

DHS - Children & Family Services

Audit Findings

DIVISION OF LEGISLATIVE AUDIT
AUDIT OF :
Arkansas Department of Human Services
FOR THE YEAR ENDED JUNE 30, 2015

Findings

Recommendations

Audit findings are reported under the DHS Director's Office/Office of Chief Counsel.

State Contracts Over \$50,000 Awarded To Minority Owned Businesses Fiscal Year 2015

State Contracts over \$50,000 awarded to Minority Owned Businesses are reported under the DHS Director's Office/Office of Chief Counsel.

Department Appropriation Summary

		Historical Data				Agency Request and Recommendations							
Appropriation		2014-2015		2015-2016		2015-2016		2016-2017					
		Actual	Pos	Budget	Pos	Authorized	Pos	Legislative Recommendation	Pos	Agency Request	Pos	Executive Recommendation	Pos
882	State Residential Treatment	1,032,137	0	1,860,055	0	1,100,000	0	1,100,000	0	1,100,000	0	1,100,000	0
883	Foster Care	28,576,665	0	32,889,983	0	31,179,183	0	31,579,183	0	31,579,183	0	31,579,183	0
896	Division of Children & Family Services	71,135,048	1,099	71,702,888	990	81,214,159	1,126	81,249,535	1,126	81,249,535	1,126	81,249,535	1,126
898	TANF/Foster Care	42,281,075	0	51,273,658	0	53,801,606	0	56,101,606	0	56,101,606	0	56,101,606	0
Total		143,024,925	1,099	157,726,584	990	167,294,948	1,126	170,030,324	1,126	170,030,324	1,126	170,030,324	1,126

Funding Sources			%		%		%		%		%
General Revenue	4000010	61,762,907	43.2	71,092,783	45.1			69,017,075	46.1	69,017,075	46.1
Federal Revenue	4000020	72,461,924	50.7	83,651,789	53.0			77,755,512	52.0	77,755,512	52.0
Merit Adjustment Fund	4000055	0	0.0	111,220	0.1			0	0.0	0	0.0
Reallocation of Resources	4000410	0	0.0	0	0.0			0	0.0	0	0.0
Reimbursement	4000425	3,271,812	2.3	3,725,000	2.4			3,725,000	2.5	3,725,000	2.5
Transfer to State Police	4000675	(1,660,545)	(1.2)	(1,674,208)	(1.1)			(1,674,208)	(1.1)	(1,674,208)	(1.1)
Various Program Support	4000730	7,188,827	5.0	820,000	0.5			843,318	0.6	843,318	0.6
Total Funds		143,024,925	100.0	157,726,584	100.0			149,666,697	100.0	149,666,697	100.0
Excess Appropriation/(Funding)		0		0				20,363,627		20,363,627	
Grand Total		143,024,925		157,726,584				170,030,324		170,030,324	

Budget exceeds Authorized in FC882 State Residential Treatment and FC883 Foster Care due to a Reallocation of Resources.

Analysis of Budget Request

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund Account

This appropriation provides residential treatment services to children in need of placement and treatment. These services are purchased through private provider contracts and Medicaid Eligible service providers. The services are targeted for children who have been diagnosed as having serious emotional and/or behavioral problems and are in need of placement and treatment.

Funding for this appropriation is general revenue (DCF - Children and Family Services Fund Account) and refunds that consist of contract reimbursements for spent general revenue.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 882 - State Residential Treatment

Funding Sources: DCF - Children and Family Services Fund Account

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	1,032,137	1,860,055	1,100,000	1,100,000	1,100,000	1,100,000
Total		1,032,137	1,860,055	1,100,000	1,100,000	1,100,000	1,100,000
Funding Sources							
General Revenue	4000010	962,435	1,835,055		1,075,000	1,075,000	1,075,000
Reimbursement	4000425	69,702	25,000		25,000	25,000	25,000
Various Program Support	4000730		0		0	0	0
Total Funding		1,032,137	1,860,055		1,100,000	1,100,000	1,100,000
Excess Appropriation/(Funding)		0	0		0	0	0
Grand Total		1,032,137	1,860,055		1,100,000	1,100,000	1,100,000

Budget exceeds Authorized in Grants and Aid due to a Reallocation of Resources.

Analysis of Budget Request

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

The Division of Children and Family Services (DCFS) provides selective placement for children in the custody of the Department of Human Services in approved foster homes or licensed facilities for a planned period of time when separation from a birth parent or legal guardian necessitates such separation. Foster Care is an integral part of the service delivery system of the Division of Children and Family Services.

Funding for this appropriation consists of general revenue (DCF-Children and Family Services Fund Account), refunds that consist of board reimbursements for spent general revenue and other funding which is indicated as various program support can also include sources such as federal awards, fees, and maximization of federal claiming. These other funds are considered to be non-federal and technically can be expended for any program or service within the Department.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 883 - Foster Care

Funding Sources: DCF - Children and Family Services Fund Account

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Grants and Aid	5100004	28,576,665	32,889,983	31,179,183	31,579,183	31,579,183	31,579,183
Total		28,576,665	32,889,983	31,179,183	31,579,183	31,579,183	31,579,183
Funding Sources							
General Revenue	4000010	25,374,555	29,189,983		27,479,183	27,479,183	27,479,183
Reallocation of Resources	4000410	0	0		0	0	0
Reimbursement	4000425	3,202,110	3,700,000		3,700,000	3,700,000	3,700,000
Various Program Support	4000730	0	0		0	0	0
Total Funding		28,576,665	32,889,983		31,179,183	31,179,183	31,179,183
Excess Appropriation/(Funding)		0	0		400,000	400,000	400,000
Grand Total		28,576,665	32,889,983		31,579,183	31,579,183	31,579,183

Budget exceeds Authorized in Grants and Aid due to a Reallocation of Resources.

Analysis of Budget Request

Appropriation: 896 - DHS–Admin Paying Account

Funding Sources: PWP - Administration Paying

This appropriation provides administrative support for the Division of Children and Family Services (DCFS). This Division is responsible for the protection of children, the continuation of the family-centered approach to service delivery to help strengthen and maintain natural families when possible, the expansion of programs such as therapeutic services, foster care prevention, management information systems and quality assurance and monitoring.

DCFS provides family supports to keep children at home, assist families when the families temporarily can't provide the necessary care for their children and help eliminate child maltreatment. DCFS attempts to keep families together and only separates children from their families as a last alternative. Specific services provided by the Division are: Support Services, Foster Care, Adoption Services and Protective Services.

The Division was operating under a Child Welfare Reform Federal Consent Decree until December, 2001. The original lawsuit (commonly known as "Angela R") was filed in 1991, alleging gross abuse and neglect of children of this State and the State's failure to protect those children. The consent decree was approved in 1994 and extended in 1999 and again in October 2001. In December 2001, the decree ended when the plaintiffs to the original lawsuit did not challenge DCFS compliance with the federal consent decree.

Funding for this appropriation includes general revenue (DCF-Children and Family Services Fund Account), federal revenues and other revenues, which is identified as various program support. The federal funds are derived from Title IV-E, Title IV-B, TANF, Child Abuse Prevention Treatment Act (CAPTA), Social Service Block Grant, Emergency Assessment funding, and Safe and Stable Families Act funding. Other revenues which are indicated as various program support are derived from many sources including federal awards, fees, third party reimbursements and maximization of federal claiming. These other revenues are considered to be non-federal and technically can be expended for any program or service within the Department.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 896 - DHS--Admin Paying Account

Funding Sources: PWP - Administration Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
Regular Salaries	5010000	36,049,261	35,223,458	39,503,116	39,531,816	39,531,816	39,531,816
	#Positions	1,099	990	1,126	1,126	1,126	1,126
Extra Help	5010001	102,186	175,000	175,000	175,000	175,000	175,000
	#Extra Help	16	65	65	65	65	65
Personal Services Matching	5010003	12,712,333	13,091,854	14,870,544	14,877,220	14,877,220	14,877,220
Operating Expenses	5020002	9,277,549	11,924,661	12,145,347	12,145,347	12,145,347	12,145,347
Conference & Travel Expenses	5050009	19,321	30,000	30,000	30,000	30,000	30,000
Professional Fees	5060010	12,887,666	11,157,915	14,390,152	14,390,152	14,390,152	14,390,152
Data Processing	5090012	0	0	0	0	0	0
Capital Outlay	5120011	86,732	100,000	100,000	100,000	100,000	100,000
Total		71,135,048	71,702,888	81,214,159	81,249,535	81,249,535	81,249,535
Funding Sources							
General Revenue	4000010	21,916,640	23,805,099		25,211,950	25,211,950	25,211,950
Federal Revenue	4000020	43,726,830	48,980,777		47,703,701	47,703,701	47,703,701
Merit Adjustment Fund	4000055	0	111,220		0	0	0
Transfer to State Police	4000675	(1,660,545)	(1,674,208)		(1,674,208)	(1,674,208)	(1,674,208)
Various Program Support	4000730	7,152,123	480,000		503,318	503,318	503,318
Total Funding		71,135,048	71,702,888		71,744,761	71,744,761	71,744,761
Excess Appropriation/(Funding)		0	0		9,504,774	9,504,774	9,504,774
Grand Total		71,135,048	71,702,888		81,249,535	81,249,535	81,249,535

Analysis of Budget Request

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

The TANF/Foster Care Program is used to assist with the costs of foster care maintenance for eligible children; administrative costs to manage the program; and training for staff and foster parents. The primary purpose of this program is to fund proper care for children who need placement outside their homes. This appropriation is also used to assist States in paying maintenance costs for adopted children with special needs, such as children who are older or who have disabilities. The primary purpose of this program is to advance the permanency of hard to place children in adoptive homes and avoid inappropriate and excessive numbers of foster care placements.

This appropriation also provides for Independent Living services for foster children age 16 and older. This service is intended to provide a transition to independent living by providing encouragement and assistance in obtaining a high school diploma or vocational skill training, as well as training in daily living skills.

Funding for this appropriation includes general revenue (DCF - Children and Family Services Fund Account), federal revenues, and other revenues, which are identified as various program support. Federal revenues include Title IV-E Adoption Subsidies, Title IV-B Family Preservation Funding, SSBG, and TANF. Other revenues which are indicated as various program support and consists of match out of board reimbursements.

The Agency Request reflects the FY17 requests from the 2014 Fall Budget Hearings Summary Manuals. The Legislative Recommendation and Executive Recommendation reflect the FY17 ALC/JBC recommendation from the 2014 Fall Budget Hearings Summary Manuals, any Governor's Letters adopted and member amendments.

Appropriation Summary

Appropriation: 898 - DHS-Grants Paying Account

Funding Sources: PWE - Grants Paying

Appropriation		2014-2015	2015-2016	2015-2016	2016-2017		
		Actual	Budget	Authorized	Legislative Recommendation	Agency Request	Executive Recommendation
DHS-Grants Paying Account	5100004	42,281,075	51,273,658	53,801,606	56,101,606	56,101,606	56,101,606
Total		42,281,075	51,273,658	53,801,606	56,101,606	56,101,606	56,101,606
Funding Sources							
General Revenue	4000010	13,509,277	16,262,646		15,250,942	15,250,942	15,250,942
Federal Revenue	4000020	28,735,094	34,671,012		30,051,811	30,051,811	30,051,811
Various Program Support	4000730	36,704	340,000		340,000	340,000	340,000
Total Funding		42,281,075	51,273,658		45,642,753	45,642,753	45,642,753
Excess Appropriation/(Funding)		0	0		10,458,853	10,458,853	10,458,853
Grand Total		42,281,075	51,273,658		56,101,606	56,101,606	56,101,606