Good morning Senator Osten, Representative Walker, Senator Formica, Representative Lavielle and distinguished members of the Appropriations Committee. My name is Vannessa Dorantes and I am the Commissioner of the Department of Children and Families (DCF). With me today are a few Department staff who are here to assist me in answering questions for committee members.

Thank you for the opportunity to speak with you regarding the Governor’s proposed budget for fiscal years 2020 and 2021 for the Department of Children and Families. DCF is excited about the opportunities this budget presents, allowing the Department to continue to provide quality services to the families we serve and ensure that we do it in the most efficient way possible.

DCF’s responsibilities are wide-reaching in both the scope of services provided and the numbers of children and families served. The Department’s mandates cover child protection and family services, children's behavioral health, prevention, and educational services. At any point in time, DCF serves approximately 36,000 children and 15,000 families across its programs and service array. There are 2,000 investigations and 2,200 family assessments underway on any given day. From 2015 to 2018, the Department saw an increase of 15.2% in the number of Careline calls, having received 102,509 calls in calendar year 2018. These calls have increased due to enhanced mandated reporting laws and awareness which broadened the pool of mandated reporters and increased the penalties for failures or delays in reporting.

In crafting this budget, DCF followed the Governor’s call to action to provide better service at a lower cost while being more efficient and responsive, all while not sacrificing the care given to the families and children in our care. This call for innovative thinking, coupled with the opportunities afforded DCF with the 2018 passage of the federal Families First Prevention Services Act (FFPSA) legislation, became the cornerstone for the changes in DCF’s budget.

We applied a strategic planning methodology to our approach. The following were DCF’s guiding principles:

1. Do not compromise compliance with the Juan F. consent decree
2. Consider what we do well and if it can be done in a more cost effective manner
3. Consider what is done better by other States or organizations and how we might benefit from that knowledge and expertise
4. Think beyond the biennium, using a 5 to 10 year outlook
We started this effort with an assessment of what we do well and what we could improve upon by considering DCF’s organizational design and how it might contribute to resources being utilized in a less than optimal manner. The Department has engaged in an analysis with a “dream team” of external experts and stakeholders invested in DCF’s success. The Department has the great advantage of working with child welfare experts from Casey Family Programs, and experts in governmental organizational structure from the Harvard Kennedy School Government Performance Lab. Engaging representatives of the advocacy community, including parents, the provider community and partner state agencies has allowed us to reflect on the impact our structures might be having on our outcomes. This focus on organizational design informed by child welfare expertise, along with continued commitment to valuing the customer perspective, are allowing DCF to design a structure that will be more efficient, effective and responsive to the needs of our families. The end goal is to preserve what we do well and to improve on what we could be doing better.

The new FFPSA (“Families First”) calls for child welfare agencies to “flip” the long-standing service pyramid. In the past, deep end, out-of-home services were the only ones applicable for federal reimbursement. The FFPSA expands federal support for services to prevent the need for children to enter foster care. Prevention services tend to be less expensive and are intended to reduce the future need for more intensive and expensive services by intervening early and stabilizing the family. With the Families First legislation, states can now seek reimbursement for prevention activities, with the goal of improving long term outcomes for the children and families served by the child welfare system. There has been an evolution regarding the correct level of engagement with families. Although out-of-home care ensures safety, it often is at the expense of children thriving. Prevention activities are designed to enable families to stay together or be reunited as quickly as possible, reducing the trauma experienced and producing long term benefits for children. The guiding words for engagement are “Stay Home, Go Home, Find Home”.

With these opportunities in mind, DCF has grouped Governor Lamont’s proposed budget adjustments into categories that were guided by the strategies discussed above. The first area addresses services essential to compliance with the Juan F. consent decree. Net funding of $9,072,583 is recommended in both years of the budget. This allows the Department to maintain existing programming and ensure statewide access for families to essential services including supportive housing, fatherhood engagement programming and other treatment services. An additional $4,128,140 in each year is proposed to continue community based services provided by non-profit providers serving adolescents with substance use issues and behavioral health needs. The Department was able to offset expenses by eliminating approximately $1.9 million associated with programs identified as having low utilization. The budget is also reduced by $996,000 to reflect an actual decrease in utilization of a home based clinical intervention and recent trends in expenditures for individualized services. DCF carefully analyzed suggested cuts for minimal impact on Juan F. compliance. The recommended biennial budget maintains support for services that are currently being provided and, if discontinued, would jeopardize the Department’s compliance with the Revised FY 2017 Exit Plan.
Moving on to what we do well but can do more efficiently, DCF engaged in a time study analysis that looked at every aspect of the work that social workers perform, informing the removal of non-value added tasks and making the work process more efficient. This is a practice that has been adopted in the private sector and promotes more efficient and focused operations. Additionally, DCF has hired several new classes of social workers during the past several months. In FY 2020, these new workers will have completed their training curriculum and will be able to manage a full caseload, resulting in a reduction in overtime. We project this new staffing will lead to a decrease in overtime of $1.25 million. A further reduction in overtime of $2.1 million is projected through implementing the use of technology to improve scheduling and create more efficient workflows. The last initiative in this area is the creation of a Central Transportation Unit. Through the establishment of in-house services that are now performed by high cost providers and through overtime, net savings of approximately $1.6 million in the first year and $3.4 million in the second year are projected to be achieved.

The next strategy grouping is related to what the Department can do better. DCF has been fortunate to receive expert consultation on child welfare services from a national perspective. This has allowed us to see how other states have successfully met the needs of the families they serve, as well as to design services that are now applicable for federal reimbursement under the Families First legislation. To that end, DCF has studied the success of the New Jersey Systems of Care model in providing both treatment services to the voluntarily served population and intensive case coordination (ICC) services to families that come to the attention of the child welfare system. Building upon this analysis, funding is proposed to procure targeted case management services for families involved with the Voluntary Services Program. The Governor’s budget also affords the Department the opportunity to add another track for differential response for families needing ICC services but not necessarily continued DCF involvement. These two changes in service provision will allow families to work directly with a provider having expertise in targeted case management and care coordination. This had been found to improve outcomes for families, and will result in net savings of approximately $1.9 million in the second year of the biennium. Starting in 2016, DCF provided an ICC program on a limited basis and found that participating families were able to move from DCF care on average 78 days after receipt of ICC services; cases that did not receive this service remained open with the Department an average of 436 days. The last innovation in this grouping is DCF adopting a revised process by which court ordered psychological evaluations are procured to provide standardization, improve response times and become more fiscally efficient, reducing annual expenditures by $1 million. Improved response times will also assist the Department with achieving permanency outcomes and meeting federal standards.

Finally, the Governor’s recommended DCF budget includes several changes due to general adjustments and the implementation of prior year actions. The largest of these is an adjustment for State employee wage increases of approximately $12.1 million in FY 2020 and $26.4 million in FY 2021, as well as annualizing private provider wage increases of approximately $1.6 million in each year of the biennium. Additional adjustments for funding related to caseload growth and workers’ compensation claims results in an increase of approximately $900,000 in FY 2020 and
approximately $4.9 million in FY 2021. Other adjustments that fall under this category include an approximate reduction of $500,000 to reflect elimination of the remaining juvenile justice employees from DCF’s position roster due to transfer to other agencies or retirement during FY 2019, and a reduction of $250,000 based upon revised estimate of need for other expenses at DCF facilities.

Thank you again for the opportunity to speak about the DCF budget. My staff and I welcome the opportunity to address your questions both today and when we meet with the Human Services Subcommittee.