

Discussion Points

DEPARTMENT OF CHILDREN AND FAMILIES (GENERAL)

The first three questions were previously provided to all State agencies by the Legislative Budget and Finance Officer and are reproduced in their entirety below.

1. The Governor's budget incorporates an estimated \$5.183 billion over two fiscal years in federal stimulus funding provided by the American Recovery and Reinvestment Act (ARRA) of 2009. According to a table on page 42 of the Governor's abbreviated budget, the State will use \$3.074 billion (\$854 million in FY09 and \$2.220 billion in FY10) from ARRA for budget relief. In addition to these funds which will offset revenue shortfalls, \$2.109 billion will be used for new or expanded programs or initiatives. The ARRA allocates funds to states both by formula and by competitive awards. Most executive departments anticipate stimulus funding in either FY 2009, FY 2010 or both.

- **Question:** Please itemize the federal stimulus funding, if any, other than portions of the \$3.074 billion allocated for budget relief, included in the department's budget, by fiscal year and federal program, setting forth program goals and eligible uses together with the amount for state administrative expenses and the amount for allocation to local public and private recipients, respectively. Please identify intended and actual recipients and the process by which the department determines recipients and funding awards. Are there ARRA funds that flow through your department for which the State has no discretion? Please also set forth the timetable for obtaining federal approval of funding, obligation and allocation of funding to recipients, and use by recipients. Could any of this funding be used to offset other State appropriations, and if so, what programs and in what amount? What additional positions, if any, have been and will be hired with these funds? If this money is being used for new or expanded activities, will the new or expanded activities be continued in FY 2011? If so, how will they be funded?

All federal stimulus funds available to DCF are accounted for in the Governor's 2010 recommended budget. The funds are determined by a formula based on the enhanced Federal Medical Assistance Percentage (FMAP) rate.

Title IV-E for Foster Care and Adoption Assistance: Under the ARRA, the FMAP rate increases the federal reimbursement percentage to 56.2% for Title IV-E for Foster Care and Adoption Assistance. This is a 6.2% increase above our current FMAP rate of 50%. These funds are used for Foster Care and Adoption Assistance payments to families; they may not be used for another purpose. These funds will help us meet our continued client growth and anticipated increase in the need for the services provided to the children in our care.

DCF has a federally approved methodology and pre-existing process for claiming these funds. We will be reimbursed at the new rate permitted by the ARRA. No new procedures are anticipated. Actual revenue received will be based on actual expenditures reported and claimed by DCF. These amounts could vary from the

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estimates as projected. Currently, DCF estimates the increase for each fiscal year as follows: SFY09 \$4.044m; SFY10 \$5.392m.

Medicaid for Child Behavioral Health Services: The current New Jersey rate for Medicaid reimbursement is 50 percent. The economic recovery package increases the FMAP percentages for the period of October 1, 2008, through December 31, 2010. The amount of funding received will be determined by actual medical expenditures as well as New Jersey's Unemployment Rate. These funds must be used to provide services to children with behavioral health needs. The funds may not be used for another purpose.

DCF has a federally approved methodology and pre-existing process for claiming these funds through NJ Medicaid. We will be reimbursed at the new rate permitted by the ARRA. No new procedures are anticipated. Actual revenue received will be based on actual expenditures reported and claimed by DCF. These amounts could vary from the estimates as projected. Currently, DCF estimates the increase for each fiscal year as follows: SFY09 \$13.5m; SFY10 \$24m.

No additional staff will be hired with these funds. No new or expanded activities will occur as a result of these funds.

- *Question:* In addition to funding incorporated in the FY 2010 budget, what specific competitive grant opportunities has the department identified that it is eligible to pursue, has applied for, and has been awarded, respectively?

The Department continues to seek out competitive grant opportunities that fit our mission. This is a priority for our newly formed grants management unit.