

**DEPARTMENT OF HUMAN SERVICES
FISCAL YEAR 2017 BUDGET TESTIMONY
MAY 3, 2016**

INTRODUCTION

Good morning, President Clarke and Members of City Council. I am Jessica Shapiro, Acting Commissioner of DHS. Joining me today are Kimberly Ali, Chief Implementation Officer for Improving Outcomes for Children (IOC) and Marcia Dixon, Director of Budget and Finance. I am pleased to provide testimony on the Department of Human Services Fiscal Year 2017 operating budget.

DEPARTMENT MISSION/PLANS

Mission: The mission of the Department of Human Services (DHS) is to provide and promote safety, permanency and well-being for children at risk of abuse, neglect and delinquency. DHS' primary goal is to strengthen and stabilize families.

Plans for Fiscal Year 2017:

- 1. Safely Divert More Children and Families from Entering the Formal Child Welfare System and Maintain More Children and Youth in Their Own Homes**
Continue work to ensure that prevention and in-home services are designed to maintain children and youth safely in their own homes and communities and prevent the need for children and families to become formally involved (accepted for service) with the child welfare system.
- 2. Increase the Number of Children Who Achieve Permanency**
Continue the system-wide strategic plan for permanency, including, building an infrastructure to sustain the momentum; targeting specific cases for permanency; and, increasing teamings and case file reviews, while simultaneously reducing reliance on congregate care.
- 3. Improve the Quality of Practice at the Community Umbrella Agencies (CUAs)**
Work to enhance the quality of practice at the CUAs through the provision of mentoring, coaching and technical assistance.
- 4. Enhance and Expand Performance Monitoring**
Expand and enhance capacity to rigorously monitor and evaluate the performance of the CUAs and the placement subcontractors.
- 5. Reduce Reliance on Secure Confinement and Institutional Placements for Juvenile Justice**
Continue to work with the Court and internal and external stakeholders on Juvenile Detention Alternative Initiative (JDAI) to reduce reliance on secure confinement and institutional placements, where appropriate. Reduce the number of youth placed at the PSJJC and in institutional placements.
- 6. Increase Collaboration with Mayor's Office of Education Around Community Schools**
Work with the Mayor's Office of Education to support the implementation of Community Schools by building upon our existing work in the community.

**DEPARTMENT OF HUMAN SERVICES
BUDGET SUMMARY AND OTHER BUDGET DRIVERS**

Staff Demographics Summary
(as of January 2016)

	Total	Minority	White	Female
Full-Time Staff	1,495	1,265	230	1,099
Executive Staff	33	25	8	22
Average Salary - FTS	\$54,187	\$53,894	\$55,490	\$54,088
Average Salary - ES	\$105,131	\$104,654	\$110,794	\$104,557
Median Salary - FTS	\$58,144	\$58,144	\$58,144	\$58,144
Median Salary - ES	\$101,179	\$101,179	\$99,920	\$101,090

Employment Levels
(as of January 2016)

	Budgeted	Approved	Filled
Full-Time Positions	1,803	1,803	1,495
Part-Time Positions	0	0	0
Executive Positions	37	37	33
<i>Overall Average Salary</i>	\$54,375	\$54,375	\$54,187
<i>Overall Median Salary</i>	\$58,144	\$58,144	\$58,144

Financial Summary by Class - General Fund

	Fiscal 2015 Actual Obligations	Fiscal 2016 Original Appropriations	Fiscal 2016 Estimated Obligations	Fiscal 2017 Proposed Appropriations	Difference FY17-FY16
Class 100 - Employee Compensation	\$17,570,667	\$24,637,310	\$24,637,310	\$23,454,344	(\$1,182,966)
Class 200 - Purchase of Services	\$77,352,474	\$76,779,935	\$76,779,935	\$78,896,204	\$2,116,269
Class 300 - Materials and Supplies	\$468,404	\$629,457	\$629,780	\$609,322	(\$20,458)
Class 400 - Equipment	\$177,415	\$682,619	\$682,296	\$259,630	(\$422,666)
Class 500 - Contributions	\$987,969	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0
TOTAL	\$96,556,929	\$102,729,321	\$102,729,321	\$103,219,500	\$490,179

**For Profit Contracts Summary
(Executed as of March 2016)**

	FY11	FY12	FY13	FY14	FY15	FY16 (AS OF 03/31/16)
Total amount of contracts	\$66,736,765	\$11,675,627	\$10,981,264	\$13,075,473	\$7,361,090	\$12,786,329
Total amount to M/W/DBE	\$2,222,120	\$3,780,081	\$4,143,509	\$3,880,931	\$1,921,091	\$4,340,110
Participation Rate	3%	32%	38%	30%	26%	34%

**DEPARTMENT OF HUMAN SERVICES
PROPOSED BUDGET OVERVIEW**

PROPOSED FUNDING REQUEST

The proposed Fiscal Year 2017 general fund budget totals \$103,219,500, an increase of \$490,179 over Fiscal Year 2016 estimated obligation levels. This increase is primarily due to the reduction in Federal Title IV-E Child Welfare Demonstration Project funding in Fiscal Year 2017. Any reductions in Federal revenue increases the State and City's proportional share of DHS expenditures.

The proposed budget includes:

- \$23,454,344 in Class 100, a \$1,182,966 decrease over FY16. This funding will provide for the 3% wage increase for District Council 47 and Non-Represented Staff in FY 17. The general fund portion of class 100 expenditures has decreased due to the implementation of an invoicing hierarchy for the Title IV-E Child Welfare Demonstration Project. In the invoicing hierarchy, the Department must claim Title IV-E revenue for the department's operating costs. Any increase in federal funding causes a decrease in the State and City's proportional share of DHS expenditures.
- \$78,896,204 in Class 200, a \$2,116,269 increase over FY16. This funding will provide for the professional services, program-funded, and placement contracts in FY 17.
- \$609,322 in Class 300, a \$20,458 decrease over FY16. This funding will provide for the purchase of materials and supplies for the department in FY 17.
- \$259,630 in Class 400, a \$422,666 decrease over FY16. This funding will provide for the purchase of equipment for the department in FY 17.

STAFFING LEVELS

- DHS currently has 1,495 full time staff. Of this number, 1,264 are minority and 1,098 are female.
- Of the full time non-executive staff, 59.5% is African American females and 18.6% is African American males. 2.7% of the non-executive staff is Hispanic females and 1.2% is Hispanic males. 1% of the non-executive staff is Asian American females and 0.6% is Asian American male.
- The DHS Executive Team is 51.5% African American females and 21.2% African American males. The Executive team is also 66.7% female and 33.3% male.
- DHS also has 81 bilingual employees.
- See appendix for Bilingual Employees Chart.

Of the new hires in calendar year 2015, 1 is Asian, 51 are African American, 6 are Hispanic, 16 are White, 2 reported having two races, and 7 are bilingual (please see below tables).

Asian	1
Black or African American	51
Hispanic	6
White	16
Other	2

Hindi	1
Arabic	1
Haitian/Creole	1
Spanish	4

**DEPARTMENT OF HUMAN SERVICES
PERFORMANCE, CHALLENGES AND INITIATIVES**

DEPARTMENT PERFORMANCE (OPERATIONS)

Performance Measures	FY15 Actual	FY16 YTD (as of 12/31/15)	FY17 Target
<i>Hotline and Investigation Services***</i>			
Percent of Child Protective Services investigations that were determined timely	91%	87%*	95%
Percent of General Protective Services investigations that were determined timely	59%	63%*	75%
<i>In-Home Services</i>			
Percent of children who enter an out-of-home placement from in-home services	18%	9%**	10%
Percent of children who were placed in an out-of-home placement within one year of safe case closure of in-home services	4%	1%**	1%
<i>Placement and Permanency Services</i>			
Percent of children in out-of-home placement who achieved permanency out of all children in placement in a given year	21%	25%**	27%
<i>Congregate Care Services</i>			
Percent of children in out-of-home placement who are placed in congregate care	15%	14.5%**	13%
<i>Juvenile Justice Services</i>			
Average daily number of youth in detention at the Philadelphia Juvenile Justice Services Center (PJJSC)	116	91**	85

* Year-to-date includes: 07/01/15 – 10/31/15

** Year-to-date includes: 07/01/15 – 12/31/15

*** For CPS Investigations, DHS' goal is to complete the investigation within 30 days; however, the law allows for 60 days to complete the investigation with supporting documentation.

**DEPARTMENT OF HUMAN SERVICES
OTHER BUDGETARY IMPACTS**

- For each year that the Department of Human Services participates in the Title IV-E Child Welfare Demonstration project, the revenue allocation will decrease by approximately 6.6%. FY17 will be Year 4 of 5 years of total participation in the Child Welfare Demonstration Project. This reduction in Federal revenue may cause an increase in the State (State Act 148) and City (General Fund) shares.

**DEPARTMENT OF HUMAN SERVICES
CONTRACTING EXPERIENCE**

**M/W/DSBE Participation on Large Contracts
FY16 Contracts (Executed as of December 2015)**

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DSBE Participation Achieved	\$ Value of M/W/DSBE Participation	Total % and \$ Value Participation - All DSBEs	Local Business	Living Wage Compliant?
Vision Quest LTD	Placement	\$9,837,889	5/10/12	7/1/12	MBE: 20%-25%	18%	\$0		Y*	Y
					WBE: 20%-25%	0%	\$1,822,377	18%		
					DSBE: 0%	0%	\$0	\$1,822,377		
Mid Atlantic Youth Services Corp.	Placement	\$8,992,075	6/5/12	7/1/12	MBE: 20%-25%	0%	\$0		N	Y
					WBE: 20%-25%	0%	\$31,544	0.4%		
					DSBE: 0%	0%	\$0	\$31,544		
Precept Technologies Inc	Technology	\$658,944	4/17/12	7/1/12	MBE: 25%-30%	100%	\$658,944		Y*	Y
					WBE: 25%-30%	0%	\$0	100%		
					DSBE: 0%	0%	\$0	\$658,944		
Eastern Software Strategies Inc	Technology	\$649,500	4/17/12	7/1/15	MBE: 25%-30%	13%	\$84,435		Y	Y
					WBE: 25%-30%	5%	\$32,475	18%		
					DSBE: 0%	0%	\$0	\$116,910		
MFR Consultants Inc	Technology	\$591,203	4/17/12	7/1/12	MBE: 25%-30%	79%	\$467,050		Y	Y
					WBE: 25%-30%	21%	\$124,153	100%		
					DSBE: 0%	0%	\$0	\$591,203		

*Home office is out of town, with a local office in Philadelphia.

DEPARTMENT OF HUMAN SERVICES – EMPLOYEE DATA

Staff Demographics (as of January 2016)

<i>Full-Time Staff</i>				<i>Executive Staff</i>			
		<i>Male</i>	<i>Female</i>			<i>Male</i>	<i>Female</i>
		<i>African-American</i>	<i>African-American</i>			<i>African-American</i>	<i>African-American</i>
<i>Total</i>		279	888	<i>Total</i>		7	17
<i>% of Total</i>		18.7%	59.4%	<i>% of Total</i>		21.2%	51.5%
<i>Average Salary</i>		\$52,596	\$54,204	<i>Average Salary</i>		\$104,469	\$103,889
<i>Median Salary</i>		\$53,621	\$58,144	<i>Median Salary</i>		\$101,179	\$101,090
		<i>White</i>	<i>White</i>			<i>White</i>	<i>White</i>
<i>Total</i>		86	144	<i>Total</i>		3	4
<i>% of Total</i>		5.8%	9.6%	<i>% of Total</i>		9.4%	12.1%
<i>Average Salary</i>		\$59,078.00	\$54,661.00	<i>Average Salary</i>		\$109,445	\$112,145
<i>Median Salary</i>		\$58,744.00	\$57,188.00	<i>Median Salary</i>		\$109,528	\$98,214
		<i>Hispanic</i>	<i>Hispanic</i>			<i>Hispanic</i>	<i>Hispanic</i>
<i>Total</i>		17	40	<i>Total</i>		0	0
<i>% of Total</i>		1.2%	2.7%	<i>% of Total</i>		0.0%	0.0%
<i>Average Salary</i>		\$56,906	\$51,634	<i>Average Salary</i>		\$	\$
<i>Median Salary</i>		\$60,061	\$58,344	<i>Median Salary</i>		\$	\$
		<i>Asian</i>	<i>Asian</i>			<i>Asian</i>	<i>Asian</i>
<i>Total</i>		9	15	<i>Total</i>		0	1
<i>% of Total</i>		0.6%	1.0%	<i>% of Total</i>		0.0%	3.0%
<i>Average Salary</i>		\$57,065	\$56,368	<i>Average Salary</i>		\$	\$110,000
<i>Median Salary</i>		\$60,889	\$58,144	<i>Median Salary</i>		\$	\$110,000
		<i>Other</i>	<i>Other</i>			<i>Other</i>	<i>Other</i>
<i>Total</i>		5	12	<i>Total</i>		0	0
<i>% of Total</i>		0.3%	0.8%	<i>% of Total</i>		0.0%	0.0%
<i>Average Salary</i>		\$67,625	\$54,043.00	<i>Average Salary</i>		\$	\$
<i>Median Salary</i>		\$58,744	\$58,144.00	<i>Median Salary</i>		\$	\$
		<i>Bi-lingual</i>	<i>Bi-lingual</i>			<i>Bi-lingual</i>	<i>Bi-lingual</i>
<i>Total</i>		31	50	<i>Total</i>		0	0
<i>% of Total</i>		2.1%	3.4%	<i>% of Total</i>		0.0%	0.0%
<i>Average Salary</i>		\$58,390	\$53,660.00	<i>Average Salary</i>		\$	\$
<i>Median Salary</i>		\$58,544	\$58,344.00	<i>Median Salary</i>		\$	\$
		<i>Male</i>	<i>Female</i>			<i>Male</i>	<i>Female</i>
<i>Total</i>		396	1,099	<i>Total</i>		10	22
<i>% of Total</i>		26.5%	73.5%	<i>% of Total</i>		33.3%	66.7%
<i>Average Salary</i>		\$55,689	\$54,088	<i>Average Salary</i>		\$106,278	\$104,557
<i>Median Salary</i>		\$58,144	\$58,144	<i>Median Salary</i>		\$101,179	\$101,090

DEPARTMENT OF HUMAN SERVICES
APPENDIX (Other Relevant Data and Charts)

**Number of Bilingual Employees
(as of January 2016)**

	Spanish	Cree	Tagalog	Arabic	Malayalam	Hindi	Dutch	Cantonese & Mandarin	French	Creole	Hebrew	Italian	Japanese	Korean	Polish	Russian	Uzbek
Unit A - Admin & Management & Finance Division	9	0	1	2	2	1	0	0	1	0	0	0	0	0	0	1	1
Unit B - Children & Youth Division	29	1	1	2	2	3	1	2	7	1	1	1	1	1	1	0	0
Unit C - Performance Management & Accountability Division	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Unit D - Juvenile Justice Services	4	0	0	1	0	0	0	0	3	0	0	0	0	0	0	0	0
Total - All Divisions	43	1	2	5	4	4	1	2	11	1	1	1	1	1	1	1	1
Total - # of Bilingual Employees	81																
Total - # of Languages Spoken	17																