



ANALYSIS OF THE NEW JERSEY BUDGET

**DEPARTMENT OF
CHILDREN AND FAMILIES**

FISCAL YEAR

2018-2019

NEW JERSEY STATE LEGISLATURE

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DEPARTMENT OF CHILDREN AND FAMILIES

Budget Pages..... C-3; C-9; C-16; D-31 to D-42

Fiscal Summary (\$000)

	Expended FY 2017	Adjusted Appropriation FY 2018	Recommended FY 2019	Percent Change 2018-19
State Budgeted	\$1,129,367	\$1,185,862	\$1,146,038	(3.4%)
Federal Funds	\$579,408	\$628,628	\$586,076	(6.8%)
<u>Other</u>	<u>\$55,196</u>	<u>\$52,276</u>	<u>\$54,826</u>	<u>4.9%</u>
Grand Total	\$1,763,971	\$1,866,766	\$1,786,940	(4.3%)

Personnel Summary - Positions By Funding Source

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change 2018-19
State	4,812	4,808	4,812	0.1%
Federal	1,501	1,562	1,564	0.1%
<u>Other</u>	<u>311</u>	<u>296</u>	<u>298</u>	<u>0.7%</u>
Total Positions	6,624	6,666	6,674	0.1%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

Link to Website: <http://www.njleg.state.nj.us/legislativepub/finance.asp>

Highlights

Department Overview

The Governor's Budget provides a total of \$1.787 billion (gross) for the Department of Children and Families (DCF), a decrease of about \$79.8 million (4.3 percent) from the FY 2018 adjusted appropriation. After adjusting for a technical budget adjustment, whereby \$41.9 million in federal funds in the department's FY 2018 appropriations are not included in its FY 2019 appropriations but will nevertheless support its programs, the budget reduction is only \$37.9 million, or 2%.

State funds, which account for \$1.146 billion (64 percent) of the total DCF FY 2019 budget, decrease by \$39.8 million from the FY 2018 adjusted appropriations. Anticipated federal funds, which account for \$586.1 million (33 percent) of the FY 2019 recommendation, are \$42.6 million less than the FY 2018 adjusted appropriation; however, in light of the budget adjustment noted above, there is no significant change in federal funds that support DCF programs. \$54.8 million in anticipated other funds represent an increase of \$2.55 million above the FY 2018 adjusted appropriation.

The DCF budget features three main focus areas: Child Protection and Permanency, the Children's System of Care, and Family and Community Partnerships and the closely related Division on Women. It also includes four related program classifications: Education Services, Child Welfare Training Academy Services and Operations, Safety and Security Services and Administration and Support Services.

Child Protection and Permanency

Child Protection and Permanency (CP&P) is the State's child welfare agency, with responsibilities to investigate allegations of child abuse or neglect; assist, preserve, and strengthen families in crisis; provide out-of-home placements, when necessary, to protect the safety and well-being of children; facilitate family reunification, when possible; facilitate permanent adoptions or kinship legal guardianship placements for children who cannot return home; and support adolescent youth (age 18 to 20) aging out of the State's foster care system.

The department continues to receive federal monitoring under the "Sustainability and Exit Plan," announced in November 2015, the anticipated final phase of federal supervision for the State's child welfare system. In order to receive final approval to terminate federal monitoring, the State will need to meet several specified performance targets and maintain its performance levels for at least two six-month monitoring periods.

The most recent monitoring report, published in January 2018 and reporting on the period from January to June 2017 determined that DCF definitively met 36 of 48 performance measures. Of the 12 remaining measures classified as "to be achieved," eight have not been assessed in the report because they are based on data that are collected and reported annually.

The Governor's FY 2019 Budget recommends \$954 million in total funding for CP&P (\$640.1 million State, \$306.6 million federal, and \$7.3 million other funds), an overall decrease of about \$32.3 million from the FY 2018 adjusted appropriation of \$986.4 million. State funding decreases by \$15.1 million, the net impact of a \$3 million increase for vehicle purchases and a net reduction of \$18.1 million in Grants-in-Aid programs, due largely to the elimination of \$14.5 million in supplemental funding for anti-opioid programs and \$5.85 million in legislative

Highlights (Cont'd)

initiatives. A reduction in federal funding will be made up by reallocations from the Department of Human Services. The department expects to continue its anti-opioid programs in FY 2019 with an allocation from a \$100 million appropriation for Expanded Addition Initiatives budgeted in the Department of Health.

Children's System of Care

The Children's System of Care (CSOC) provides behavioral health services to children and adolescents with emotional and behavioral health challenges, substance use disorder challenges, and intellectual and developmental disabilities. CSOC services include 24-hour mobile crisis response and stabilization, case management, in-home and out-of-home treatment services, and family support services. Most CSOC services are included within the Medicaid/NJ FamilyCare program, and receive federal matching funds through Medicaid or the Children's Health Insurance Program (CHIP).

The Governor's FY 2019 Budget recommends a total of about \$608.7 million in funding from all sources for the CSOC, consisting of \$374.8 million from the General Fund, \$233.7 million in federal funds, and \$150,000 in other funds. This is a net decrease of \$26.7 million, \$22.44 million from State funds and \$4.23 million in federal funds. An FY 2018 legislative initiative, which added \$7 million for Care Management Organizations to increase the per-youth monthly rate by \$100, is eliminated. A supplemental appropriation of \$1 million for the Substance Youth Navigator grant program, approved as part of the previous Governor's anti-opioid initiatives, is discontinued. The department expects to continue this program in FY 2019 with an allocation from a \$100 million appropriation for Expanded Addition Initiatives budgeted in the Department of Health.

Other changes reflect enhanced federal matching rates or adjusted funding levels based on expected changes in clients served and unit service costs.

Family and Community Partnerships and Division on Women

Family and Community Partnerships (FCP) programs focus on early childhood services, school-linked services, and family support services intended to prevent child abuse and neglect and strengthen families and communities. FCP also provides services to victims of domestic violence, a responsibility shared with the closely linked Division on Women, which administers sexual violence prevention programs, aid to women's shelters, programs for displaced homemakers, and other services.

The Governor's FY 2019 Budget recommends \$86.3 million in total funding for FCP, consisting of \$59.5 million in State funds, \$22.9 million in federal funds, and \$3.9 million in other funds. FY 2019 funding is a net reduction of \$19.7 million from the FY 2018 adjusted appropriation. The decrease is primarily caused by a technical budget change rather than a real decline in funding, involving about \$20 million that will be budgeted centrally in the Department of Human Services, Division of Family Development, and then transferred to DCF after the start of the fiscal year. Women Services appropriations from all sources are increased by \$750,000, reflecting an initiative to add Workforce Development Partnership Fund resources to the Displaced Homemakers program and expand the program into all 21 counties. FY 2018 legislative initiatives for the Latino Action Network Hispanic Women's Resource Center (\$250,000) and Project S.A.R.A.H (\$125,000) are not continued.

Highlights (Cont'd)

Other Program Classifications

The Governor's FY 2019 budget for Education Services (\$59.7 million from all sources), Child Welfare Training Academy Services and Operations (\$8.3 million from all sources), Safety and Security Services (\$7.5 million from all sources), and Administration and Support Services (\$61.9 million from all sources) makes no significant changes in those areas of DCF.

Fiscal and Personnel Summary

AGENCY FUNDING BY SOURCE OF FUNDS (\$000)

	Expended FY 2017	Adj. Approp. FY 2018	Recom. FY 2019	Percent Change	
				2017-19	2018-19
General Fund					
Direct State Services	\$267,846	\$275,931	\$278,871	4.1%	1.1%
Grants-In-Aid	861,521	909,931	867,167	0.7%	(4.7%)
State Aid	0	0	0	0.0%	0.0%
Capital Construction	0	0	0	0.0%	0.0%
Debt Service	0	0	0	0.0%	0.0%
Sub-Total	\$1,129,367	\$1,185,862	\$1,146,038	1.5%	(3.4%)
Property Tax Relief Fund					
Direct State Services	\$0	\$0	\$0	0.0%	0.0%
Grants-In-Aid	0	0	0	0.0%	0.0%
State Aid	0	0	0	0.0%	0.0%
Sub-Total	\$0	\$0	\$0	0.0%	0.0%
Casino Revenue Fund	\$0	\$0	\$0	0.0%	0.0%
Casino Control Fund	\$0	\$0	\$0	0.0%	0.0%
State Total	\$1,129,367	\$1,185,862	\$1,146,038	1.5%	(3.4%)
Federal Funds	\$579,408	\$628,628	\$586,076	1.2%	(6.8%)
Other Funds	\$55,196	\$52,276	\$54,826	(0.7%)	4.9%
Grand Total	\$1,763,971	\$1,866,766	\$1,786,940	1.3%	(4.3%)

PERSONNEL SUMMARY - POSITIONS BY FUNDING SOURCE

	Actual FY 2017	Revised FY 2018	Funded FY 2019	Percent Change	
				2017-19	2018-19
State	4,812	4,808	4,812	0.0%	0.1%
Federal	1,501	1,562	1,564	4.2%	0.1%
All Other	311	296	298	(4.2%)	0.7%
Total Positions	6,624	6,666	6,674	0.8%	0.1%

FY 2017 (as of December) and revised FY 2018 (as of January) personnel data reflect actual payroll counts. FY 2019 data reflect the number of positions funded.

AFFIRMATIVE ACTION DATA

Total Minority Percent	48.3%	47.9%	N/A	---	---
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Significant Changes/New Programs (\$000)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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(Note: The Governor's Budget displays the Department of Children and Families budget line items in a gross budget format, indicating the aggregated total of State, Federal, and Other Funds. Below, the OLS disaggregates each line item into its various components, as applicable.)

Division of Child Protection and Permanency (CP&P)**DIRECT STATE SERVICES**

<u>TOTAL</u>	<u>\$479,539</u>	<u>477,688</u>	<u>(\$1,851)</u>	<u>(.4%)</u>	D-38
General Fund	\$200,490	203,490	\$ 3,000	1.5%	D-38
Federal Funds	\$278,637	273,786	(\$4,851)	(1.7%)	D-38
Other Funds	\$412	\$412	\$0	—	D-38

Salaries and Wages

<u>TOTAL</u>	<u>\$420,412</u>	<u>\$415,561</u>	<u>(\$4,851)</u>	<u>(1.2%)</u>
General Fund	\$174,364	\$174,364	\$0	—
Federal Funds	\$246,048	\$241,197	(\$4,851)	(2.0%)

**Additions,
Improvements, and
Equipment**

<u>TOTAL</u>	<u>\$3,548</u>	<u>\$6,548</u>	<u>\$ 3,000</u>	<u>84.6%</u>
General Fund	0	\$3,000	\$ 3,000	
Federal Funds	\$3,428	\$3,428	\$0	
Other Funds	\$120	\$120	\$0	

Total Direct State Services funding for Child Protection and Permanency is recommended to decrease by about \$1.9 million from the FY 2018 adjusted appropriation, to \$477.7 million in FY 2019. The change includes a \$4.9 million decrease in federal funding for salaries and wages, and a \$3.0 million increase in State funds for what the Office of Management and Budget (OMB) terms "vehicle fleet stability" through the purchase of replacement vehicles for Child Protection and Permanency caseworkers.

Actual salary funding will likely be \$9.4 million higher than displayed above, and thus an increase over the FY 2018 level. The decline in federal salary funding occurs only because of a technical change in the organization of the FY 2019 Budget, rather than an anticipated decline in funding. All federal TANF Block Grant funds will be budgeted centrally in the Department of Human Services, Division of Family Development, and will be transferred after the start of the fiscal year to the various departments that expend the funding. This shift causes a \$9.4

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
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million decrease, offset by increases from other federal sources. Budget evaluation data indicates no significant change in total funded positions for the division.

The increase in funding for “vehicle fleet stability” is an installment payment under the line of credit program, allowing the division to acquire vehicles during FY 2019 but pay for them over four fiscal years. According to OMB the division will acquire 550 vehicles.

GRANTS-IN-AID

**Court Appointed
Special Advocates
(General Fund)**

\$2,000	\$1,150	(\$850)	(42.5%)	D-39
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The Governor’s FY 2019 Budget includes \$1.15 million for Court Appointed Special Advocates (CASA), eliminating the \$850,000 increase in the appropriation included in the FY 2018 Appropriations Act pursuant to a legislative budget resolution. The CASA appropriation is paid entirely from the General Fund. The line item funds a contract with CASA of New Jersey, Inc. to support the organization’s activities related to the recruitment and training of volunteers who advocate for children removed from their families because of child abuse or neglect.

**Child Advocacy
Center –
Multidisciplinary
Team Fund
(General Fund)**

\$5,000	\$0	(\$5,000)	(100.0%)	D-39
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The Governor’s FY 2019 Budget does not continue the \$5 million appropriation for the Child Advocacy Center-Multidisciplinary Team Fund. This funding was included in the FY 2018 Appropriations Act pursuant to a legislative budget resolution to implement P.L.2017, c.90 (C.9:6-8.107 et seq.), approved June 9, 2017 and effective 90 days later. \$4.5 million was intended for the grant program created by the law, and under budget language also added by the resolution, \$500,000 was to be allocated to the New Jersey Children's Alliance to assist in the implementation of the law. The FY 2019 budget also deletes this language. Absent this appropriation, no grants will be awarded in either FY 2018 or FY 2019.

P.L.2017, c.90 created the 14-member Child Advocacy Center-Multidisciplinary Team Advisory Board, the purpose of which is to establish a certification program for the State's child advocacy centers and multidisciplinary teams (based in each county) to ensure the centers and teams comply with the accreditation standards developed by the National Children's Alliance. The board also is to administer a program of grants to board-certified child advocacy centers or multidisciplinary teams for capital needs, technology improvements and continuation and enhancement of services. The funding allocated to the New Jersey Children's Alliance is to provide support, guidance, and training to centers applying to the DCF for grants to become certified child advocacy centers. Budget and fiscal information indicates that no grants will be offered and the \$4.5 million intended for that purpose will lapse, but that the \$500,000 has been committed to the New Jersey Children's Alliance.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Independent Living and Shelter Care - General Fund	\$14,459	\$15,190	\$731	5.1%	D-39

Budget evaluation data (pg. D-36) indicates that although the number of children and adolescents receiving services in FY 2018 is consistent with budget assumptions, costs are higher than expected; rather than expending \$14.6 million in the current year as budgeted, the division projects spending \$15.1 million. In FY 2019, the division projects the same caseload – 900 adolescents receiving independent living services and 600 children needing in emergency placements – with a 0.5% increase in average per client costs.

**Out-of-Home
Placements**

TOTAL	\$16,912	\$15,799	(\$1,113)	(6.6%)	D-39
General Fund	\$14,758	\$13,645	(\$1,113)	(7.5%)	
Other Funds	\$2,154	\$2,154	\$0		

A reduction in State funds for Out-of-Home Placements reflects a revised current year cost-per-client, about \$87,900 instead of about \$95,000, which will lower total FY 2018 costs to about \$15.6 million (Budget evaluation data, pg. D-36). The FY 2019 funding level serves the same number of clients, 178, and assumes 1% inflation in costs.

Foster Care

TOTAL	\$90,521	\$75,868	(\$14,653)	(16.2%)	D-39
General Fund	\$80,821	\$71,168	(\$9,653)	(11.9%)	
Federal Funds	\$8,400	\$3,400	(\$5,000)	(60.0%)	
Other Funds	\$1,300	\$1,300	\$0		

The Governor's FY 2019 Budget includes \$75.9 million for Foster Care, a decrease of \$14.7 million from the FY2018 adjusted appropriation of \$90.5 million. The change is misleading: the true decrease in Foster Care from FY 2018 to FY 2019 is only \$3 million. The decrease in State funding is attributed by the Office of Management and Budget to "trend"; the FY 2018 budget level exceeds revised spending projections by \$6.5 million, the result of fewer clients placed in foster care than was assumed. FY 2019 State funding reflects a further decrease of \$3 million in average per client costs. The reduction in federal funds reflects a technical change in the organization of the FY 2019 Budget, rather than an anticipated decline in funding. All federal TANF Block Grants will be budgeted centrally in the Department of Human Services, Division of Family Development, and will be transferred after the start of the fiscal year to the various departments that expend the funding. The division's spending forecasts included in budget evaluation data (pg. D-36) reflect the same \$5 million from TANF funds in FY 2019.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
Subsidized Adoption					
TOTAL	\$142,797	\$154,277	\$11,480	8.0%	D-39
	\$142,102				
General Fund	S \$518	\$154,100	\$11,480	8.0%	
Federal Funds	\$177	\$177	\$0	—	

The recommended increase in Subsidized Adoption funds is attributed by OMB to “trend”. Budget evaluation data (pg. D-35) indicate that FY 2018 costs will be about \$6.9 million in excess of original budget estimates. While the average daily number of children is not significantly different, the average subsidy cost is 5% higher than projected, and is expected to increase again, by 3%, in FY 2019.

Purchase of Social Services

TOTAL	\$76,789	\$56,789	(\$20,000)	(26.0%)	D-40
	\$48,664				
General Fund	S \$14,500	\$48,664	(\$14,500)	(30.0%)	
Federal Funds	\$13,625	\$8,125	(\$5,500)	(40.4%)	

The Governor’s FY 2019 Budget includes \$56.8 million for Purchase of Social Services, a net decrease of \$20 million from the FY 2018 adjusted appropriation of \$76.8 million. The decrease in State funding reflects discontinuing two FY 2018 supplemental appropriations approved as part of the previous Governor’s anti-opioid initiatives. One appropriation, for \$12.5 million, was to expand the Keeping Families Together program, which assists high-needs families with supportive housing and other services to avoid out-of-home placement. The other appropriation, Peer Recovery Support Services, \$2.5 million, was intended to fund the deployment of two specialists in recovery coaching and child welfare practice in all 21 counties. The department expects to continue these programs in FY 2019 with an allocation from a \$100 million appropriation for Expanded Addition Initiatives budgeted in the Department of Health.

The reduction in federal funds reflects a technical change in the organization of the FY 2019 Budget, rather than an anticipated decline in funding. All federal TANF Block Grants will be budgeted centrally in the Department of Human Services, Division of Family Development and will be transferred after the start of the fiscal year to the various departments that expend the funding.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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Children's System of Care (CSOC)**GRANTS-IN-AID**

The Budget recommends total FY 2019 Grants-In-Aid funding for the CSOC of \$606.6 million, of which \$372.9 million is State funding, \$233.5 million is federal funding, and \$150,000 is from contributions to care. The overall change from FY 2018 is a net decrease of \$26.7 million, \$22.44 million from State funds and \$4.23 million in federal funds. Notable changes in recommended funding levels are set forth below.

Care Management**Organizations**

<u>TOTAL</u>	<u>\$113,986</u>	<u>\$100,751</u>	<u>(\$13,235)</u>	<u>(11.6%)</u>	D-40
General Fund	\$66,471	\$60,236	(\$6,235)	(9.4%)	
Federal Funds	\$47,515	\$40,515	(\$7,000)	(14.7%)	

Funding for Care Management Organizations is recommended to decrease by \$13.2 million, \$6.2 million in State funds and \$7.0 million in federal funds, to \$100.8 million. Care management organizations provide unified behavioral health case management services to youth across a continuum of moderate-to-high levels of need. The program supports 15 care management organizations, with one for each of New Jersey's court vicinages. (Care management organizations often work in cooperation with juvenile courts). An FY 2018 legislative initiative added \$7 million to this appropriation and an associate language provision to increase the per youth monthly rate by \$100, to \$650. Budget evaluation data (pg. D-36) projects that the full \$113.99 million FY 2018 appropriation will be expended. However, fiscal data indicates that \$5 million in state funds may not be expended in FY 2018. The funding for Care Management Organizations decreases to \$100.75 million, as the number of youth served is expected to remain the same while the per youth cost decreases by 11%, presumably due in part to a rollback of the monthly rate.

Out-of-Home**Treatment Services**

<u>TOTAL</u>	<u>\$276,841</u>	<u>\$268,532</u>	<u>(\$8,309)</u>	<u>(3.0%)</u>	D-40
General Fund	\$187,248	\$171,582	(\$15,666)	(8.4%)	
Federal Funds	\$89,443	\$96,800	\$7,357	8.2%	
Other Funds	\$150	150	\$0	—	

The Budget recommends decreasing appropriations for Out-of-Home Treatment Services by \$8.3 million, to \$268.5 million. This account funds a range of residential treatment services for children with behavioral health needs, developmental disabilities, and substance use disorders. Residential treatment is generally provided to youth with the highest levels of need who cannot be maintained at home, and includes treatment homes, group homes, psychiatric community homes, residential treatment centers, intensive residential treatment, and other types of

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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residential care. Similar services provided through Child Protection and Permanency are funded under a separate appropriation. A footnote on page D-41 indicates that, as was the case in FY 2018, a total of \$7.2 million will be transferred from the Department of Human Services to support substance use treatment programs. FY 2019 funding appears to be based on current year revised spending levels, which fiscal data indicates may be about \$15 million below the budgeted amount. According to budget information, about \$5.6 million of the increase in federal funds and the same amount of decrease in General Fund appropriations is the result of enhanced federal matching rates on services delivered in treatment homes.

Family Support Services

<u>TOTAL</u>	<u>\$27,918</u>	<u>\$25,406</u>	<u>(\$2,512)</u>	<u>(9.0%)</u>	D-40
General Fund	\$24,550	\$22,038	(\$2,512)	(10.2%)	
Federal Funds	\$3,368	\$3,368	\$0	—	

The Budget decreases funding for Family Support Services by \$2.5 million (9%), all from the General Fund, to \$25.4 million. This reduction reflects an equal amount of funds added to this line item in the FY 2018 Appropriations Act pursuant to a legislative budget resolution to support uncompensated caregivers. CSOC Family Support Services funds Family Support Organizations, which are family-run, county-based organizations that provide direct peer support, education, advocacy, and other services to family members of children with emotional and behavioral challenges, substance use disorders, and intellectual and behavioral disabilities. Budget evaluation data indicate a stable number of children with developmental disabilities eligible for services.

Mobile Response

<u>TOTAL</u>	<u>\$38,682</u>	<u>\$43,634</u>	<u>\$4,952</u>	<u>12.8%</u>	D-40
General Fund	\$19,895	\$23,634	\$3,739	18.9%	
Federal Funds	\$18,787	\$20,000	\$1,213	6.5%	

The Mobile Response program provides 24-hour mobile response and stabilization services to children and youth who are experiencing emotional or behavioral crises. A footnote on page D-40 indicates that an unspecified amount of additional funds for the program are available from other State resources within DCF, but the amount budgeted is equal to the cost forecast in budget evaluation data (pg. D-36). That data projects 4% growth in total dispatches, to about 29,000, and a 7% increase in the cost per dispatch, to about \$1,500, as the basis for higher funding.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
Intensive In-Home Behavioral Assistance					
<u>TOTAL</u>	<u>\$141,976</u>	<u>\$133,326</u>	<u>(\$8,650)</u>	<u>(6.1%)</u>	D-40
	\$74,800				
General Fund	S \$1,000	\$72,950	(\$2,850)	(3.8%)	
Federal Funds	\$66,176	\$60,376	(\$5,800)	(8.8%)	

Recommended funding for Intensive In-Home Behavioral Assistance for FY 2019 is \$133.3 million, a decrease of \$8.7 million from FY 2018. Budget and fiscal data indicate that FY 2018 State costs are \$7.3 million below the budgeted amount, the result of a cost per service hour of \$82.00, \$10.00 lower than originally assumed. The FY 2019 funding level assumes continued growth in total program service hours but a further decline in per hour costs to \$80.00. This program delivers therapeutic interventions in a child's home or community and is designed to stabilize children in their home environment and reduce the need for out-of-home treatment services.

The reduction of \$2.9 million in State funds includes the discontinuation of a \$1 million FY 2018 supplemental appropriation for the Substance Youth Navigator grant program, approved as part of the previous Governor's anti-opioid initiatives. The added funding was intended to augment existing program resources to place a navigator in 15 service areas. The role of a navigator is to link families and youth dealing with substance disorder issues with existing services and providers such as care management organizations. The department expects to continue this program in FY 2019 with an allocation from a \$100 million appropriation for Expanded Addition Initiatives budgeted in the Department of Health.

Contracted Systems**Administrator**

<u>TOTAL</u>	<u>\$13,552</u>	<u>\$14,940</u>	<u>\$1,388</u>	<u>10.2%</u>	D-40
General Fund	\$8,131	\$9,519	\$1,388	17.1%	
Federal Funds	\$5,421	\$5,421	\$0	—	

Recommended funding for Contractor Systems Administrator for FY 2019 is \$15.0 million, an increase of \$1.4 million, all in State funds, from FY 2018. The purpose of the administrator is to assure an effective single point of entry model which matches families and youth with appropriate intervention services. According to the Office of Management and Budget, the increase is to provide funding consistent with the terms of the new contract the department commenced in November 2017 with Community Behavioral HealthCare Network of PA Inc., doing business as PerformCare NJ. According to information on the website of the Division of Purchase and Property (NJ Department of the Treasury), the contract is for five years, with an estimated total price of \$79.3 million.

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp. FY 2018</u>	<u>Recomm. FY 2019</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>Budget Page</u>
<u>Division of Family and Community Partnerships (FCP) and the Division on Women (DOW)</u>					
GRANTS-IN-AID					
Early Childhood Services					
<u>TOTAL</u>	<u>\$22,159</u>	<u>\$17,080</u>	<u>(\$5,079)</u>	<u>(22.9%)</u>	D-40
General Fund	\$4,720	\$4,720	0	—	
Federal Funds	\$17,439	\$12,360	(\$5,079)	(29.1%)	
School Linked Services Program					
<u>TOTAL</u>	<u>\$30,293</u>	<u>\$16,251</u>	<u>(\$14,042)</u>	<u>(46.4%)</u>	D-40
General Fund	\$15,291	\$15,291	0	—	
Federal Funds	\$15,002	\$960	(\$14,042)	(93.6%)	
Family Support Services					
<u>TOTAL</u>	<u>\$18,079</u>	<u>\$17,079</u>	<u>(\$1,000)</u>	<u>(5.5%)</u>	D-40
General Fund	\$17,079	\$17,079	0	—	
Federal Funds	\$1,000	\$0	(\$1,000)	(100.0%)	
Women's Services					
<u>TOTAL</u>	<u>\$22,480</u>	<u>\$23,230</u>	<u>\$750</u>	<u>3.3%</u>	D-40
General Fund	\$19,536	\$17,736	(\$1,800)	(9.2%)	
Federal Funds	\$1,791	\$1,791	\$0	—	
Other Funds	\$1,153	\$3,703	\$2,550	221.2%	

Decreases in funding for the Early Childhood Services, the School Linked Services Program, and Family Support Services reflect only a technical change in the organization of the FY 2019 Budget rather than an anticipated reduction in funding. All federal TANF Block Grants will be budgeted centrally in the Department of Human Services, Division of Family Development and will be transferred after the start of the fiscal year to the various departments that expend the funding. Budget evaluation data reflects no change in program activity or costs from FY 2018 to FY 2019.

The Women's Services Grants-in-Aid appropriation funds programs overseen by the Division on Women, including the Displaced Homemaker program, and programs for domestic violence prevention, education and response. The Governor's FY2019 Budget increases the appropriation for Women's Services by \$750,000. This increase is composed a \$2.55 million

Significant Changes/New Programs (\$000) (Cont'd)

<u>Budget Item</u>	<u>Adj. Approp.</u> <u>FY 2018</u>	<u>Recomm.</u> <u>FY 2019</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>Budget</u> <u>Page</u>
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increase in grants to Displaced Homemaker Centers from the Workforce Development Partnership Fund (WDPF) offset by a \$1.8 million decrease in funding from the General Fund. The WDPF was created pursuant to P.L.1992, c.43 (N.J.S.A.34:15D-1 et seq.) to provide training grants to disadvantaged and displaced workers and to employers offering training opportunities to their employees. The WDPF is funded by a dedicated assessment on workers and their employers, and the funds are statutorily allocated.

According to information from the department, displaced homemaker grants totaled about \$1.9 million in FY 2017, funded by a combination of \$1.1 million in State funds and about \$823,000 in current and prior year revenue from divorce filing fees, which are dedicated by law to the program. In FY 2018, the program is funded at about \$2.6 million, through about \$1.9 million in State funds and \$688,000 from divorce filing fees. Since the FY 2018 increase in State funding for Women’s Services was specifically for domestic violence and rape prevention services, the information shows that the division has already reallocated resources from other women’s programs to the Displaced Homemaker program. The FY 2019 Women’s Services appropriation and related budget language would make at least \$3.238 million available for the Displaced Homemaker program in FY 2019; the department indicates the division will provide \$3.3 million in grants, expanding into five counties currently without a program - Camden, Cape May, Mercer, Salem and Somerset - and maintaining current year funding in all other counties.

Project S.A.R.A.H. (General Fund)	\$125	\$0	(\$125)	(100.0%)	D-40
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Latino Action Network Hispanic Women’s Resource Center (General Fund)	\$250	\$0	(\$250)	(100.0%)	D-40
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The Governor’s FY 2019 Budget Recommendation discontinues these two grants, which were added to the FY 2018 Appropriations Act at the Legislature’s initiative.

Project S.A.R.A.H (Stop Abusive Relationships At Home) is administered by the Jewish Family Service and Children’s Center of Clifton-Passaic and provides intervention, advocacy, accompaniment, support services, and related assistance to: adult, youth, and child victims of sexual assault; family and household members of such victims; and those collaterally affected.

According to its website the Latino Action Network is a grassroots organization composed of individuals and organizations that support and advocate for the State’s diverse Latino communities.

Significant Language Changes

Substance Abuse Disorder Treatment Services – Transfer of Funding

Deletion

2018 Handbook: p. B-16
2019 Budget: p.

~~Of the amounts hereinabove appropriated for Substance Use Disorder Services, an amount not to exceed \$10,024,000 shall be transferred to the Department of Human Services' Division of Mental Health and Addiction Services to fund the Division of Child Protection and Permanency Child Welfare Substance Use Disorder Treatment Services contracts as specified in the Memorandum of Agreement between the Department of Children and Families and the Department of Human Services' Division of Mental Health and Addiction Services, subject to the approval of the Director of the Division of Budget and Accounting.~~

Explanation

This language provision directs the transfer of \$10.2 million for Substance Use Disorder Services from the Division of Child Protection and Permanency (CP&P) to the Division of Mental Health and Addiction Services (DMHAS) in the Department of Human Services (DHS) to support substance abuse disorder treatment services contracts, as specified in a memorandum of agreement between the DHS and DCF.

The recommendation to delete this language seems to be based upon its lack of relevance and its redundancy. A review of budget and fiscal information indicates that no transfer of funding occurred pursuant to this language in either FY 2016 or FY 2017, and that CP&P has only partly expended the Substance Abuse Disorder Services Treatment appropriation. This suggests that there is no recent or current memorandum of understanding between the two agencies, and that CP&P is issuing its own contracts and not relying on DMHAS. Should the two agencies agree to transfer these funds in FY 2019, other existing language provisions will facilitate that decision.

Child Advocacy Center-Multidisciplinary Team Fund

Deletion

2018 Handbook: p. B-16
2019 Budget: p.

~~Of the amounts hereinabove appropriated for Child Advocacy Center Multidisciplinary Team Fund, \$500,000 shall be allocated to the New Jersey Children's Alliance to assist in the implementation of P.L.2017, c.90 (C.9:6-8.107 et seq.) to provide support, guidance, and training to centers applying to the Department of Children and Families for grants in order to become certified as Child Advocacy Centers.~~

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)

Explanation

This language provision governs the \$5 million appropriation for the Child Advocacy Center-Multidisciplinary Team Fund, directing \$500,000 of the appropriation to the New Jersey Children's Alliance to assist in the implementation of P.L.2017, c.90 (C.9:6-8.107 et seq.). The appropriation and the language were added to the FY 2018 Appropriations Act at the Legislature's initiative. The Governor does not recommend continuing this funding in FY 2019, so the language pertaining to the funding is also recommended for deletion.

P.L.2017, c.90 created the 14-member Child Advocacy Center-Multidisciplinary Team Advisory Board, the purpose of which is to establish a certification program for the State's child advocacy centers and multidisciplinary teams (based in each county) to ensure that the certified centers and teams comply with the accreditation standards developed by the National Children's Alliance. The board is to also administer a program of grants to board-certified child advocacy centers or multidisciplinary teams for capital needs, technology improvements and continuation and enhancement of services. Budget and fiscal information indicates that no grants will be offered and the \$4.5 million intended for that purpose will lapse, but that the \$500,000 directed by this language has been committed to the New Jersey Children's Alliance.

Care Management Organizations-Rate Increase

Deletion

2018 Handbook: p. B-18
2019 Budget: p.

~~The amount hereinabove appropriated for Care Management Organizations is conditioned upon the following: the per youth monthly rate shall be increased by \$100 above the rate in effect on June 30, 2017.~~

Explanation

This language provision allocates and directs the use of \$7 million that was added to the FY 2018 Appropriations Act pursuant to a legislative budget resolution to increase the monthly compensation rate that care management organizations receive per youth served from \$550 in FY 2017 to \$650 in FY 2018. This additional funding is not continued in in FY 2019, so the language pertaining to it is also deleted.

Budget evaluation data (pg. D-36) projects that the full \$113.99 million FY 2018 appropriation (\$66.5 million in State funds, \$47.5 million federal) for Care Management Organizations will be expended. However, fiscal data indicates that \$5 million in state funds may not be expended in FY 2018. The funding for Care Management Organizations decreases to \$100.75 million, as the number of youth served is to remain the same while the per youth cost decreases by 11%, presumably due in part to a rollback of the monthly rate in the absence of this language.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

Significant Language Changes (Cont'd)**Displaced Homemaker Services –Appropriation from Workforce Development Partnership Fund**

Addition

2018 Handbook: p. N/A
2019 Budget: p. D-42

Notwithstanding the provisions of any law or regulation to the contrary, in addition to the amount hereinabove appropriated for Women's Services, an amount not to exceed \$2,550,000 is appropriated to the Displaced Homemaker program from the Workforce Development Partnership Fund established pursuant to section 9 of P.L.1992, c.43 (C.34:15D-9), subject to the approval of the Director of the Division of Budget and Accounting.

Explanation

This language provision appropriates \$2.55 million from the Workforce Development Partnership Fund (WDPF) for Women's Services and allocates the funding to the Displaced Homemaker program. According to the department displaced homemaker grants are funded in FY 2018 at an estimated total of \$2.6 million from a combination of State appropriations and about \$688,000 in revenue from divorce filing fees, which are dedicated by law to the program. This language would make at least \$3.238 million available in FY 2019. Information from the department indicates the Division on Women will provide \$3.3 million in FY 2019 grants, expanding into five counties currently without a program - Camden, Cape May, Mercer, Salem and Somerset - and maintaining current year funding in all other counties. The division began shifting State funds from other women's services grant programs to the Displaced Homemaker program during FY 2018.

The Displaced Homemaker program provides short-term education and training that leads to some form of a certificate or credential to individuals who, after having served as unpaid homemakers for many years, are forced to join the paid workforce due to the separation, divorce, disability, or death of a spouse or significant other. The program also pays for incidental costs such as licensing fees, uniform costs and other costs associated with the certificate training. The WDPF, established pursuant to section 9 of P.L.992, c.43 (C34:15D-9), provides training grants to disadvantaged and displaced workers and to employers offering training opportunities to their employees. It is funded by a dedicated assessment on workers and their employers.

EXPLANATION: FY 2018 language not recommended for FY 2019 denoted by strikethrough.
Recommended FY 2019 language that did not appear in FY 2018 denoted by underlining.

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Individuals wishing information and committee schedules on the FY 2019 budget are encouraged to contact:

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