In Fiscal Year 2011, DCF’s state funds are reduced by $37,498 million in the following categories:

- **Increased Federal Claiming: $11.5 million** – Additional Title IV-E due to improved claiming practices. Reduces State costs. No service impact.

- **Increased Stimulus Funding: $3.5 million** – $1.0m DYFS Title IV-E; $2.5m DYFS Child Residential Medicaid due to improved claiming practices. No service impact.

- **Reduced Caseload Spending: $11.04 million** - Revised funding required to support a declining number of youth in out of home placements (foster care and shelter care) and fewer youth in need of family support services. No service impact.

- **Increased Dedicated Funds: $600,000** - Increased collections of dedicated funds to support children in out of home placement. No service impact.

- **Recruitment of Adoptive Parents: $715,000** - DYFS has restructured programs and resources necessary for recruitment. Service needs will be met by reallocating current resources and utilizing existing DYFS staff for recruitment activities. No service impact.
• **Safe Haven Infant Protection Program: $297,000** - Federal funds will be used to maintain this program. No service impact.

• **Contracted System Administrator (CSA): $1.9 million** - Savings due to reduced costs for re-bid of CSA for child behavioral health services. No service impact.

• **Human Services Composite Bond Debt Services: $29,000** - Payments are completed. No service impact.

• **Phase-Out Woodbridge Residential Child Diagnostic and Treatment Center: $2.589 million** - Consolidation of DYFS RTCs from three to two. Children will be served at remaining centers or through our child behavioral health system of care. No service impact.

• **Rutgers MSW Program: $750,000** - Elimination of weekend program that provided DCF staff with the opportunity to obtain an MSW degree. No service impact.

• **Revised Spending Plan: $1.373 million** - This reduction includes the following five items listed below:
  - **Child Health Units: $750,000** - Revised funding to support fewer youth in out of home placement. No service impact.
  - **Homeless Youth Act: $67,000** - DYFS contract efficiency. No service impact.
  - **Early Childhood Services: $16,000** - State match to a restricted grant that ended. No service impact.
  - **Family Support Services: $214,000** - Prevention contract efficiencies. No service impact.
  - **School Linked Services: $326,000** - Prevention contract efficiencies. No service impact.

• **County Human Services Advisory Board: $3.2 million** - The only reduction in the DCF FY 2011 budget that will impact service provision is the $3.2 million reduction to the $7.9 million County Human Services Advisory Board line item. The service type and the amount of the reductions are as follows:
### County Human Service Advisory Board Reductions by Service Type

<table>
<thead>
<tr>
<th>Provided Service</th>
<th>Number of Contracts</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Case Management</td>
<td>5</td>
<td>$270,826</td>
</tr>
<tr>
<td>Child Care</td>
<td>5</td>
<td>$145,631</td>
</tr>
<tr>
<td>Counseling</td>
<td>1</td>
<td>$26,845</td>
</tr>
<tr>
<td>Education/Training</td>
<td>2</td>
<td>$11,790</td>
</tr>
<tr>
<td>Employment/Vocational</td>
<td>3</td>
<td>$132,036</td>
</tr>
<tr>
<td>Health Related</td>
<td>3</td>
<td>$53,338</td>
</tr>
<tr>
<td>Information and Referral</td>
<td>6</td>
<td>$267,720</td>
</tr>
<tr>
<td>Legal Services</td>
<td>5</td>
<td>$244,307</td>
</tr>
<tr>
<td>Mentoring/Life Skills</td>
<td>12</td>
<td>$570,255</td>
</tr>
<tr>
<td>Respite</td>
<td>3</td>
<td>$138,715</td>
</tr>
<tr>
<td>Shelter/Housing</td>
<td>4</td>
<td>$407,176</td>
</tr>
<tr>
<td>Support Services</td>
<td>8</td>
<td>$536,709</td>
</tr>
<tr>
<td>Therapeutic</td>
<td>5</td>
<td>$391,111</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>62</strong></td>
<td><strong>$3,196,457</strong></td>
</tr>
</tbody>
</table>

2. For each line item reduction in the department’s or unit’s budget, please indicate the number of positions (budgeted, funded and filled or unfilled) that will be eliminated and the number of individuals whose employment will be ended. If appropriate distinguish between staffing actions that may occur before and after January 1, 2011.

The only reduction item that has an impact on positions is the closure of the Woodbridge RTC.

DCF has 90 filled positions that will be impacted by the consolidation of its residential treatment centers (RTC) from three to two. Many of the current employees may be able to fill vacancies at the other two DYFS operated RTCs (Vineland and Ewing), in DYFS local offices, or at other state agencies.

The Memorandum of Agreement with the public employee unions will be honored to the extent that classified employees are involved. For those reductions associated with the elimination of funded vacancies, the savings will accrue throughout FY 2011 as separations, retirements, and resignations occur.
3. Please identify any reductions in the department’s or unit’s budget that constitute one-time savings that are not likely to recur in Fiscal Year 2012.

Of the reductions to the DCF FY 2011 budget, only the $3.5 million for Increased Stimulus Funding (ARRA) is considered a one-time reduction of state funds.

All other savings should be sustained unless there is an unforeseen increase in demand for child protective services.

4. Please identify each Fiscal Year 2010 mid-year reduction that is recommended for continuation in Fiscal Year 2011.

**Increased Federal Claiming:** $11.5 million in Title IV-E funds will be sustained in FY’11. Due to improvements in our cost allocation and claiming process for federal Title IV-E, DCF is able to reduce reliance on state funds and increase our projection for sustainable federal resources in FY2011.

**Recruitment of Adoptive Parents:** $62,000 mid-year; $715,000 for FY’11. DYFS has restructured the programs and resources utilized for recruitment. Service needs will be met by reallocating current resources and utilizing existing DYFS staff for recruitment activities.

**Revised Spending Projections:** $15.9 million mid-year; $11.039 million for FY’11. Due to the implementation of a new case practice model, enhancements to permanency efforts, and reduced reliance on the use of shelter care as required by the Modified Settlement Agreement, it is projected that both foster care and shelter placements will decline in FY’10 and FY’11. The projected decline in placements is expected to result in a decrease in expenditures for each of these program areas. In addition, reduced caseloads have resulted in a decrease in the utilization of resources in DYFS Family Support Services. The projected savings in all of these program areas should be maintained unless there is an unforeseen increase in the demand for child protective services.

**Child Health Units:** $1.5 million mid-year; $750,000 FY’11 DCF is restructuring this contract to meet the service level required to support fewer youth in out of home placement.
Contracted System Administrator: $1.3 million mid-year; $1.9 million FY’11. The new contract with PerformCare provides a savings in FY2010 and FY2011. Thereafter, the contract payment schedule, as awarded, requires annual increases through FY2014. The highest annual value of the PerformCare contract is $8.9 million in FY2014, which is approximately $1.2 million below the $10.1 million annual contract of the prior vendor.

5. Are any of the appropriations recommended for Fiscal Year 2011 required to compensate for the effects of Fiscal Year 2010 reductions? If so, please identify and explain.

No

6. Please list any anticipated increase in fees, fares or co-payments that are reflected in the FY 2011 budget recommendation, including the amount of revenue or cost reduction, and the intended effective date.

The DCF FY 2011 budget does not increase any fees, fares or co-payments.

7. If additional revenues were to become available during the budget process, which one or two reductions proposed for the department or unit should be top candidates for restoration? Please justify your selections.

The Governor’s proposed fiscal year 2011 budget represents the culmination of many tough choices that had to be made in order to balance spending and revenues for next year. The funding proposed for the Department of Children and Families, while reduced, will allow it to meet its core missions and provide vital services to residents and businesses in the state.

In the event that additional revenues become available during the budget process, the Department would welcome the opportunity to work closely with the Legislature to restore funding for important programs. The Department believes that any such restorations should be considered in the context of programs and spending needs throughout the State budget, not only those administered by the Department. The Department looks forward to consulting with the Legislature to ensure that only the programs of greatest value are restored.
8. Please identify proposed budget reductions that require Federal approvals, waivers or similar actions, and the timetable for seeking and obtaining approvals in order to achieve the projected savings. Please indicate whether approvals/waivers have been previously sought and not obtained, and explain why approvals should be expected in this case. If federal approval is not received, what alternative actions may have to be taken to achieve savings of comparable value? Please also identify proposed budget reductions that may reduce the receipt of federal funds, and the estimated loss of federal funds that would result from such reductions.

None of the reductions in the DCF budget requires new federal approvals or waivers. Our federal Title IV-E and Medicaid funds are claimed through previously established and approved federal methodology, state plans and processes that have been in use for many years.

9. Please describe how the department or unit implemented mandatory workforce furloughs in FY 2010, identifying the amount saved and the proportion of the workforce exempt from furloughs, and detailing the impact on individuals or firms served by or regulated by the department.

No DCF employees were exempt from the mandatory furloughs in fiscal year 2010. Two statewide mandatory furlough days, November 27, 2009 and February 12, 2010, were taken by all employees. Those whose services were necessary on the furlough days such as Special Response Unit (“SPRU”) workers who conduct immediate investigations into child abuse allegations and make determinations about the immediate safety of children, and employees who staff the State child abuse hotline (State Central Registry or “SCR”) took alternate days. All employees were required to schedule the remaining seven self-directed furlough days in consultation with their supervisors to ensure that there was adequate coverage in all direct care offices and facilities.

The resulting savings to the Department for fiscal year 2010 are $9.6 million state dollars.

10. The Budget in Brief references savings to be achieved both through privatization and “insourcing.” Please identify savings in your budget associated with either of these initiatives. Please provide examples of successes or failures of such initiatives in prior years.

At this time, there are no savings projected in the DCF FY2011 budget that are associated with privatization or “insourcing.”