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Division of Child and Family Services
Children and Family Administration
Budget Account 3145

During the Joint Subcommittee on K-12/Human Resources meeting on Friday, May 9th, Assemblyman Hettrick questioned how there could be a \$4.5 million decrease in federal funds and a simultaneous increase in general funds in the Division's Administration account (BA 3145).

To respond to Mr. Hettrick's question, we need to look at both the revenue/expenditure reduction in the Division's Administration account (BA 3145) and the overall revenues recommended to support the Division's Child Welfare costs.

- Attachment 1 (page 3) reflects a summary of the General Funds recommended in the Children and Family Administration account. In looking at the Adjusted Base budget for FY04 and FY05, you will note a reduction in General Funds of \$1,640,012 in FY04 and \$1,565,716 in FY05 when compared to the appropriation for FY03. This is offset, in part, with a General Fund increase in the Maintenance and Enhancement decision units of \$1,338,246 in FY04 and \$1,388,377 in FY05.

To add to Mr. Willden's comments regarding capped revenues, the change in funding mix is apparent when comparing the FY04 and FY05 Adjusted Base budget to the Maintenance and Enhancement decision units. The funding mix for the Adjusted Base budget is approximately 36% General Funds, 63% Federal Funds, and 1% Other Funds. The Maintenance and Enhancement decision units are funded with approximately 62% General Funds and 38% Federal Funds. In looking at Attachment 3 (page 6), there is a notation in the far right column for those revenues that are capped.

- Attachment 2 (pages 4 & 5) reflects the revenue/expenditure adjustments to the Children and Family Administration as recommended in the Adjusted Base budget. As indicated, the overall reduction to revenues/expenditures is \$9,018,353 in FY04 and \$8,883,956 in FY05, when compared to FY03. This reduction is a combination of the reduction in staff and associated costs, increases in grants, and a reduction of one-time expenditures. In addition to the General Fund reduction of 18% in FY04 and 17% in FY05, you will note reductions in Title IV-B (9% in each year), TANF (24% in each year), and Title IV-E (48% in each year).

In balancing the revenues across budget accounts, the Division and Counties had to look at what revenues each entity could earn, with the least impact on the General Fund. For example, the TANF revenues are mostly earned through case management services (salaries/operating) and placement costs. With a significant transfer of staff and services to Washoe and Clark County, TANF dollars were allocated to the 3142 Child Welfare Integration Budget to cover those costs. This also applies to the Title IV-B revenue, which is earned mostly through case management services (salaries/operating).

For the Division's Administration account, this caused a disproportionate share in the reduction to TANF allocation (roughly 79% reduction in the overall allocation). Had the TANF allocation been reduced by approximately 47% (equal to the reduction in salary/operating costs), the TANF would have decreased by only 14% in each year (or roughly \$1,286,000), and the General Funds would have decreased by roughly 28% in each year (or roughly \$2,500,000).

- Because of the budgetary changes required to affect Child Welfare Integration, and the split of the Division's budget accounts, an overall analysis is needed of the revenues in a number of budget accounts. In including Attachment 3 (page 6), I have tried to demonstrate that when looking at the

overall revenues included in the Division's adjusted base budgets, as compared to the FY02 actual revenues, there is not a significant change in the percentage of General Funds and Federal/Other Funds. In FY02, the General Fund allocation represented approximately 43.52% of the overall revenues with 56.48% in Federal/Other Funds. For FY04, the General Funds represent 43.90%, with the Federal/Other Funds representing 56.10%. For FY05, the General Funds represent 43.32%, with the Federal/Other Funds representing 56.68%.

It is important to note that the revenues reflected in Attachment 3 support only the Division's Child Welfare, and do not include the cost of integration.

DEPARTMENT OF HUMAN RESOURCES
 DIVISION OF CHILD AND FAMILY SERVICES
 FISCAL YEARS 2004 AND 2005
 GENERAL FUND SUMMARY
 CHILDREN AND FAMILY ADMINISTRATION
 BUDGET ACCOUNTS 3145

	FY02	FY03	FY04	Difference FY03/FY04	FY05	Difference FY03/FY05
Adjusted Base	7,808,972	7,898,060	6,258,048	(1,640,012)	6,332,344	(1,565,716)
General Funds	7,412,747	7,334,135				
Salary Adjustment	396,225	563,925				
Maintenance			382,573		432,683	
Enhancements			955,673		955,694	
TOTAL			7,596,294		7,720,721	

Cat	GL	Description	SFY02 Actual	FY03 Wk Program *	SFY04 B000	SFY04 Diff - FY03	SFY05 B000	SFY05 Diff - FY03	
REVENUES									
00	2501	APPROPRIATION CONTROL	7,412,747	7,898,060	6,258,048	(1,640,012)	6,332,344	(1,565,716)	-17.6%
00	2510	REVERSIONS	(220,186)	-	-	-	-	-	-
00	2511	BALANCE FORWARD	117,244	-	-	-	-	-	-
00	2516	BUDGETARY TRANSFERS	(102,701)	(372,628)	-	372,628	-	372,628	4.2%
00	2520	FEDERAL FUNDS FROM PREV YEAR	679,942	134	-	(134)	-	(134)	0.0%
00	2521	FEDERAL FUNDS TO NEW YEAR	(133)	-	-	-	-	-	-
00	2574	SALARY ADJUSTMENT	396,225	-	-	-	-	-	-
00	3411	FED BLOCK GRANTS	318,897	400,662	398,587	(2,075)	398,587	(2,075)	0.0%
00	3460	U.S. CRIME VICTIMS	1,274,949	2,683,000	2,990,000	307,000	2,990,000	307,000	3.5%
00	3467	FED TITLE IV-B	1,631,521	1,731,784	898,568	(833,216)	909,239	(822,545)	-9.3%
00	3469	FEDERAL FAMILY VIOLENCE	771,201	1,293,462	988,258	(305,204)	988,258	(305,204)	-3.4%
00	3501	FED TITLE XXI Chafee	138,276	141,360	-	(141,360)	-	(141,360)	-1.6%
00	3562	FED TITLE IV-E	7,784,248	7,916,472	3,595,527	(4,320,945)	3,638,210	(4,278,262)	-48.2%
00	3582	FED IV-B SUBPART II	1,532,000	1,049,183	1,057,782	8,599	1,057,782	8,599	0.1%
00	3588	FED GRANT-H (BLDG ANALYTICAL CAP)	187,500	62,501	-	(62,501)	-	(62,501)	-0.7%
00	3764	POST ADOPTION FEES	123,837	91,638	-	(91,638)	-	(91,638)	-1.0%
00	3803	CONTRACT SERVICES CHARGE	22,500	22,500	22,500	-	22,500	-	-
00	3860	TITLE XIX - MEDICAID	256,549	256,549	275,000	18,451	275,000	18,451	0.2%
00	3873	BADA FAMILY PRESERVATION	77,907	127,486	-	(127,486)	-	(127,486)	-1.4%
00	3874	TRANSFER FROM TANF	3,081,678	2,738,869	568,112	(2,170,757)	574,859	(2,164,010)	-24.4%
00	4252	EXCESS PROPERTY SALES	92	-	-	-	-	-	-
00	4284	INDIVIDUALS' SUPPORT	140,472	170,175	140,472	(29,703)	140,472	(29,703)	-0.3%
00	4301	RENTAL INCOME	15,072	11,112	11,112	-	11,112	-	-
00	4654	INTERIM FINANCE ALLOCATION	16,993	-	-	-	-	-	-
00	4755	TRANS FROM STALE CLAIMS	5,856	-	-	-	-	-	-
		TOTAL REVENUES	25,662,686	26,222,319	17,203,966	(9,018,353)	17,338,363	(8,883,956)	

* Adjusted to reflect Salary Adjustment

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Cat	GL	Description	SFY02 Actual	FY03 Wk Program	SFY04 B000	SFY04 Diff - FY03	SFY05 B000	SFY05 Diff - FY03
EXPENDITURES								
		TOTAL PERSONNEL	17,553,170	17,350,572	9,173,554	(8,177,018)	9,309,133	(8,041,439)
		TOTAL OUT-OF-STATE TRAVEL	2,075	2,863	2,075	(788)	2,075	(788)
		TOTAL IN-STATE TRAVEL	354,367	350,620	167,240	(183,380)	167,240	(183,380)
		TOTAL OPERATING	1,380,631	1,160,164	729,736	(430,428)	734,991	(425,173)
		TOTAL EQUIPMENT	3,250	-	-	-	-	-
		TOTAL MAINT OF BLDGS AND GROUNDS	71,414	76,759	22,581	(54,178)	22,581	(54,178)
		TOTAL DCFS REGULATORY OVERSIGHT	-	-	-	-	-	-
		TOTAL SPECIALIZED TRAINING	1,058,822	1,118,507	1,058,822	(59,685)	1,058,822	(59,685)
		TOTAL CMHS PROG EVAL & DATA	275,500	313,646	351,227	37,581	348,746	35,100
		TOTAL BADA FAMILY PRESERVATION	6,486	7,035	-	(7,035)	-	(7,035)
		TOTAL TITLE IV-B SUBPART II	1,472,500	982,132	1,057,782	75,650	1,057,782	75,650
		TOTAL FOSTER CARE RECRUITMENT	51,563	51,958	51,563	(395)	51,563	(395)
		TOTAL BLDG ANALYTICAL CAPACITY	187,500	62,501	-	(62,501)	-	(62,501)
		TOTAL U.S. CRIME VICTIMS	1,734,039	2,382,094	2,916,865	534,771	2,912,909	530,815
		TOTAL FAMILY VIOLENCE	771,269	1,293,486	988,258	(305,228)	988,258	(305,228)
		TOTAL EVAL - SEXUAL OFFENDER	21,810	28,925	21,810	(7,115)	21,810	(7,115)
		TOTAL FAMILY PRESERVATION	65,576	109,505	-	(109,505)	-	(109,505)
		TOTAL INFORMATION SYSTEMS	49,431	48,035	49,448	1,413	49,448	1,413
		TOTAL TRAINING	13,390	10,161	11,625	1,464	11,625	1,464
		TOTAL COLLECTION AGENCY FEE	21,347	28,170	21,347	(6,823)	21,347	(6,823)
		TOTAL CLIENT EVALUATION	1,238	1,636	1,238	(398)	1,238	(398)
		TOTAL UTILITIES	143,513	112,945	76,313	(36,632)	76,313	(36,632)
		TOTAL STALE CLAIMS	6,126	-	-	-	-	-
		TOTAL PURCHASING ASSESSMENT	12,797	13,384	11,036	(2,348)	11,036	(2,348)
		TOTAL STATEWIDE COST ALLOCATION	116,430	116,430	116,430	-	116,430	-
		TOTAL AG COST ALLOCATION	288,442	375,016	375,016	-	375,016	-
		TOTAL UNV INDIRECT RESERVE	-	225,775	-	(225,775)	-	(225,775)
		TOTAL EXPENDITURES	25,662,686	26,222,319	17,203,966	(9,018,353)	17,338,363	(8,883,956)

DEPARTMENT OF HUMAN RESOURCES
DIVISION OF CHILD AND FAMILY SERVICES
FISCAL YEARS 2004 AND 2005
REVENUE SUMMARY

BUDGET ACCOUNTS 3145, 3229, 3149 AND 3142 (EXCLUDING THE COST OF INTEGRATION)

			FY02 Actual Total DCFS	43.52%	FY04 Adj Base Total DCFS	43.90%	FY05 Adj Base Total DCFS	43.32%
00	2501	GENERAL FUNDS	34,321,970		41,171,217		40,956,281	
00	2511	BALANCE FORWARD	335,333	0.43%	24,540	0.03%	24,540	0.03%
00	3411	FED BLOCK GRANTS	318,897	0.40%	308,587	0.42%	308,587	0.42%
00	3460	U.S. CRIME VICTIMS	1,274,949	1.62%	2,990,000	3.19%	2,990,000	3.16% Grant
00	3467	FED TITLE IV-B	1,848,307	2.34%	1,872,096	2.00%	1,866,446	1.97% Capped
00	3469	FEDERAL FAMILY VIOLENCE	771,201	0.98%	988,258	1.05%	988,258	1.05% Grant
00	3501	FED TITLE XXI (Chafee)	445,243	0.56%	589,985	0.63%	589,827	0.62% Capped
00	3562	FED TITLE IV-E	14,766,454	18.72%	19,692,798	21.00%	20,127,253	21.29%
00	3563	FED PREVENTION & EDUC	27,878	0.04%	27,878	0.03%	27,878	0.03% Grant
00	3581	FEDERAL ADOPTION NOW GRANT	339,781	0.43%	-	0.00%	-	0.00% Grant
00	3582	FED IV-B SUBPART II	1,532,000	1.94%	1,057,782	1.13%	1,057,782	1.12% Capped
00	3588	FED GRANT-H	187,500	0.24%	-	0.00%	-	0.00% Grant
00	3611	CHILD CARE FACILITY LICENSES	21,250	0.03%	21,250	0.02%	21,250	0.02%
00	3764	POST ADOPTION FEES	122,041	0.15%	215,484	0.23%	217,615	0.23%
00	3803	CONTRACT SERVICES CHARGE	598,823	0.76%	598,823	0.64%	598,823	0.63%
00	3829	ROOM, BOARD, TRANSPORTATION	758,623	0.96%	736,266	0.79%	793,271	0.84%
00	3860	TITLE XIX - MEDICAID	6,676,676	8.47%	7,318,369	7.80%	7,542,771	7.98%
00	3870	TITLE XX	3,686,487	4.67%	4,840,710	5.16%	4,840,710	5.12% Capped
00	3871	CHARGES FOR SERVICES	282,487	0.36%	50,000	0.05%	50,000	0.05%
00	3873	BADA FAMILY PRESERVATION	77,907	0.10%	119,136	0.13%	123,215	0.13% Grant
00	3874	TRANSFER FROM TANF	3,124,191	3.96%	3,136,301	3.34%	3,132,835	3.31% Capped
00	4052	BOOK AND PAMPHLET SALES	535	0.00%	535	0.00%	535	0.00%
00	4251	GIFTS & DONATIONS	52,000	0.07%	52,000	0.06%	52,000	0.06%
00	4252	EXCESS PROPERTY SALES	92	0.00%	-	0.00%	-	0.00%
00	4284	INDIVIDUALS' SUPPORT	140,472	0.18%	140,472	0.15%	140,472	0.15%
00	4301	RENTAL INCOME	15,072	0.02%	11,112	0.01%	11,112	0.01%
00	4674	TRANSFER FROM WELFARE	7,136,042	9.05%	7,736,330	8.25%	7,982,810	8.44%
		Sub-Total Other Revenues	44,540,241	56.48%	52,618,712	56.10%	53,577,990	56.68%
		Total Revenues	\$ 78,862,211	\$	\$ 93,789,929	\$	\$ 94,534,271	\$