

D14A14
Office for Children, Youth, and Families

Operating Budget Data

(\$ in Thousands)

	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Working</u>	<u>FY 06</u> <u>Allowance</u>	<u>FY 05-06</u> <u>Change</u>	<u>% Change</u> <u>Prior Year</u>
General Fund	\$3,780	\$4,159	\$2,733	-\$1,426	-34.3%
Special Fund	199	429	286	-143	-33.4%
Federal Fund	106	472	634	161	34.1%
Reimbursable Fund	<u>645</u>	<u>746</u>	<u>428</u>	<u>-318</u>	<u>-42.6%</u>
Total Funds	\$4,730	\$5,807	\$4,081	-\$1,726	-29.7%
Contingent & Back of Bill Reductions			-14	-14	
Adjusted Total	\$4,730	\$5,807	\$4,066	-\$1,740	-30.0%

- Reductions totaling \$1.7 million are to be accomplished through the proposed reorganization of the office in which some functions will be transferred to other units of State government.

Personnel Data

	<u>FY 04</u> <u>Actual</u>	<u>FY 05</u> <u>Working</u>	<u>FY 06</u> <u>Allowance</u>	<u>FY 05-06</u> <u>Change</u>
Regular Positions	48.00	50.00	36.00	-14.00
Contractual FTEs	<u>8.00</u>	<u>8.50</u>	<u>4.00</u>	<u>-4.50</u>
Total Personnel	56.00	58.50	40.00	-18.50

Vacancy Data: Regular Positions

Turnover, Excluding New Positions	1.07	2.97%
Positions Vacant as of 12/31/04	7.00	14.00%

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

For further information contact: Steve McCulloch

Phone: (410) 946-5530

D14A14 - Office for Children, Youth, and Families

- Eight regular and 3.5 contractual positions are being abolished as part of the office's reorganization. Five of the positions slated for abolition are currently filled.
- Seven regular positions and one contractual position are also being transferred to other units of State government.
- One position is being transferred to Office for Children, Youth, and Families (OCYF) from the Governor's Office of Crime Control and Prevention.
- If the number of vacant positions is adjusted to remove the positions being abolished, the vacancy rate drops to 8%.

Analysis in Brief

Major Trends

Health of Maryland's Newborns: While the infant mortality rate has generally trended downwards since 1990, there was a slight increase in the rate in calendar 2003 compared to 2002. The percent of babies born with low birth weights has increased slightly since 1990.

Issues

Reauthorization Legislation Makes Changes: The statute authorizing OCYF is set to terminate June 30, 2005. SB 222/HB 293 of 2005, as introduced, repeals the current statute and reauthorizes the office. The major provisions of the legislation are summarized.

Recommended Actions

	<u>Funds</u>	<u>Positions</u>
1. Add new section deleting positions associated with consolidation of functions.		
2. Add language making the appropriation contingent on enactment of legislation reauthorizing the Office for Children, Youth, and Families		
3. Delete Administrator VI position.	\$ 96,454	1.0
Total Reductions	\$ 96,454	1.0

D14A14
Office for Children, Youth, and Families

Operating Budget Analysis

Program Description

For fiscal 2006, the Governor is proposing to restructure the Governor's Office for Children, Youth, and Families (OCYF). The restructured office will focus on interagency policy and collaboration regarding prevention, intervention, and treatment programs for children and families, with the overall goal of aiding in the development of healthy children and safe, stable, and self-sufficient families. OCYF will also work to identify gaps in services, placing special attention on children with intensive needs that can only be met through coordination between State agencies.

Working both directly and through the statewide system of Local Management Boards, OCYF and the subcabinet will encourage the provision of flexible treatment and services. Where out-of-home residential placement is required, a streamlined decision and review process will be implemented that ensures the appropriate treatment setting.

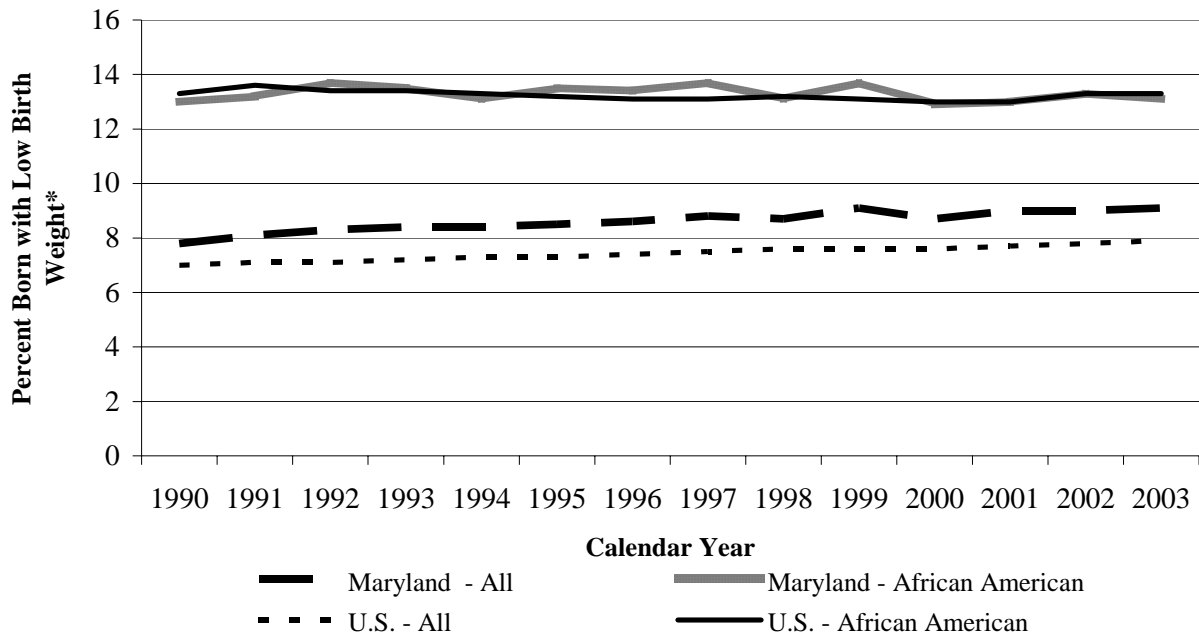
Primary Managing for Results (MFR) goals include to:

- lead interagency policy formulation that promotes stable, safe, and healthy environments for children and families;
- improve fiscal efficiency and accountability across State and local agencies that serve children and families;
- maximize prevention, early intervention, and community-based services across agencies that reduce the reliance on costly institutional services;
- increase the capacity of communities to meet the critical needs of their own children and families;
- ensure safety and effectiveness of local and State programs and services for children and families through independent monitoring and evaluation, resulting in program improvement;
- identify and support interagency and interdisciplinary training, education, and public outreach essential to the health and well-being of children and families; and
- develop and implement an interagency data collection system to improve planning and delivery of services critical to the health, safety, and well-being of children and families statewide.

Low Birth Weight Babies

Exhibit 2 compares low birth weight babies for Maryland and the U.S. both in total and for African American babies. The percent of babies born with low birth weight (less than 2,500 grams or 5.51 pounds) in the population as a whole has increased slightly since 1990 with Maryland experiencing slightly greater percentages than the U.S. The percentages of low birth weight babies for African Americans, though greater than for the population as a whole both in Maryland and nationally, have not shown the same slight increase but have remained fairly constant since 1990.

Exhibit 2
Low Birth Weight Babies
Maryland and the United States
Calendar 1990 – 2003



*Measures the percent of births with birth weights less than 2,500 grams (5.51 pounds).

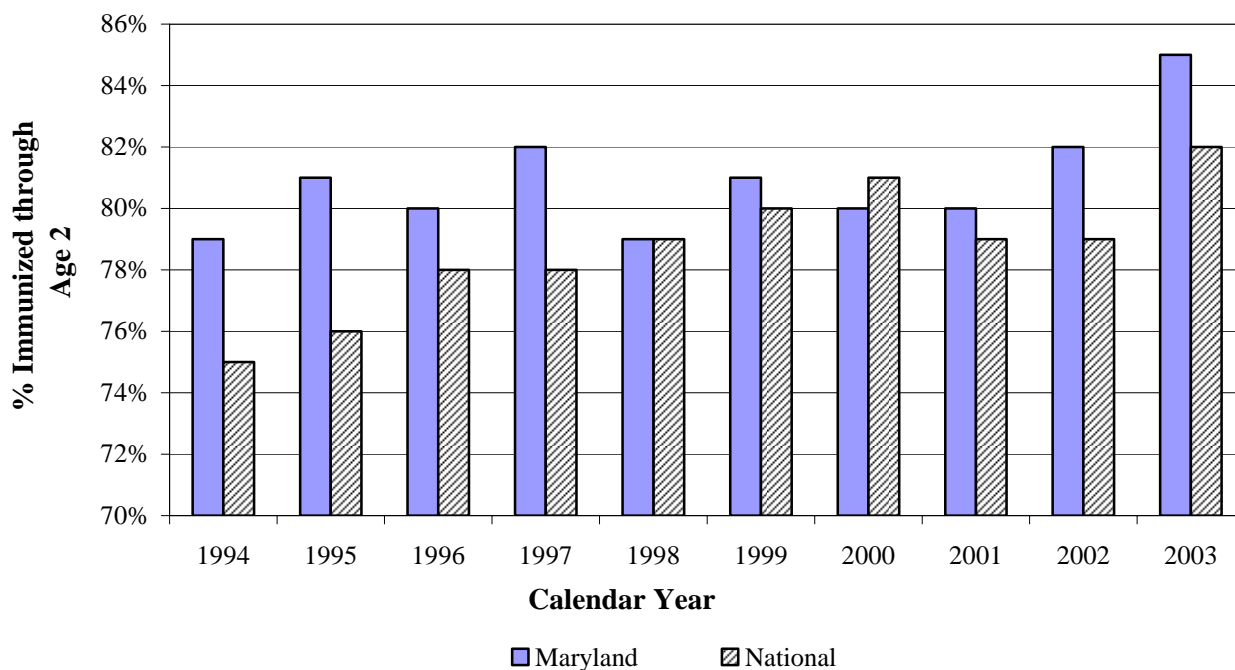
Source: Maryland State Budget; *Maryland Vital Statistics Annual Report, 2003*; *National Vital Statistics Reports, Vol. 53, No. 10, November 24, 2004.*

Maryland's Children and Youth Will Be Healthy

Children Fully Immunized through Age Two

Maryland has performed well compared to the national average in immunizing children through the age of two as demonstrated in **Exhibit 3**. In only one year since 1994 has Maryland lagged the national average in immunizing this population. Although the rate of immunizations for children participating in Healthy Families home visiting programs exceeded the rate for Maryland as a whole for calendar 2001 and 2002, rates fell below that of Maryland in 2003. Only 74% of children participating in Healthy Families home visiting programs were fully immunized by age two compared with 85% for Maryland as a whole. **OCYF should comment on the factors which contributed to the lower performance for the Healthy Families populations and steps taken to remedy the situation.**

Exhibit 3
Percentage of Children Immunized through Age Two
Calendar 1994 – 2003



Source: Office for Children, Youth, and Families

School-based Health Centers

One way in which Maryland is attempting to improve the health of its young residents is through school-based health centers. There were 62 school-based health centers in fiscal 2004, an increase of one over fiscal 2003. The number of total visits declined by over 10,000 in fiscal 2004 compared to the previous year with just 63,521 visits made compared to 73,706 made the previous year. The percent of schools identified as serving a high-need population that have a school-based health center has remained constant at 26% since 2003. The fiscal 2006 funding for school-based health centers is \$696,619 less than in the current year. This represents the removal of one-time-only funding provided in a supplemental budget during the 2004 session for the Prince George's County school-based health center program (-\$400,000) and a reduction of \$296,619. OCYF advises that the removal of the one-time-only funding may result in service reductions or closing of sites if the county does not replace the State funds. The additional reduction to the statewide program may result in some reduction in existing programs, but OCYF does not anticipate the closing of any sites as a result of the reduction.

Governor's Proposed Budget

As shown in **Exhibit 4**, the fiscal 2006 allowance for the OCYF is \$1.7 million less than the current year working appropriation. Most of the change in the budget is related to the reorganization of the office. Personnel expenses decrease by \$841,000 resulting from the abolition of 8 regular and 3.5 contractual positions. Another \$1.1 million decrease results from transferring the following functions:

- Governor's Council on Adolescent Pregnancy to the Department of Health and Mental Hygiene (1 regular position and \$589,363);
- Independent Juvenile Justice Monitoring to the Governor's Office of Crime Control and Prevention (4 regular positions, 1 contractual position, and \$341,424);
- School-based Health Center's coordination position to the Maryland State Department of Education (1 regular position and \$78,999); and
- Home Visiting position to the Maryland State Department of Education (1 regular position and \$73,740).

The reductions in OCYF are partially offset by two small increases. OCYF is receiving one position (\$96,883) from the Governor's Office of Crime Control and Prevention which will consolidate the policy development function related to juvenile delinquency prevention. The other net increase of \$101,000 includes a new federal grant to continue development of a one-stop resource directory for families with special needs in Baltimore City.

Exhibit 4
Governor's Proposed Budget
Office for Children, Youth, and Families
(\$ in Thousands)

How Much It Grows:	General Fund	Special Fund	Federal Fund	Reimbursable Fund	Total
2005 Working Appropriation	\$4,159	\$429	\$472	\$746	\$5,807
2006 Governor's Allowance	2,733	286	634	428	4,081
Contingent & Back of Bill Reductions	-13	0	0	-1	-14
Adjusted Allowance	<u>2,720</u>	<u>286</u>	<u>634</u>	<u>427</u>	<u>4,066</u>
Amount Change	-\$1,439	-\$143	\$161	-\$319	-\$1,740
Percent Change	-34.6%	-33.4%	34.1%	-42.8%	-30.0%

Where It Goes:

Personnel Expenses

Abolished 8 regular and 3.5 contractual positions.....	-590
Increments and other compensation	75
Employee and retiree health insurance	35
Other fringe benefit adjustments	11

Reorganization

Transfer Governor's Council on Adolescent Pregnancy to Department of Health and Mental Hygiene	-868
Transfer Independent Juvenile Justice Monitoring program to Governor's Office of Crime Control and Prevention	-437
Transfer position for School-based Health Centers to Maryland State Department of Education	-79
Transfer position for Home Visiting to Maryland State Department of Education.....	-74
Consolidate policy development for juvenile delinquency prevention – position transferred from the Governor's Office of Crime Control and Prevention	97

Increase the Capacity of Communities to Meet the Critical Needs of Their Own Children and Families

New federal grant (\$161,000) to continue development of one-stop resource directory for families with special needs in Baltimore City offset by the closeout of one grant (-\$60,000)	101
Other	-10
Total	-\$1,740

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

Issues

1. Reauthorization Legislation Makes Changes

The statute authorizing OCYF is set to terminate June 30, 2005. SB 222/HB 293 of 2005, as introduced, repeals the current statute and reauthorizes the office. Many of the functions of the office continue under the new legislation. The following summarizes the main provisions of the legislation.

Children's Cabinet

- the Subcabinet for Children, Youth, and Families becomes the Children's Cabinet;
- the Children's Cabinet must develop the new State 3-Year Plan for children, youth and family services (discussed below) and submit it to the Governor by October 1, 2006; and
- the Special Secretary is made a member of the Executive Council (Governor's Cabinet).

Office for Children, Youth, and Families

- OCYF is made a permanent entity not subject to termination; and
- OCYF must assist in the development and implementation of the new State 3-Year Plan.

Local Management Boards

- Local Management Boards (LMBs) are continued but must submit a community partnership plan that reflects coordination with the new State 3-Year Plan and the local substance abuse plan;
- State grants received by LMBs are subject to any conditions, performance measures, or outcome evaluations established by the Children's Cabinet;
- LMBs must review residential placement decisions according to Children's Cabinet regulations; and
- local coordinating councils that develop and implement plans of care for residential placement of children would have their existing responsibilities transferred to LMBs.

D14A14 - Office for Children, Youth, and Families

Children, Youth, and Families Interagency Fund

- the Subcabinet for Children, Youth, and Families Resource Fund (the Subcabinet Fund) becomes the Children, Youth, and Families Interagency Fund;
- expenditures from the fund must reflect the new State 3-Year Plan priorities; and
- funds not appropriated at the end of each fiscal year revert to the general fund.

Office of the Independent Juvenile Justice Monitor

- transferred from OCYF to the Governor's Office of Crime Control and Prevention for administrative and budgetary purposes; and
- duties revised to include evaluating the Department of Juvenile Services' response to complaints by or on behalf of a child relating to treatment or services provided or not provided, the child's physical condition, or facility staff actions taken with respect to the child.

Advisory Council on Children, Youth, and Families

- the legislation establishes a new Advisory Council on Children, Youth, and Families which consolidates two councils and one commission (the Governor's Council on Adolescent Pregnancy, the State Commission on Infant Mortality, and the Maryland School-Based Health Policy Advisory Council);
- the new council will advise the Children's Cabinet on (1) prevention, early intervention, and community-based services for children, youth, and families; (2) preparation of the new State 3-Year Plan; (3) the activities of any other board, council, commission, or task force considering issues that relate to prevention, intervention, or community-based services for children, youth, and families; and
- the new council must annually submit a report to the Governor and to the General Assembly on the council's activities, school-based health programs and activities, the status of efforts to reduce adolescent pregnancy and infant mortality, and the costs and outcomes of State-funded family preservation services.

Recommended Actions

1. Add the following section:

SECTION XX. AND BE IT FURTHER ENACTED, That:

- (1) a general fund reduction of \$100,743 is made to program D15A0516 and the following two positions are deleted: PIN 027535, PIN 078689;
- (2) a general fund reduction of \$72,619 is made to program M00F0302 and the following position is deleted: PIN 058696; and
- (3) a general fund reduction of \$76,701 is made to program R00A0112 and the following position is deleted: PIN 029230.

Explanation: These positions are all being transferred from the Office on Children, Youth, and Families to other agencies in order to consolidate functions. The reductions recognize savings that should occur when functions are consolidated. All funds are related to the deletion of positions. Other operating funding being transferred is not being reduced.

2. Add the following language:

Provided that these appropriations are contingent on enactment of Senate Bill 222 or House Bill 293 reauthorizing the Office for Children, Youth, and Families.

Explanation: The statute authorizing the Office for Children, Youth, and Families is set to terminate June 30, 2005. If the legislation reauthorizing the office is not enacted there is no need for the appropriation. This language makes the appropriation contingent on the reauthorization of the office.

	<u>Amount Reduction</u>	<u>Position Reduction</u>
3. Delete Administrator VI position. This position is being moved from the Governor's Office of Crime Control and Prevention to consolidate the State's juvenile delinquency prevention policy development. Consolidation should result in savings. The duties of this position should be distributed among existing staff.	\$ 96,454 GF	1.0
Total General Fund Reductions	\$ 96,454	1.0

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 2004					
Legislative Appropriation	\$4,095	\$429	\$174	\$933	\$5,631
Deficiency Appropriation	0	0	0	0	0
Budget Amendments	0	0	422	52	475
Cost Containment	-131	0	0	0	-131
Reversions and Cancellations	-185	-230	-490	-340	-1,246
Actual Expenditures	\$3,780	\$199	\$106	\$645	\$4,730
Fiscal 2005					
Legislative Appropriation	\$4,120	\$429	\$381	\$746	\$5,676
Budget Amendments	39	0	91	0	131
Working Appropriation	\$4,159	\$429	\$472	\$746	\$5,807

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

Fiscal 2004

This fiscal 2004 budget for OCYF closed out \$901,388 lower than the legislative appropriation. Budget amendments added \$475,000 in federal and reimbursable funding during the year to support the Maryland Children's Justice Act task force activities related to child abuse and neglect, and to plan a model one-stop family support center in Baltimore City. These increases were more than offset by the reversion of \$185,000 general funds and cancellation of \$230,000 special funds, \$490,000 federal funds and \$340,000 reimbursable funds.

The general fund reversion resulted from positions being held vacant in anticipation of the reorganization of the office and remaining funds originally budgeted for telecommunications, travel, supplies and contractual services. The special fund cancellation reflects under attainment from the Children's Trust Fund and lower than estimated income from conference fees. The federal fund cancellation was due to transfer of Headstart activities to the Maryland State Department of Education, delay in development of the one-stop family support center in Baltimore City, and delay in activities that would have drawn down the Children's Justice Act grant funds. Finally, the cancellation of reimbursable funds resulted from Subcabinet and Abstinence Education program.

Fiscal 2005

Budget amendments have increased the fiscal 2005 working appropriation by \$131,000. The general fund increase relates to the cost-of-living allowance and the federal fund increase appropriates the funding to develop the model one-stop family support center in Baltimore City that were originally added by budget amendment to the fiscal 2004 budget but cancelled at the end of the year because the funds remained unexpended.

Audit Findings

Audit Period for Last Audit:	January 29, 2001 - January 14, 2003
Issue Date:	November 2003
Number of Findings:	2
Number of Repeat Findings:	2
% of Repeat Findings:	100%
Rating: (if applicable)	NA

Finding 1: **Claims disallowed by the Federal government, totaling approximately \$5.8 million, have not been resolved.**

Finding 2: **A mechanism was not in place to recover State costs incurred on cases subsequently determined by the Office to be ineligible for program participation.**

*Bold denotes item repeated in full or part from preceding audit report.

**Fiscal 2006 Cost Containment Actions
As Submitted by the Agency
Estimated Fiscal 2006 Savings
Compared to Fiscal 2005**

	<u>Cost Saving Action/Efficiency Measure</u>	<u>Total Funds</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Reimb. Funds</u>	<u>Position Reductions</u>		<u>Position Transfers</u>		<u>Impact of Action</u>
							<u>PIN</u>	<u>FTE</u>	<u>PIN</u>	<u>FTE</u>	
TO:	<u>Transfers to other agencies:</u>										
GOCCP	Independent Juvenile Justice Monitoring Program (IJJM)	-\$341,424	-\$341,424				-0.50	0.00	-4.00	-1.00	GOCCP currently has juvenile facility monitoring functions under other Federal laws and funding sources to support changes recommended by Monitor. Consolidation will result in increased monitoring efficiency.
DHMH	Governor's Council on Adolescent Pregnancy	-589,363	-512,595	-\$51,768		-\$25,000	0.00		-1.00		This change will enable consolidation of adolescent pregnancy and abstinence education programs with existing programs in DHMH.
	Infant Mortality										This program is being moved to DHMH to be placed within their existing Maternal and Infant Health initiative.

	Cost Saving Action/Efficiency Measure	Total Funds	General Funds	Special Funds	Federal Funds	Reimb. Funds	Position Reductions		Position Transfers		Impact of Action
							PIN	FTE	PIN	FTE	
MSDE	School Based Health Centers	-78,999	-78,999				0.00		-1.00		This position is being moved to MSDE to improve coordination and expansion of the health centers, which are located in local schools.
MSDE	Home Visiting	-73,740	-73,740				0.00		-1.00		This position is being moved to MSDE to be consolidated with existing MSDE home visiting programs.
	Sub- total	-1,083,526	-1,006,758	-51,768	0	-25,000	-0.50	0.00	-7.00	-1.00	
FROM:	<u>Transfer in from other agencies:</u>										
GOCCP	Youth Strategies	96,883	96,883						1.00	0.00	This position is being moved from GOCCP to consolidate the State's juvenile delinquency prevention policy development within GOCYF.
	Sub- total	96,883	96,883	0	0	0	0.00	0.00	1.00	0.00	
	Net Interagency Transfers	-986,643	-909,875	-51,768	0	-25,000	-0.5		-6.0	-1.0	
	<u>Miscellaneous increases and reductions:</u>										

Cost Saving Action/Efficiency Measure	Total Funds	General Funds	Special Funds	Federal Funds	Reimb. Funds	Position Reductions		Position Transfers		Impact of Action
						<u>PIN</u>	<u>FTE</u>	<u>PIN</u>	<u>FTE</u>	
Office of the Special Secretary	-142,061	-84,632			-57,429	-2.50	0.00			Reduction and consolidation of staff within the Office of the Special Secretary.
Operations	-260,231	-260,231				-2.00	-2.00			The Procurement Officer and Receptionist positions are being eliminated. Additional reduction and consolidation of staffing within Operations.
Research, Development & Data Coll	13,927	13,632		\$295						Across-the-board salary increments as provided for all state employees
LMB Contract Management	-61,035	-61,035				-1.00	-0.50			LMB Specialist eliminated with remaining duties added to existing staff.
LMB Monitoring	4,466	4,466								Across-the-board salary increments as provided for all state employees
LMB Grants	100,817		-60,000	160,817						SF-Casey Foundation grant closed out.; FF-awarded new implementation grant to continue the one stop resource directory for families with special needs in Baltimore City.

Cost Saving Action/Efficiency Measure	Total Funds	General Funds	Special Funds	Federal Funds	Reimb. Funds	Position Reductions		Position Transfers		Impact of Action
						<u>PIN</u>	<u>FTE</u>	<u>PIN</u>	<u>FTE</u>	
Systems of Care	-61,123	-87,156			26,033	-1.00				Conversion of "Lisa L." (children in state custody housed in psychiatric hospitals) from GF to RF (through DHMH/DJS/DHR). Also, staffing reductions result from increased SCYFIS automation of processing group home applications. RF and SF reductions reflect consolidation of programs as identified above. GF reflects across-the-board salary increments as provided for all state employees.
Policies and Initiatives	-57,464	54,943	-31,432		-80,975	-1.00	-1.00			
Independent Juvenile Justice Monitor	-95,950	-95,950								Reduction from consolidation and transfer of IJJM Program to GOCCP.
Sub- total	-558,654	-515,963	-91,432	161,112	-112,371	-7.50	-3.5	0.00	0.00	
Grand - total	-\$1,545,297	-\$1,425,838	-\$143,200	\$161,112	-\$137,371	-8.00	-3.5	-6.00	-1.0	

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

<u>Object/Fund</u>	<u>FY04 Actual</u>	<u>FY05 Working Appropriation</u>	<u>FY06 Allowance</u>	<u>FY05 - FY06 Amount Change</u>	<u>Percent Change</u>
Positions					
01 Regular	48.00	50.00	36.00	-14.00	-28.0%
02 Contractual	8.00	8.50	4.00	-4.50	-52.9%
Total Positions	56.00	58.50	40.00	-18.50	-31.6%
Objects					
01 Salaries and Wages	\$ 3,049,096	\$ 3,438,224	\$ 2,611,078	-\$ 827,146	-24.1%
02 Technical & Spec Fees	190,075	272,578	171,223	-101,355	-37.2%
03 Communication	65,938	150,998	63,888	-87,110	-57.7%
04 Travel	108,647	63,075	79,028	15,953	25.3%
07 Motor Vehicles	4,444	4,273	5,073	800	18.7%
08 Contractual Services	861,585	1,127,584	667,107	-460,477	-40.8%
09 Supplies & Materials	130,005	96,270	46,895	-49,375	-51.3%
10 Equip - Replacement	188,075	1,000	7,000	6,000	600.0%
11 Equip - Additional	11,948	16,500	6,000	-10,500	-63.6%
12 Grants, Subsidies, and Contributions	104,860	596,000	386,154	-209,846	-35.2%
13 Fixed Charges	14,889	40,039	37,298	-2,741	-6.8%
Total Objects	\$ 4,729,562	\$ 5,806,541	\$ 4,080,744	-\$ 1,725,797	-29.7%
Funds					
01 General Fund	\$ 3,779,646	\$ 4,159,115	\$ 2,733,277	-\$ 1,425,838	-34.3%
03 Special Fund	198,832	429,175	285,975	-143,200	-33.4%
05 Federal Fund	105,897	472,455	633,567	161,112	34.1%
09 Reimbursable Fund	645,187	745,796	427,925	-317,871	-42.6%
Total Funds	\$ 4,729,562	\$ 5,806,541	\$ 4,080,744	-\$ 1,725,797	-29.7%

Note: The fiscal 2005 appropriation does not include deficiencies, and the fiscal 2006 allowance does not reflect contingent reductions.

