

## Department of Human Services (830)

Ed Lake, Director

FY'17 Projected Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
Administration and Data	\$63,027,000	\$63,901,000			\$11,450,000	\$138,378,000
Child Welfare Services	\$224,465,262	\$212,656,000			\$39,866,000	\$476,987,262
Developmental Disabilities Services	\$141,535,000	\$20,079,000			\$29,454,000	\$191,068,000
Adult and Family Services	\$125,121,000	\$1,115,243,000			\$5,401,000	\$1,245,765,000
Aging Services	\$78,995,000	\$28,243,000			\$350,000	\$107,588,000
Child Care Services	\$2,034,000	\$14,838,000				\$16,872,000
Adult Protective Services	\$1,710,000	\$7,724,000				\$9,434,000
Child Support Services	\$9,034,000	\$32,995,000			\$13,331,000	\$55,360,000
Capital	\$5,579,000	\$14,106,000			\$9,608,000	\$29,293,000
<b>Total</b>	<b>\$651,500,262</b>	<b>\$1,509,785,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$109,460,000</b>	<b>\$2,270,745,262</b>

\*Source of "Other" and % of "Other" total for each.

Administration and Data	Miscellaneous revenue from third parties (100%)
Child Welfare Services	Medicaid revenue (75%), Social Security and child support revenue for custody children (21%), misc. refunds and revenue (4%)
Developmental Disabilities Services	Medicaid revenue (97%), sales tax relief for persons in care (3%)
Adult and Family Services	Sales tax relief for clients (67%), misc. refunds and revenue (33%)
Aging Services	Sales tax relief for clients (100%)
Child Support Services	Child support collected as repayments for prior state assistance (87%), \$25 case fee (11%), interest on deposits (2%)
Capital	Payments from other agencies to process respite vouchers for families and caretakers (100%)

FY'16 Carryover and Refund by Funding Source						
	Appropriations	Federal	Revolving	Local	Other*	Total
FY'16 Carryover	\$19,845,000.00	0	0	0	0	\$19,845,000
FY'16 GR Refund**	\$16,123,332.26					\$16,123,332

\*Source of "Other" and % of "Other" total for each.

\*\*Indicate how the FY'16 General Revenue refund was budgeted

\$8,900,000 was used to pay the Aged, Blind & Disabled payments that were deferred from State Fiscal Year 2016 for the months of April, May and June and paid in July 2016. \$3,400,000 was used to fund the Title III programs administered by Aging Services as pass-through funding to the Area Agencies on Aging. \$3,823,332 was used to partially offset the decrease in federal funding after the Federal Medical Assistance Percentage (FMAP) for Oklahoma was reduced from 60.99% for Federal Fiscal Year 2016 to 59.94% for Federal Fiscal Year 2017.

### What Changes did the Agency Make between FY'16 and FY'17?

**1.) Are there any services no longer provided because of budget cuts?**

DHS support for 2-1-1 service was eliminated in FY-17. 2-1-1 is a help line for non-emergency community services. A contract for forensic accounting services was eliminated. The contract was used to prepare cases for prosecution. Matching funds for Senior Companion, Foster Grandparent and Retired Senior Volunteer were phased out in FY-17. School-Based Service Workers (75 FTE) were eliminated in Adult & Family Services. CWS has replaced 6 FTE in school settings.

**2.) What services are provided at a higher cost to the user?**

None.

**3.) What services are still provided but with a slower response rate?**

Budget reductions were expected to delay responses to calls for Adult Protective Services. Anecdotal evidence indicates some delays in serving new waiver clients. At this time, none of these have been quantified. A freeze on new applications for Child Care Subsidy was in effect two (2) months to limit expenditures after the FY-16 revenue failures.

**4.) Did the agency provide any pay raises that were not legislatively/statutorily required? If so, please provide a detailed description in a separate document.**

No.

FY'18 Requested Division/Program Funding By Source						
	Appropriations	Federal	Revolving	Other	Total	% Change
Administration and Data						
Child Welfare Services	\$28,148,797	\$26,144,955			\$54,293,752	11.38%
Developmental Disabilities Services	\$28,457,887	\$0			\$28,457,887	14.89%
Adult and Family Services	\$9,389,503	\$0			\$9,389,503	0.75%
Aging Services	\$22,444,157	\$0			\$22,444,157	20.86%
Child Care Services						
Adult Protective Services						
Child Support Services						
Capital						
<b>Total</b>	<b>\$88,440,344</b>	<b>\$26,144,955</b>	<b>\$0</b>	<b>\$0</b>	<b>\$114,585,299</b>	<b>5.05%</b>

\*Source of "Other" and % of "Other" total for each.

FY'18 Top Five Appropriation Funding Requests			\$ Amount
Request 1: Aging & DDS Waiver Services & Programs Shortfall and Rate Restoration	\$43,943,354		\$43,943,354
Request 2: Adoption Subsidy Growth	\$10,922,613	\$16,376,027	\$27,298,640
Request 3: Pinnacle Plan Year 5	\$15,065,184	\$9,768,928	\$24,834,112
Request 4: FY-18 FMAP Loss of Federal funding	\$9,621,066		\$9,621,066
Request 5: FY-18 ABD Payment Shortfall	\$8,888,127		\$8,888,127
<b>Total Increase above FY-18 Request</b>			\$114,585,299

**How would the agency handle a 5% appropriation reduction in FY'18?**

If the FY-18 appropriation was reduced by 5% from FY-17, it would necessitate a reduction of \$32.9 million. Most of the agency's state funding matches federal funding, so reducing appropriations also reduces federal funding and thus has a disproportionate impact in services. The FY-16 Revenue Returned in FY-17 was used to balance for the ABD payments deferred from FY-16 to FY-17, to restore the \$3.4 million reduction in Nutrition and Social Services, and meet FMAP increases and Adoption Subsidy Growth. The \$16.1 million with the \$32.9 million represents an effective 7.5% reduction. With the additional FY-18 Adoption Subsidy Growth and FMAP deterioration, the effective reduction is 9.9%. These FY-18 reductions do not include the FY-17 reduction in Waiver services requiring a 15% further decrease in provider rates to balance for the current funding.

In order for DHS to take a 5% reduction from FY-17 appropriations, \$64.4 million in funding for major programs would be reduced or eliminated: Nutrition and Social Services, Adult Day Care, Home & Community Based Waiver Services, ADvantage Services, State Plan Personal Care, Sheltered Workshops, Child Care Subsidy, and Resource Home (Foster and Adoption) maintenance payments.

Lastly, with passage of the Affordable Care Act, eligibility for Medicaid programs and services offered by those programs cannot be reduced with minimal exceptions. As seen in recent actions by both the Oklahoma Health Care Authority and the Department of Human Services, the only option is to reduce provider rates. Thus, any further reductions to the five Home and Community Based Waiver programs administered by Aging and Developmental Disabilities Services can only result in additional provider rate reductions beyond the 15% necessary to reach the FY-17 funding level. In FY-18, the reduced federal medical assistance percentage (FMAP) requires \$7 million in additional appropriations just to maintain current services and rates for Medicaid programs, in addition to the \$9 million required to meet service levels in FY-17. FY-17 funding for Waiver Services was reduced \$34 million and will not be available for May and June 2017.

In FY-2016 and FY-2017 the agency reallocated over \$136 million total/\$90.2 million state internally in order to preserve services while meeting unfunded needs including Child Welfare staffing to meet Pinnacle Plan caseload studies, reduced federal Medicaid funding, growth in adoption and foster care assistance, and Child Welfare programs that will reduce the number of children in state custody. This effort has eliminated any opportunity to reduce costs without affecting services to the state's many citizens in need.

**How would the agency handle a 7.5% appropriation reduction in FY'18?**

A 7.5% reduction from FY-17 appropriation would be a reduction of \$80.7 million or 12.4% of the FY-17 appropriation after reductions for FY-16 Revenue returned, FMAP deterioration, and Adoption Subsidy Growth. Additional actions to meet the new appropriations level include consideration of elimination of program areas in DHS: e.g., Nutrition and Social Services in Aging Services, Adult Protective Services, Office of Inspector General, or Communications. These are not targets for elimination, but examples to be considered. An evaluation of the priorities of the agency would be required before any specific action is taken. Additionally, reductions in Resource Home rates and Child Welfare Specialists would be required.

**How would the agency handle a 10% appropriation reduction in FY'18?**

A 10% reduction from FY-17 appropriation would be a reduction of \$97 million or 15% of the FY-17 appropriations. After the reductions mentioned above additional options include furloughs of all employees, including Child Welfare, and closing operations for two (2) days each month, consolidating 20 or 30 county offices into buildings currently owned by DHS, and the reduction in Child Support Enforcement to federal minimum requirements.

The possible reductions listed here and above for 5% and 7.5% reductions are not listed in priority at this time. However, reductions to major programs are the only way to meet the targets of 5%, 7.5% and 10%. A great many smaller programs will also be eliminated and additional FTE reductions as a consequence of decision on major programs will likely be included in any of these scenarios.

Is the agency seeking any fee increases for FY'18?			\$ Amount
Increase 1	N/A		\$0
Increase 2	N/A		\$0
Increase 3	N/A		\$0

**What are the agency's top 2-3 capital or technology (one-time) requests, if applicable?**

None.

## Federal Government Impact

### 1.) How much federal money received by the agency is tied to a mandate by the Federal Government?

All federal funds supplied are program specific. For example, federal grants for SNAP benefits, child care subsidy, foster care and adoption subsidy have federal program requirements. \$1.5 billion is received annually. With a 1.7 economic multiplier, this funding has a \$2.3 billion economic impact.

### 2.) Are any of those funds inadequate to pay for the federal mandate?

No, federal grants do not specify a level of service, but allow the state to tailor the program requirements to fit the available funding. Many federal grants require a state match or a maintenance of effort which supplements the federal program funding.

### 3.) What would the consequences be of ending all of the federal funded programs for your agency?

Overall, federal revenues provide 65 percent of agency funds and approximately 1/2 of personnel costs. Adult and Family Services programs and Child Care Services are 90% federally funded. SNAP benefits, LIHEAP energy assistance, TANF programs and the Child Care Subsidy would end. Child Support Services are 50% federally funded. Collections for past due for Oklahoma families would be reduced. Child Welfare Services is 35% federally funded. Foster care and adoption services to children and payments to families would be sharply reduced. In Aging Services, federal grants and Medicaid funding support the ADvantage and Personal Care Waivers, which provide case management, nursing care, meals, and other services to seniors in their homes. Without federal funding, these seniors would likely require nursing home care. Developmental Disabilities is 10% federally funded, and programs that allow Oklahomans with developmental disabilities to maintain meaningful day programs, work and live in their respective communities would be reduced or eliminated.

### 4.) How will your agency be affected by federal budget cuts in the coming fiscal year?

FMAP reduction will reduce \$9 million from federal revenues in FY-18, making a cumulative reduction of \$35 million since FY-2014. If appropriations are not adequate to replace lost Medicaid revenue, service and rate reductions for waivers and other programs may be necessary. With the exception of Medicaid and other programs where the federal share is determined by FMAP, funding for programs that support this agency has been stable in FY-15 and FY-16. Several programs that support the agency have had long-term deterioration in funding and more state funds have been needed to maintain programs. Such deterioration is expected to reduce federal funds an additional \$2-3 million in FY-18.

### 5.) Has the agency requested any additional federal earmarks or increases?

The agency routinely applies for competitive federal grants for specific purposes on a periodic basis that are program and service specific. An internal review process helps insure grants are directly relevant to the agency's mission and do not commit additional state funds.

## Division and Program Descriptions

### Administrative Services

Administration and Data Services functions include executive leadership, support services functions for facility and equipment maintenance and improvement, legal, research, communication, financial and human resources support.

### Adult and Family Services

Adult and Family Services (AFS) is responsible for administration of eligibility programs and related staff, with a presence in most counties of the state for implementing the following programs: Child Care Subsidy; Supplemental Nutrition Assistance Program (SNAP), Low Income Home Energy Assistance Payments (LIHEAP), Medical Assistance eligibility, Children with Special Health Care Needs (CSHCN), Refugee Assistance (via contracts), State Supplemental Payments to the Aged, Blind and Disabled and Temporary Assistance to Needy Families (TANF).

### Adult Protective Services

Adult Protective Services (APS) investigates and provides services to protect vulnerable adults from abuse, neglect, self-neglect or exploitation. Investigations assist law enforcement in criminal investigations and prosecutions of those who maltreat vulnerable adults. APS further helps identify clients in need of services of the Department of Human Services and other state, local, and nonprofit agencies. Services help make and keep vulnerable adults safe in their homes, including populations in residential care and those who are homeless.

### Aging Services

Aging Services (AS) is responsible for planning, developing, monitoring, and evaluating programs and services for older Oklahomans. AS administers the ADvantage Program; a statewide Medicaid waiver program for frail elders and adults with physical disabilities. In an effort to enhance the independence of older persons, Title III services under the federal Older Americans Act (OAA) are available statewide and include information and assistance, outreach, congregate and home-delivered meals, transportation, legal services, homemaker, chore, health promotion and medication management, and caregiver services including grandparents raising grandchildren.

### Child Care Services

Child Care Services (CCS) assures that Oklahoma children and their parents have access to licensed, affordable, quality child care. Child Care Services administers licensing requirements and monitors facilities for compliance with licensing standards. The Office also promotes quality child care through its quality rating system and support for child care resource and referral agencies, and certification and professional development for child care professionals.

### Child Support Services

Child Support Services (CSS) promotes healthy families through establishing, monitoring and enforcing reliable child support to encourage self-sufficiency and strengthen relationships. The primary function of CSS is to provide child support services in all TANF and medical assistance cases as well as in non-TANF cases for individuals who have applied for services. Pursuant to Oklahoma's State Plan for Child Support Enforcement, CSS has four major responsibilities: (1) to establish paternity, (2) to enforce child support, (3) to locate noncustodial parents, and (4) to collect and distribute child support payments.

### Child Welfare Services

Child Welfare Services (CWS) administers programs for children and families in the home, the community and in residential facilities. Field staff specializes in child welfare services and program delivery. CWS provides programs and services necessary to prevent or reduce the abuse, neglect or exploitation of children, preserve and strengthen families, and provides permanency planning for children in DHS custody.

**Developmental Disabilities Services**

Developmental Disabilities Services (DDS) is responsible for the administration and coordination of programs for Oklahomans with intellectual disabilities. Services are provided from age 3 through the adult life span. Support services are provided in the home through contracts with private contractors and not-for-profit community organizations. Residential services for adults include supported living, specialized foster care, adult companions, group homes and assisted living. Employment services include sheltered workshops and community integrated employment.

FY'17 Budgeted FTE						
	Supervisors	Classified	Unclassified	\$0 - \$35 K	\$35 K - \$70 K	\$70 K - \$\$\$
Administration						
Adult and Family Services						
Adult Protective Services						
Aging Services						
Child Care Services						
Child Support Services						
Child Welfare Services						
Dev. Disabilities Svcs.						
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

FTE History						
	2017 Budgeted	2016	2013	2010	2006	
Administration	698	511	494	1,062	949	
Adult and Family Services	1,629	1,570	2,070			
Adult Protective Services	150	158	198			
Aging Services	179	188	226	236	167	
Child Care Services	138	143	183	179	172	
Child Support Services	447	438	514	543	400	
Child Welfare Services	3,070	3,096	2,135			
Dev. Disabilities Svcs.	458	467	1,038	1,791	1,722	
Children and Family Services			368	472	310	
Family Support			98	103	95	
Field Operations				4,559	3,828	
<b>Total</b>	<b>6,769</b>	<b>6,571</b>	<b>7,324</b>	<b>8,945</b>	<b>7,643</b>	

Performance Measure Review					
	FY'16	FY'15	FY'14	FY'13	FY'12
<b>Adult and Family Services</b>					
1. TANF recipients (monthly average)	16,363	16,184	16,232	18,477	20,406
2. SNAP (Food Stamp) recipients (monthly average)	615,542	600,284	615,412	616,559	615,467
3. SSP/ABD recipients (monthly average)	87,866	88,160	89,206	89,241	89,060
4. Children receiving child care subsidy (mo. average)	31,713	32,336	33,322	34,722	36,444
<b>Adult Protective Services</b>					
1. Adult Protective Service investigations	9,821	14,807	15,010	15,223	16,012
<b>Aging Services</b>					
1. Home delivered meals (meals served)	1,370,177	1,329,377	1,324,717	1,380,969	1,491,861
2. Congregate meals (meals served)	1,494,956	1,495,369	1,502,655	1,647,789	1,832,786
3. ADvantage program (consumers)	21,147	20,641	21,234	20,908	20,930
<b>Child Care Services</b>					
1. Licensed child care slots	124,200	124,803	130,163	130,979	134,473
2. One Plus licensed programs		100	111	139	160
3. Two Star Licensed programs	1,342	1,389	1,502	1,561	1,758
4. Three Star licensed programs	258	256	270	248	231
<b>Child Support Services</b>					
1. Case count (quarterly average)	202,516	207,677	206,746	203,209	202,743
2. Collections (in millions)	\$367.8	\$372.2	\$362.5	\$350.4	\$339.7
3. Paternity establishment	20,000	19,578	20,084	21,184	20,238
4. Cases with medical support orders	121,000	120,789	118,648	113,880	108,742
<b>Child Welfare Services</b>					
1. Investigations completed (family based)	33,097	37,244	38,490	31,847	29,536
2. Investigations confirmed (family based)	15,187	8,425	7,913	6,164	5,519
3. Out of home placements*, unduplicated	9,984	10,916	17,127	14,837	14,403
4. Finalized adoptions	2,244	2,186	1,269	1,321	1,430
5. Children receiving adoption subsidies	16,611	15,333	14,123	13,706	13,114
<b>*Includes children who are AWOL, in trial adoption and in trial reunification</b>					

<b>Developmental Disability Services</b>					
1. Support living/non federal medical	615	630	648	664	672
2. State funded community services	1,266	1,274	1,331	1,381	1,384
3. Home and Community waiver	3,102	3,058	2,928	2,870	2,801
4. Homeward Bound waiver	654	675	664	709	721
5. In Home Support waiver	1,838	1,865	1,777	1,703	1,720
6. Public ICF-MR	61	118	269	297	310
7. Area services case management	5,530	5,505	5,357	5,237	5,033
8. Family support subsidy	2,079	2,185	2,193	2,244	2,255

<b>Revolving Funds (200 Series Funds)</b>			
	<b>FY'14-16 Avg. Revenues</b>	<b>FY'14-16 Avg. Expenditures</b>	<b>June '16 Balance</b>
<b>200--Grants and Donations</b>	\$119,750	\$519,625	\$70,419
<b>210--Income Tax Checkoff</b> Voluntary funding for food banks	\$30,576	24,868.83	\$17,123
<b>215--Quality of Care Developmnt Fnd</b> Fines; support improvement of child care facilities	\$0	\$0	\$663
<b>220--Disallowances</b> Reserve to reimburse operating funds for disallowed	\$1,730	\$26,450	\$0
<b>225--Child Abuse Multidisciplinary Account</b> Fees and appropriations; supports coordinated efforts	\$3,360,805	\$3,354,810	\$440,937
<b>230--Indigent Health Care</b> Income tax checkoffs; for clinics for indigent health care	\$6,857	\$6,857	\$0
<b>245--Adaptive Grant Program</b> License plate fees; for adaptation equipment for the	\$26,170	\$29,633	\$24,402
<b>250--Support Adoptions License Plate</b> License plate fees; for implementation of Investing in	\$1,150	\$0	\$17,300
<b>255--SORC Mineral Royalties</b> Royalties; for institution operations	\$38,394	\$223,103	\$0
<b>260--Silver Haired Legislature</b> Taxpayer checkoff; fund expenses	\$1	\$19	\$1
<b>265--Choose Life Assistance Program</b> License plate fees; support counseling for pregnant women	\$5,753	\$6,227	\$5,180
<b>270--Reintegration of inmates</b> Tobacco settlement funds; DHS authorized expenditures	\$0	\$8,051	\$0
<b>275--SORC Mineral Royalty</b> effective 11/7/14	\$3,545	\$0	\$10,635