

D14A14
Office for Children, Youth, and Families

Operating Budget Data

(\$ in Thousands)

	FY 02	FY 03	FY 04	FY 03 - 04	FY 03 - 04
	<u>Actual</u>	<u>Approp</u>	<u>Allowance</u>	<u>Change</u>	<u>% Change</u>
General Funds	\$4,865	\$5,235	\$5,150	-\$84	-1.6%
FY 2003 Cost Containment	0	-256	0	256	
Contingent & Back of Bill Reductions	0	-3	-11	-8	
Adjusted General Funds	\$4,865	\$4,975	\$5,139	\$164	3.3%
Special Funds	328	429	429	0	0.0%
Federal Funds	168	174	174	0	0.0%
Contingent & Back of Bill Reductions	0	0	0	0	
Adjusted Federal Funds	\$168	\$174	\$174	\$0	0.0%
Reimbursable Funds	1,519	945	933	-12	-1.3%
Adjusted Grand Total	\$6,880	\$6,523	\$6,675	\$152	2.3%

- Fiscal 2003 cost containment includes reductions of \$256,498 in general funds to reflect cost containment measures taken through Board of Public Works' actions. Specific reductions include funds related to the impact of the hiring freeze (\$83,135), staff development (\$5,000), out-of-state travel (\$5,000), advertising (\$10,000), printing (\$13,546), and miscellaneous contractual services (\$14,000). The budget was also reduced by \$125,817 which was to be used for independent juvenile justice monitors. These funds will be replaced with federal funds from the Governor's Office of Crime Control and Prevention.
- The fiscal 2004 allowance reflects the elimination of the appropriation (\$10,998 in general funds and \$234 in federal funds) for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2003.
- Growth in the fiscal 2004 budget reflects increased health insurance costs (\$0.1 million) and a reduction in budgeted turnover to 1.67% (\$0.1 million).

Note: Numbers may not sum to total due to rounding.

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Personnel Data

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Working</u>	<u>FY 04</u> <u>Allowance</u>	<u>Change</u>
Regular Positions	47.00	48.00	47.00	-1.00
Contractual FTEs	18.00	16.50	16.90	0.40
Total Personnel	65.00	64.50	63.90	-0.60

Vacancy Data: Regular Positions

Budgeted Turnover: FY 04	0.78	1.67%
Positions Vacant as of 12/31/02	3.00	6.25%

- The Office of Children, Youth, and Families had 3 vacancies as of December 31, 2002, but 1 of those vacancies is to be abolished in fiscal 2004 under the Governor's cost containment effort.
- The additional 0.40 FTE contractual position is for use for Head Start related services. Head Start is a federally funded program.

Analysis in Brief

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Reduce general fund administrative expenditures and positions by 50%.	\$ 1,244,500	15.0
Total Reductions	\$ 1,244,500	15.0

D14A14 - Office for Children, Youth, and Families

D14A14
Office for Children, Youth, and Families

Operating Budget Analysis

Program Description

The Governor's Office for Children, Youth, and Families (OCYF) is responsible for planning, monitoring, and coordinating services for at-risk children and their families. OCYF supports the Subcabinet for Children, Youth, and Families. The subcabinet includes the Secretaries of the Departments of Health and Mental Hygiene (DHMH), Juvenile Justice (DJJ), Human Resources (DHR), Budget and Management, Housing and Community Development, Aging, Planning, the Director of the Office for Individuals with Disabilities, and the State Superintendent of Schools. The Special Secretary of OCYF chairs the subcabinet. Based on the policies set forth by the subcabinet, OCYF promotes a comprehensive and coordinated interagency approach to programs emphasizing prevention, early intervention, and services based in the community. In a related role, OCYF also assists the Maryland Partnership for Children, Youth, and Families regarding budget priorities, initiatives, best practices, and policies. The partnership serves as the advisory council to the Governor in the development and achievement of policy objectives and desired outcomes for programs and services to Maryland's children and families.

While OCYF is most closely linked with the implementation of the Systems Reform Initiative (SRI), it also houses various other activities such as the Governor's Council on Adolescent Pregnancy and the Infant Mortality Commission.

Primary Managing for Results (MFR) goals include:

- Maryland's babies will be born healthy.
- Maryland's children and youth will be healthy.
- Maryland's families are safe within their families and communities.

Performance Analysis: Managing for Results

OCYF's MFR submission includes the results and indicators developed by the Maryland Partnership for Children, Youth, and Families. It also contains performance measures more directly related to the activities of the office. Selected performance measures related to the three of OCYF's goals listed above are reviewed, as are a number of measures related to the goal of school readiness for Maryland's children.

Maryland's Babies Will Be Born Healthy

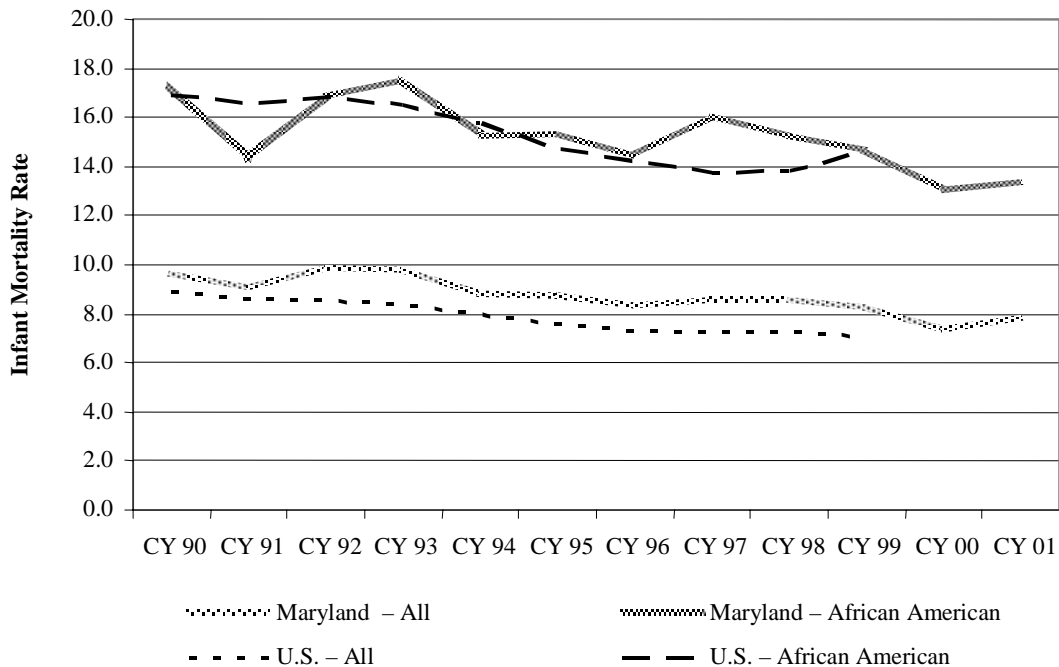
Infant Mortality Rate

The measures used to indicate progress on the health of Maryland's very young children include the infant mortality rate and the percentage of low birth weight babies. **Exhibit 1** compares the infant mortality rates in Maryland, both in total and for African American babies, to the rates found in the United States. For the population as a whole, the progress in Maryland mirrors the United States experience, but the State's rate has consistently been 0.5 to 1.4 higher than found in the United States. However, in Maryland, the number of deaths per 1,000 infants has gradually dropped from just under 10 to just under 8 since calendar 1990. The experience of African American babies has fluctuated greatly compared with the population as a whole. From a high of nearly 18 deaths per 1,000 births in 1993, the mortality rate of African American babies has improved to just under 14 in 2001, the lowest rate since 1990.

In contrast to the infant mortality experience of the general population, participants in the Healthy Family home visiting programs have experienced infant mortality rates of 3.2 in fiscal 2001 and 1.4 in fiscal 2002.

Exhibit 1

Infant Mortality Rate*
Maryland and the United States
Calendar 1990 through 2001



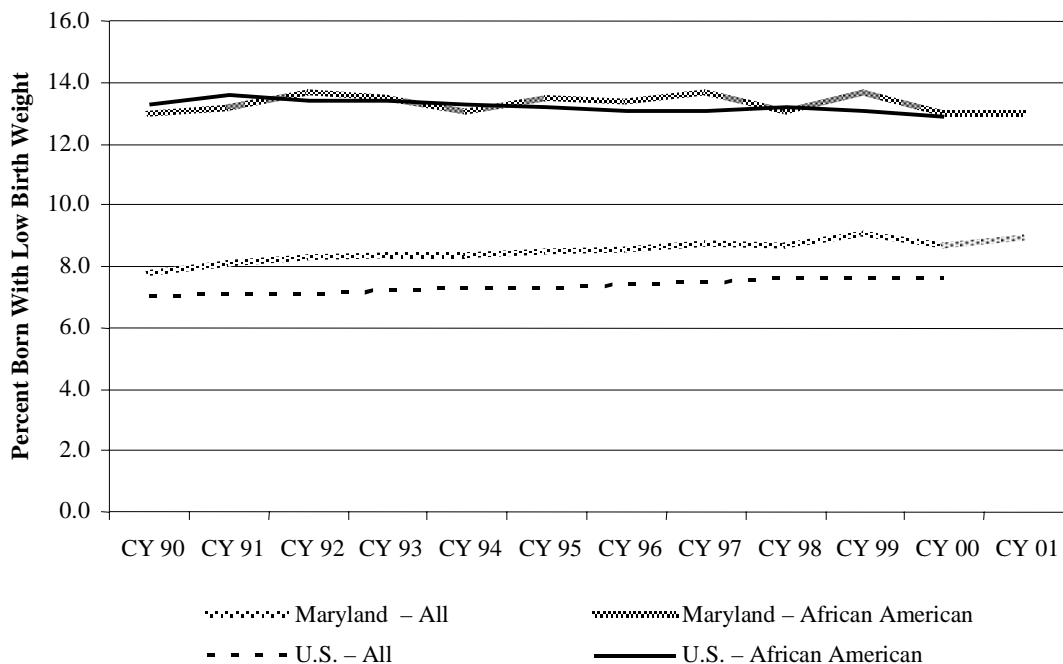
* The rate (per 1,000 live births) of all births, and births in various racial/ethnic groups who do not survive beyond year one.
Source: Office for Children, Youth, and Families

Low Birth Weight Babies

The experience of Maryland with low birth weight babies, demonstrated in **Exhibit 2**, compared to the United States, is very similar to that observed for infant mortality. For the general population, the progress in Maryland's experience mirrors the United States experience but has consistently been 0.8% to 1.5% higher than found in the United States. Unfortunately, the incidence of low birth weight babies is growing in both populations. In Maryland, the rate has grown from just under 8% in 1990 to 9% in 2001, while the United States rate has grown from about 7% to 7.6%. African American babies in both populations are more likely to be born with low birth weights, but the incidence has remained relatively flat at about 13% in Maryland and the United States since the early 1990s. The experience of Healthy Family visiting program participants giving birth to low birth weight babies is similar to the Maryland population as a whole, about 9% in fiscal 2001 and 8% in fiscal 2002.

Exhibit 2

**Low Birth Weight* Babies
Maryland and the United States
Calendar 1990 through 2001**



*The percent of all births, births to mothers in various racial and ethnic groups with birth weights less than 2,500 grams.

Source: Office for Children, Youth, and Families

Maryland's Children and Youth Will Be Healthy

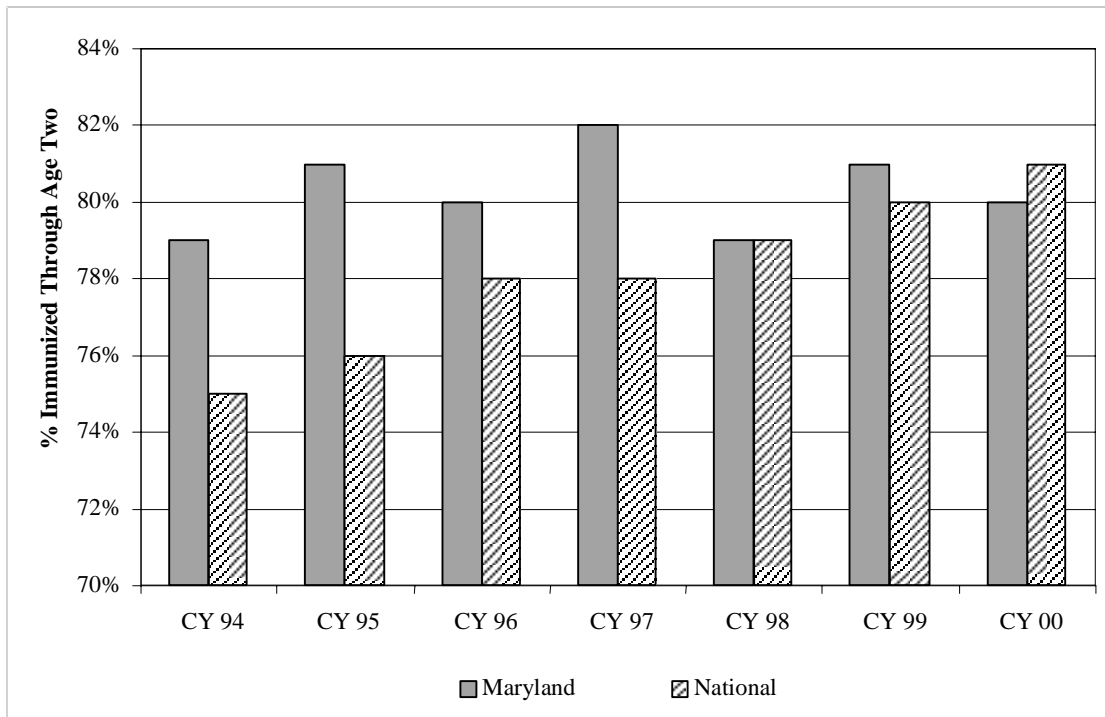
Percent of Children Immunized through Age Two

Maryland has had an impressive history of immunizing children through the age of two, demonstrated in **Exhibit 3**. In fact, between calendar 1994 and 1999, Maryland immunized between 79% and 82% of its young population, which was 1% and 5% better than the incidence of immunizations observed nationwide.

However, in 2000, the trend has changed – Maryland dropped below the national incidence of immunization of 81%. Participants in the Healthy Family home visiting program have a much-improved outcome. In fiscal 2001, 96% of those children were immunized; in fiscal 2000 the incidence of 90% was still much higher than both the national and the Maryland historic experience.

Exhibit 3

**Percentage of Children Immunized* through Age Two
Calendar 1994 through 2000**



*The percent of children aged 19 through 35 months who have received the full schedule of appropriate immunizations against diphtheria, tetanus, pertussis, measles, mumps, rubella, and polio. Haemophilus influenzae type B (HIB), hepatitis B, and chickenpox vaccines are also part of the basic immunization series, but coverage with these vaccines is measured separately.

Source: Office for Children, Youth, and Families

School-based Health Centers

One way in which the State is addressing the health concerns of its young citizens is through school-based health centers. In Maryland, 61 schools had these health centers in fiscal 2002 in which 20,960 children were served. The rate at which children used these centers, as well as the incidence of placement of these centers in schools that serve high-need populations are demonstrated in **Exhibit 4**. The incidents of use have decreased between fiscal 2000 and 2002. However, the concentration of the centers in schools serving high-need populations has increased over this same time period, from 21% in 2000 to 26% in 2002.

Exhibit 4

School-based Health Centers Fiscal 2000 through 2004

	<u>FY 00</u>	<u>FY 01</u>	<u>FY 02</u>	<u>FY 03 (Est.)</u>	<u>FY 04 (Est.)</u>
% of children served by school-based health centers who visited the center at least once.	65.3%	60.5%	63.5%	63.5%	63.5%
% of schools serving a high needs population* that have a school-based health center	21.0%	25.8%	25.8%	26.0%	26.0%

*High needs populations are living in high poverty, low medical access areas. Examples of specific determinants include physician shortages and free or reduced priced meals.

Source: Office for Children, Youth, and Families

Fiscal 2003 Actions

Impact of Cost Containment

Fiscal 2003 cost containment reflects the reversion of \$3,047 in general funds and \$231 in federal funds originally intended to support free transit ridership for State employees, contingent upon enactment of a provision in the Budget Reconciliation and Financing Act (BRFA) of 2003. It also includes reductions of \$256,498 in general funds to reflect cost containment measures taken through Board of Public Works' actions. Specific reductions include funds related to the impact of the hiring freeze (\$83,135), staff development (\$5,000), out-of-state travel (\$5,000), advertising (\$10,000), printing (\$13,546), and miscellaneous contractual services (\$14,000). **OCYF should comment on the impact these reductions will have on its operations.**

The budget was also reduced by \$125,817 which was to be used for juvenile justice monitors. These funds will be replaced with federal funds from the Governor's Office of Crime Control and Prevention (GOCCP).

Governor's Proposed Budget

Exhibit 5 shows that OCYF's budget increases by nearly \$151,907 in fiscal 2004, after accounting for cost containment measures taken in fiscal 2003 and 2004. These increases are concentrated in personnel expenditures related to increases in employee and retiree health insurance costs and lower budgeted turnover.

Exhibit 5

**Governor's Proposed Budget
Office for Children, Youth, and Families
(\$ in Thousands)**

	<u>FY 02</u> <u>Actual</u>	<u>FY 03</u> <u>Approp</u>	<u>FY 04</u> <u>Allowance</u>	<u>FY 03 - 04</u> <u>Change</u>	<u>FY 03 - 04</u> <u>% Change</u>
General Funds	\$4,865	\$5,235	\$5,150	-\$84	-1.6%
FY 2003 Cost Containment	0	-256	0	256	
Contingent & Back of Bill Reductions	0	-3	-11	-8	
Adjusted General Funds	\$4,865	\$4,975	\$5,139	\$164	3.3%
Special Funds	328	429	429	0	0.0%
Federal Funds	168	174	174	0	0.0%
Contingent & Back of Bill Reductions	0	0	0	0	
Adjusted Federal Funds	\$168	\$174	\$174	\$0	0.0%
Reimbursable Funds	1,519	945	933	-12	-1.3%
Adjusted Grand Total	\$6,880	\$6,523	\$6,675	\$152	2.3%

Where It Goes:

Personnel Expenses

Turnover adjustments.....	\$107
Employee and retiree health insurance.....	60
Abolished position.....	-44
Other fringe benefit adjustments.....	7

Other Changes

Travel reduced to reflect actual fiscal 2002 experience.....	-57
Education and training reimbursement.....	35
Office assistance contractual	30

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Where It Goes:

Contractual positions.....	23
Communication	-11
Other	2
Total	\$152

Note: Numbers may not sum to total due to rounding.

Impact of Cost Containment

The fiscal 2004 allowance reflects the elimination of the appropriation (\$10,998 in general funds and \$234 in federal funds) for matching employee deferred compensation contributions up to \$600, contingent upon enactment of a provision in the BRFA of 2003.

Education and training reimbursement is showing an increase of \$35,000 in general funds for programs sponsored by GOCCP. Office assistance contracts are also increasing by \$30,000 in reimbursable funds. These increased funds were to be used for activities related to local managements boards.

Recommended Actions

	<u>Amount Reduction</u>		<u>Position Reduction</u>
1. Reduce general fund administrative expenditures and positions by 50%. Specific divisions reduced by 50% are the Offices of the Secretary; Finance; Administration; Program Administration; and Research, Evaluation, and Monitoring. This reduction is taken in conjunction with the recommendation made in the Subcabinet Fund to eliminate general fund administrative funding for Local Management Boards.	\$ 1,244,500	GF	15.0
Total General Fund Reductions	\$ 1,244,500		15.0

Current and Prior Year Budgets

Current and Prior Year Budgets Office for Children, Youth, and Families (\$ in Thousands)

	<u>General Fund</u>	<u>Special Fund</u>	<u>Federal Fund</u>	<u>Reimb. Fund</u>	<u>Total</u>
Fiscal 2002					
Legislative Appropriation	\$4,895	\$274	\$150	\$802	\$6,121
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	-30	207	48	792	1,017
Reversions and Cancellations	0	-153	-30	-75	-258
Actual Expenditures	\$4,865	\$328	\$168	\$1,519	\$6,880
Fiscal 2003					
Legislative Appropriation	\$5,235	\$429	\$174	\$945	\$6,783
Cost containment/ Contingent Reductions	-260	0	0	0	-260
Working Appropriation	\$4,975	\$429	\$174	\$945	\$6,523

Note: Numbers may not sum to total due to rounding.

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Fiscal 2002

General, special, and federal fund amendments include:

- \$30,000 reduction in general funds for fiscal 2002 cost containment.
- \$130,000 in additional special funds to reflect a portion of the carry forward from an Annie E. Casey Foundation fiscal 2001 grant. Half these monies were to be used for contractual services and half were to be used to encourage community partnerships through Local Management Boards.
- \$76,675 in special funds to reflect additional revenue realized as a result of the annual OCYF Child Abuse Conference.
- \$25,000 in federal funds to reflect an additional grant award received from the U.S. Department of Health and Human Services. Combined with the original grant amount of \$100,000, the award was designed to promote innovative collaborative linkages and partnerships between Head Start and local governmental agencies. Funds were to be used for personnel costs, supplies, materials, and other fixed charges.
- \$23,069 in federal fund to reflect a carry-forward of unobligated funds from a prior year grant award. This grant supported the development and institutionalization of the child well-being indicators.

Reimbursable fund amendments include, but are not limited to:

- \$412,104 represents funds remaining from a \$426,000 award from GOCCP made in fiscal 2001. These funds were used in support of the Initiative for Children and Families and the Youth Strategies Data and Technology Program.
- \$161,228 represents funds carried forward from a \$267,603 grant made to OCYF by GOCCP for the Independent Juvenile Justice Monitor program.
- \$45,000 to fund the “Lisa L.” program. OCYF, DHR, and DJJ entered into an agreement that called for the transfer of the Lisa L. coordinator position and associated case service coordination and data tracking functions from DHMH to OCYF. \$45,000 represents one-third of the total program costs.
- \$30,500 represents the fiscal 2002 portion of the total grant of \$78,824 from the Governor’s Office on Service and Volunteerism (GASV). These funds were expended in support of the integration of service-learning into after-school programs and have been authorized in accordance with an agreement between GASV and the Corporation for National Service.

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Appendix 2

Object/Fund Difference Report
Office for Children, Youth, and Families

<u>Object/Fund</u>	<u>FY 02 Actual</u>	<u>FY 03 Working Appropriation</u>	<u>FY 04 Allowance</u>	<u>FY 03 - FY04 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	47.00	48.00	47.00	-1.00	-2.1%
02 Contractual	18.00	16.50	16.90	0.40	2.4%
Total Positions	65.00	64.50	63.90	-0.60	-0.9%
Objects					
01 Salaries and Wages	\$ 3,241,867	\$ 3,230,057	\$ 3,356,846	\$ 126,789	3.9%
02 Technical & Spec Fees	654,247	816,361	764,861	-51,500	-6.3%
03 Communication	110,893	99,899	88,836	-11,063	-11.1%
04 Travel	73,636	139,265	77,155	-62,110	-44.6%
07 Motor Vehicles	11,640	7,578	4,273	-3,305	-43.6%
08 Contractual Services	1,868,839	1,764,983	1,685,143	-79,840	-4.5%
09 Supplies & Materials	98,195	60,877	54,807	-6,070	-10.0%
10 Equip – Replacement	10,051	2,239	2,239	0	0%
11 Equip – Additional	103,415	18,383	14,633	-3,750	-20.4%
12 Grants, Subsidies, Contr	673,784	612,952	606,791	-6,161	-1.0%
13 Fixed Charges	33,772	30,612	30,985	373	1.2%
Total Objects	\$ 6,880,339	\$ 6,783,206	\$ 6,686,569	-\$ 96,637	-1.4%
Funds					
01 General Fund	\$ 4,865,010	\$ 5,234,648	\$ 5,150,403	-\$ 84,245	-1.6%
03 Special Fund	327,902	429,175	429,175	0	0%
05 Federal Fund	168,453	173,964	173,950	-14	0%
09 Reimbursable Fund	1,518,974	945,419	933,041	-12,378	-1.3%
Total Funds	\$ 6,880,339	\$ 6,783,206	\$ 6,686,569	-\$ 96,637	-1.4%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.

Fiscal Summary
Office for Children, Youth, and Families

<u>Unit/Program</u>	<u>FY 02 Actual</u>	<u>FY 03 Legislative Appropriation</u>	<u>FY 03 Working Appropriation</u>	<u>FY 02 - 03 % Change</u>	<u>FY 04 Allowance</u>	<u>FY 03 - 04 % Change</u>
01 Office for Children, Youth, and Families	\$ 6,880,339	\$ 6,783,206	\$ 6,783,206	-1.4%	\$ 6,686,569	-1.4%
Total Expenditures	\$ 6,880,339	\$ 6,783,206	\$ 6,783,206	-1.4%	\$ 6,686,569	-1.4%
General Fund	\$ 4,865,010	\$ 5,234,648	\$ 5,234,648	7.6%	\$ 5,150,403	-1.6%
Special Fund	327,902	429,175	429,175	30.9%	429,175	0%
Federal Fund	168,453	173,964	173,964	3.3%	173,950	0%
Total Appropriations	\$ 5,361,365	\$ 5,837,787	\$ 5,837,787	8.9%	\$ 5,753,528	-1.4%
Reimbursable Fund	\$ 1,518,974	\$ 945,419	\$ 945,419	-37.8%	\$ 933,041	-1.3%
Total Funds	\$ 6,880,339	\$ 6,783,206	\$ 6,783,206	-1.4%	\$ 6,686,569	-1.4%

Note: Fiscal 2003 appropriations and fiscal 2004 allowance do not include cost containment and contingent reductions.