administration.

The majority of federal funds support foster care, adoption, and guardianship subsidies and expenses associated with the cost allocation plan mentioned above.

State special revenue primarily supports the cost of foster care from a wide variety of third party contributions such as parental payments, collections from child support enforcement for children in foster care, and supplemental security income (SSI) for eligible children. It represents 3.4% of the budget.

**Budget Summary by Category**

The following summarizes the total budget by base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget	Budget Fiscal 2014	Budget Fiscal 2015	Biennium Fiscal 14-15	Percent of Budget
Base Budget	31,865,778	31,865,778	63,731,556	89.92%	61,165,136	61,165,136	122,330,272	91.72%
Statewide PL Adjustments	844,247	988,102	1,832,349	2.59%	1,039,195	1,071,321	2,110,516	1.58%
Other PL Adjustments	1,786,499	2,490,561	4,277,060	6.03%	2,720,032	3,724,588	6,444,620	4.83%
New Proposals	411,422	627,222	1,038,644	1.47%	1,088,337	1,405,275	2,493,612	1.87%
<b>Total Budget</b>	<b>\$34,907,946</b>	<b>\$35,971,663</b>	<b>\$70,879,609</b>		<b>\$66,012,700</b>	<b>\$67,366,320</b>	<b>\$133,379,020</b>	

**Present Law Adjustments**

The “Present Law Adjustments” table shows the changes to the base budget adopted by the legislature.

Present Law Adjustments	-----Fiscal 2014-----				-----Fiscal 2015-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					1,878,074					1,902,526
Vacancy Savings					(819,371)					(820,324)
Inflation/Deflation					(19,508)					(10,881)
<b>Total Statewide Present Law Adjustments</b>		<b>\$844,247</b>	<b>\$0</b>	<b>\$194,948</b>	<b>\$1,039,195</b>		<b>\$988,102</b>	<b>\$0</b>	<b>\$83,219</b>	<b>\$1,071,321</b>
DP 50 - Initial Motion to FY 2012 Base	0.00	(844,247)	0	(194,948)	(1,039,195)	0.00	(988,102)	0	(83,219)	(1,071,321)
DP 51 - Adjustment for Statewide Personal Services	0.00	680,038	742	377,923	1,058,703	0.00	695,720	750	385,732	1,082,202
DP 52 - Adjustment for Statewide Operations	0.00	(12,430)	(1)	(7,077)	(19,508)	0.00	(6,927)	(1)	(3,953)	(10,881)
DP 53 - Base Funding Switch	0.00	176,639	(741)	(175,898)	0	0.00	299,309	(749)	(298,560)	0
DP 30200 - Guardianship Caseload (Restricted/OTO)	0.00	88,591	0	56,258	144,849	0.00	128,999	0	79,453	208,452
DP 30201 - Subsidized Adoption Caseload	0.00	500,124	0	575,599	1,075,723	0.00	766,423	0	877,072	1,643,495
DP 30202 - Foster Care Caseload (Restricted)	0.00	729,288	0	176,017	905,305	0.00	1,088,638	0	143,751	1,232,389
DP 30300 - Required Overtime / Holiday / Differential Pay	0.00	329,713	0	153,884	483,597	0.00	329,713	0	153,884	483,597
DP 30400 - Guardianship FMAP Adjustment	0.00	15,612	0	(15,612)	0	0.00	15,873	0	(15,873)	0
DP 30401 - Subsidized Adoption FMAP Adjustment	0.00	52,962	0	(52,962)	0	0.00	58,258	0	(58,258)	0
DP 30402 - Foster Care FMAP Adjustment	0.00	(1,762)	0	1,762	0	0.00	126	0	(126)	0
DP 30500 - Private Lease Adjustment	0.00	29,347	0	14,921	44,268	0.00	59,907	0	30,458	90,365
DP 30803 - Leased Vehicles	0.00	42,624	0	23,666	66,290	0.00	42,624	0	23,666	66,290
<b>Total Other Present Law Adjustments</b>	<b>0.00</b>	<b>\$1,786,499</b>	<b>\$0</b>	<b>\$933,533</b>	<b>\$2,720,032</b>	<b>0.00</b>	<b>\$2,490,561</b>	<b>\$0</b>	<b>\$1,234,027</b>	<b>\$3,724,588</b>
<b>Grand Total All Present Law Adjustments</b>	<b>0.00</b>	<b>\$2,630,746</b>	<b>\$0</b>	<b>\$1,128,481</b>	<b>\$3,759,227</b>	<b>0.00</b>	<b>\$3,478,663</b>	<b>\$0</b>	<b>\$1,317,246</b>	<b>\$4,795,909</b>

DP 50 - Initial Motion to FY 2012 Base - The legislature adopted a motion to establish the starting point for budget deliberations as the FY 2012 base. This adjustment removes statewide present law adjustments for personal services, vacancy savings, fixed costs, and inflation/deflation.

DP 51 - Adjustment for Statewide Personal Services - This adjustment funds statewide personal services and vacancy savings.

DP 52 - Adjustment for Statewide Operations - This adjustment funds the fixed cost and inflation/deflation rates as approved by the General Government subcommittee.

DP 53 - Base Funding Switch - The legislature approved the funding switch to base operations.

DP 30200 - Guardianship Caseload (Restricted/OTO) - The legislature approved restricted, OTO funding to cover projected increases in the number of finalized guardianships and the average cost per day.

DP 30201 - Subsidized Adoption Caseload - The legislature provided funding to cover the projected increases in the number of finalized adoptions and the average cost per day in the Subsidized Adoption Program.

DP 30202 - Foster Care Caseload (Restricted) - The legislature approved restricted funding for the projected increases in the foster care caseload and developed the following language. "Funding for Foster Case Caseload may be expended only by the Child and Family Services Division for projected increases in caseload."

DP 30300 - Required Overtime / Holiday / Differential Pay - The legislature restored funding for overtime, holidays worked, differential pay, and the corresponding benefits.

DP 30400 - Guardianship FMAP Adjustment - The Legislature approved an increase general fund of \$31,485 for the biennium with a corresponding decrease in federal funds.

DP 30401 - Subsidized Adoption FMAP Adjustment - The legislature supported a funding increase in general fund of \$111,220 for the biennium with a corresponding decrease in federal funds.

DP 30402 - Foster Care FMAP Adjustment - The legislature approved funding decreases to the general fund of \$1,636 in FY 2014 with a corresponding increase in federal funds. There is an increase of \$126 general fund in FY 2015 with a corresponding decrease in federal funds.

DP 30500 - Private Lease Adjustment - The legislature approved \$134,633 in total funds for the 2015 biennium to pay the cost associated with lease adjustments in non-state owned buildings throughout the state.

DP 30803 - Leased Vehicles - The legislature approved funds to allow CFSD to replace aged, high-mileage vehicles currently owned by the division with leased vehicles available through the State Motor Pool.

**New Proposals**

New Proposals	-----Fiscal 2014-----					-----Fiscal 2015-----					
	Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 30805 - Tribal Foster Care (Restricted / OTO)											
03	0.00	200,000	0	0	200,000	0.00	200,000	0	0	200,000	
DP 30901 - PRI - Foster Care											
03	0.00	153,014	0	69,218	222,232	0.00	309,193	0	139,716	448,909	
DP 30902 - PRI - Subsidized Adoption											
03	0.00	23,746	0	28,261	52,007	0.00	48,009	0	57,045	105,054	
DP 30903 - PRI - Subsidized Guardianship											
03	0.00	2,686	0	1,823	4,509	0.00	5,429	0	3,679	9,108	
DP 30904 - PRI - In Home Services											
03	0.00	31,976	0	0	31,976	0.00	64,591	0	0	64,591	
DP 30910 - Foster Care Stipend (Restricted / Biennial / OTO)											
03	0.00	0	0	577,613	577,613	0.00	0	0	577,613	577,613	
<b>Total</b>	<b>0.00</b>	<b>\$411,422</b>	<b>\$0</b>	<b>\$676,915</b>	<b>\$1,088,337</b>	<b>0.00</b>	<b>\$627,222</b>	<b>\$0</b>	<b>\$778,053</b>	<b>\$1,405,275</b>	

DP 30805 - Tribal Foster Care (Restricted / OTO) - The legislature approved a restricted, one-time-only appropriation of \$200,000 in general fund for each year of the biennium. Funding is restricted for use by the Child and Family Services Division on non-Title IV-E billable services for Tribal children living on the reservation.

DP 30901 - PRI - Foster Care - The legislature approved funding for a 2% provider rate increase in each year of the biennium for Foster Care services. The legislature directed DPHHS to raise provider rates by 2% each year of the 2015 biennium. Language compelling the department to use the funds for this purpose was contained in HB 625, which has been vetoed by the Governor. As of this writing a veto override poll has been sent to legislators.

The table in the agency write-up shows the funding per program. Calculations account for the caseload increase. All rate increases are considered part of the benefit structure and would be distributed through the social assistance account.

DP 30902 - PRI - Subsidized Adoption - The legislature funded a 2% provider rate increase in each year of the biennium for Subsidized Adoption services and added compelling language in HB 625 as discussed earlier.

DP 30903 - PRI - Subsidized Guardianship - The legislature funded a 2% provider rate increase in each year of the biennium for Subsidized Guardianship services and added compelling language in HB 625 as discussed earlier.

DP 30904 - PRI - In Home Services - The legislature approved general fund for a 2% provider rate increase in each year of the biennium for In-Home Services and added compelling language in HB 625 as discussed earlier.

DP 30910 - Foster Care Stipend (Restricted / Biennial / OTO) - The legislature approved a restricted, biennial, one-time-only (OTO) appropriation of \$577,613 federal TANF funds each year of the biennium for a \$0.75 per day stipend for regular foster care and regular kinship care families in addition to the daily foster care maintenance payment. This funding is the continuation of the OTO stipend that was implemented by the 2011 Legislature. The Child and Family Services Division may adjust the stipend amount to reflect the appropriation and the actual number of children placed in regular family foster care and regular kinship foster care.

**Language and Statutory Authority**

The legislature included the following language in HB 2:

“The department of public health and human services must use \$310,724 in fiscal year 2014 and \$627,662 in fiscal year 2015 of funds in the Child and Family Services Division to raise provider rates by 2% in fiscal year 2014 and by an additional 2% in fiscal year 2015.”

“Funding for Foster Case Caseload may be expended only by the Child and Family Services Division for projected increases in caseload.”

“Funding for Tribal Foster Care may be used only by the Child and Family Services Division for non-Title IV-E billable services provided to Tribal children living on the reservation.”

“Funding for Foster Care Stipend may be used only by the Child and Family Services Division to pay stipends to families who provide regular foster care in a youth foster home and kinship families who provide regular foster care in a kinship foster home of an estimated 75 cents per day in addition to the daily foster care maintenance payment. The Child and Family Services Division may adjust the stipend amount to reflect the funding of \$577,613 each year of the biennium with the actual number of children placed in regular family foster care and kinship foster care.”