

**CITY OF PHILADELPHIA DEPARTMENT OF HUMAN SERVICES
FISCAL YEAR 2018 BUDGET TESTIMONY
MAY 2, 2017**

INTRODUCTION

Good Afternoon, President Clarke and Members of City Council. I am Cynthia Figueroa, Commissioner of the City of Philadelphia Department of Human Services. Joining me today are Kimberly Ali, Deputy Commissioner of Child Welfare Operations and Christopher Simi, Deputy Commissioner for Finance and Contracts, as well as other members of my senior leadership team. I am pleased to provide testimony on the Department of Human Services' Fiscal Year 2018 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's primary goal is to strengthen and stabilize families. DHS provides services to children and families in Philadelphia through three primary divisions: Child Welfare Operations, Juvenile Justice Services, and Prevention. These divisions are supported by Finance, Performance Management and Technology, Administration and Management and DHS University.

Plans for Fiscal Year 2018:

During Fiscal Years 2018, DHS will continue to work toward achieving the four goals of Improving Outcomes of Children.

- More children and youth maintained safely in their own homes and communities;
- More children and youth achieving timely reunification or other permanence;
- A reduction in the use of congregate care; and
- Improved children, youth and family functioning.

To accomplish this work, DHS's primary focus will be on improving child welfare practice, holding providers accountable for their performance, and continuing to build an array of prevention services designed to divert children from placement and keep them in their own homes and communities. Additionally, DHS will continue to focus on achieving reunification and other permanencies for children and youth in care with an overall goal of reducing the number of children in placement.

In an effort to enhance the quality of practice across the entire child welfare system, we are working on several major practice reform efforts including enhanced supervisory approval around placement decisions and intentional use of prevention services during investigations. Through DHS University, we are also providing enhanced training to both DHS and CUA supervisors. This training, called Supervising for Excellence, is designed to strengthen practice in critical areas such as safety assessment, case planning and permanency practice. Additionally, we are pleased to announce that we have lowered caseloads at the CUAs by increasing funding for staffing to create a 1 case manager to 10 families ratio, instead of 1 case manager to 13 families. The median caseload at the CUAs has dropped from 13 cases in October of 2015 to 11 cases in March of 2017. This allows the case managers to spend more time with the families that they serve.

We are working with our State partners toward achieving a full certificate of compliance. We believe that we have made significant progress on the compliance issues previously identified by the State and look forward to continued collaboration with them in this area. Additionally, our outcomes have improved significantly since IOC began in January of 2013. Specifically, **more** children live with kin, **more** children live closer to their homes, **more** children are reaching permanency, and **fewer** children live in group homes and institution settings than before IOC.

Our goal during FY18 is to reduce the number of children that enter out-of-home placement as we believe that children do better in their own homes and communities. In order to do this, we are refining our array of prevention services so they are focused on diverting children and families from the child welfare system. More specifically, we are creating a new in-home diversion service for high-risk families who are brought to the attention of our child abuse hotline but are not in need of formal in-home or placement services. Finally, because we believe that the decision to remove a child from their family is so critical, we now require an administrator or above to approve all placement decisions. It is our hope that this new practice, which started in April 2017, will reduce the number of children placed and ensure more children are placed with family if they must be removed.

In an effort to hold our providers more accountable and to create a more transparent system, we created a Scorecard to measure the performance of our CUAs. During FY17, DHS is collecting baseline data for the CUAs in areas such as: safety assessment, single case planning, court compliance, family assessment, permanency, finance, and governance. This baseline data will be published in September 2017. After that, a yearly scorecard which ranks the CUA agencies will be published publicly. As part of the ongoing monitoring, DHS will offer technical assistance to the CUAs who may be struggling. Simultaneously, we are creating a contingency plan, which includes the issuance of a Request for Proposal, should a new CUA need to be selected.

Finally, during FY18, we will continue to focus on increasing the number of children reunified with their parents. In those situations where reunification cannot occur, we will work to find children safe and loving adoptive families. We are proud to share that we are on target to meet our FY17 goal of 25% permanency. We expect to increase our permanency numbers in FY18 with the addition of ten new attorneys in the Child Welfare Unit of the City of Philadelphia Law Department. This addition of new staff in the Law Department will decrease the extremely high caseloads that our attorneys currently carry and will help move children to permanency faster.

BUDGET SUMMARY & OTHER BUDGET DRIVERS

Staff Demographics Summary (as of December 2016)				
	Total *	Minority	White	Female
Number of Full-Time Staff	1,548	1,320	228	1,138
Number of Civil Service-Exempt Staff	22	15	7	15
Number of Executive Staff (deputy level and above)	9	6	3	6
Average Salary, Full-Time Staff	\$54,765	\$54,178	\$58,177	\$54,734
Average Salary, Civil Service-Exempt Staff	\$102,875	\$106,671	\$95,283	\$101,750
Average Salary, Executive Staff	\$125,790	\$132,600	\$114,441	\$136,600
Median Salary, Full-Time Staff	\$59,245	\$59,245	\$59,245	\$59,245
Median Salary, Civil Service-Exempt Staff	\$101,770	\$106,069	\$94,162	\$101,000
Median Salary, Executive Staff	\$118,996	\$123,498	\$115,000	\$128,000

Employment Levels (as of December 2016)		
	Budgeted	Filled *
Number of Full-Time Positions	1,803	1,548
Number of Part-Time Positions	0	0
Number of Civil-Service Exempt Positions	26	22
Number of Executive Positions (deputy level and above)	10	9
Average Salary of All Full-Time Positions	\$54,795	\$54,765
Median Salary of All Full-Time Positions	\$58,602	\$59,245

* The timing of the data pull accounts for the two-position difference in filled positions between this chart and the FY18 budget submission.

General Fund Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$24,637,310	\$21,714,429	\$23,454,344	\$25,740,699	\$24,201,560	(\$1,539,139)
Class 200 - Purchase of Services	\$76,779,935	\$75,253,378	\$78,896,204	\$79,163,571	\$83,415,018	\$4,251,447
Class 300 - Materials and Supplies	\$629,457	\$389,774	\$609,322	\$539,359	\$539,359	\$0
Class 400 - Equipment	\$682,619	\$547,528	\$259,630	\$249,247	\$329,593	\$80,346
Class 500 - Contributions	\$0	\$203,232	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$102,729,321	\$98,108,341	\$103,219,500	\$105,692,876	\$108,485,530	\$2,792,654

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All Funds Financial Summary by Class						
	FY16 Original Appropriations	FY16 Actual Obligations	FY17 Original Appropriations	FY17 Estimated Obligations	FY18 Proposed Appropriations	Difference: FY18-FY17
Class 100 - Employee Compensation	\$104,410,430	\$95,824,074	\$107,030,759	\$105,932,569	\$103,798,113	(\$2,134,456)
Class 100 - Employee Benefits	\$37,175,926	\$36,820,754	\$36,402,511	\$41,094,004	\$38,409,779	(\$2,684,225)
Class 200 - Purchase of Services	\$527,952,399	\$465,273,019	\$525,042,448	\$534,193,294	\$553,360,872	\$19,167,578
Class 300 - Materials and Supplies	\$1,966,654	\$1,264,505	\$1,966,654	\$1,966,654	\$1,984,457	\$17,803
Class 400 - Equipment	\$2,052,966	\$1,491,460	\$736,174	\$736,174	\$966,609	\$230,435
Class 500 - Contributions	\$0	\$203,232	\$0	\$0	\$0	\$0
Class 700 - Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Class 800 - Payment to Other Funds	\$0	\$0	\$0	\$0	\$0	\$0
Class 900 - Advances/Misc. Payments	\$0	\$0	\$0	\$0	\$0	\$0
	\$673,558,375	\$600,877,044	\$671,178,546	\$683,922,695	\$698,519,830	\$14,597,135

Professional Services Contracts Summary (For Profit Contracts Only)						
	FY12	FY13	FY14	FY15	FY16	FY17 YTD (Q1 & Q2) *
Total amount of contracts	\$11,675,627	\$10,981,264	\$13,075,473	\$14,300,883	\$15,142,553	\$18,173,750
Total amount to M/W/DSBE	\$3,780,081	\$4,134,509	\$3,880,931	\$3,993,187	\$4,564,711	\$4,703,977
Participation Rate	32%	38%	30%	28%	30%	26%

* DHS expects to meet its participation goal of 30% for FY17. Typically, due to invoicing lags, participation is higher in the second half of the year.

M/W/DSBE Contract Participation Goal			
	FY16	FY17	FY18
M/W/DSBE Contract Participation Goal	30%	30%	32%

PROPOSED BUDGET OVERVIEW

Proposed Funding Request: The proposed Fiscal Year 2018 DHS combined General and Grants Fund budget totals \$698.5M, an increase of \$14.6M over Fiscal Year 2017 estimated obligation levels. This increase is primarily driven by an increase in per diem payments made to foster parents, increasing staff costs for attorneys in the City of Philadelphia Law Department, as well as major planned IT upgrades that include a new data warehouse and case management system.

The overall proposed budget includes:

- \$142.2M in Class 100, a \$4.8M decrease from FY17. This funding reflects an appropriate level of funding for the staffing needed to provide the Department's services.
- \$553.4M in Class 200, a \$19.2M increase over FY17. This funding makes up the bulk of the department's expenditures and supports a variety of services—prevention programs, foster care, adoption subsidies, and case management provided by community-based partners. The increase is primarily driven by increased payments to foster parents, critical IT projects such as a new case management system and data warehouse.
- \$2.0M in Class 300, a \$17,803 increase over FY17. This funding supports materials and supplies, most notably food and clothing at the Philadelphia Juvenile Justice Services Center.
- \$1.0M in Class 400, a \$230,435 increase over FY17. This increase is primarily driven by projected IT equipment purchases.

The proposed Fiscal Year 2018 DHS General Fund budget totals \$108.5M, an increase of \$2.8M over Fiscal Year 2017 estimated obligation levels. This increase is primarily driven by an increase in per diem payments made to foster parents as well as major planned IT upgrades that include a new data warehouse and case management system.

The proposed General Fund budget includes:

- \$24.2M in Class 100, a \$1.5M decrease from FY17. This funding reflects appropriate level of funding for the staffing needed to provide the Department's services.
- \$83.4M in Class 200, a \$4.3M increase over FY17. This funding makes up the bulk of the department's expenditures and supports a variety of services—prevention programs, foster care, adoption subsidies, and case management provided by community-based partners. The increase is primarily driven by increased payments to foster parents, critical IT projects such as a new case management system and data warehouse.
- \$0.5M in Class 300, representing no change over FY17. This funding supports materials and supplies, most notably food and clothing at the Philadelphia Juvenile Justice Services Center.
- \$0.3M in Class 400, representing an increase of \$80,346 over FY17. This increase is primarily driven by projected IT equipment purchases.

STAFFING LEVELS

The department is requesting an increase of 11 positions (all funds) from FY17 for the City of Philadelphia Law Department. The increased positions are to support the goal of increasing permanencies in the child welfare system.

NEW HIRES

New Hires (from July 1, 2016 through March 31, 2017)								
	Total Number	Cree	French	Haitian	Haitian-Creole	Russian	Spanish	Swahili
Black or African American	114	1	2	1	1	-	-	1
Asian	1	-	-	-	-	-	-	-
Hispanic or Latino	10	-	-	-	-	-	7	-
White	14	-	-	-	-	1	1	-
Other	4	-	-	-	-	-	-	-
Not Specified	16	-	-	-	-	-	-	-
Total	159	1	2	1	1	1	8	1

PERFORMANCE, CHALLENGES, AND INITIATIVES

FY18 Performance Measures				
Measure	FY16 Actual	FY17 YTD (Q1 & Q2)	FY17 Estimate	FY18 Target
Dependent placement population *	5,948	5,975	5,950	< FY17 year-end
Percent of Child Protective Services investigations that were determined within 60 days **	88.3%	98.1%	95.0%	≥ 98.0%
Percent of General Protective Services investigations that were determined within 60 days ***	64.3%	63.0%	70.0%	≥ 80.0%
Percent of children who enter out-of-home placement from in-home services ****	10.1%	4.6%	9.5%	≤ 9.0%
Percent of children in out-of-home placement who achieved permanency out of all children in placement in a given year *****	22.5%	10.7%	26.0%	28.0%
Average daily number of youth in detention at the Philadelphia Juvenile Justice Services Center (PJJSC)	99	97	105	100
Percent of dependent placement population in Congregate Care *	14.4%	12.9%	12.9%	≤ 13.0%
Percent of dependent placement population in Kinship Care *	44.8%	46.2%	47.0%	48.0%
Percent of dependent placement population in care more than two years *****	31.2%	34.1%	32.0%	28.0%

*As of the last day of the reporting period.

** Child Protective Service investigations are conducted pursuant to state law in order to determine whether abuse or neglect occurred.

***General Protective Service investigations are assessments conducted to determine if a family is in need of child welfare services to prevent abuse or neglect, stabilize family and to safeguard a child's well-being and development.

**** This is a cumulative measure.

***** As of the last day of the reporting period. There is an increase in the percent of the dependent placement population that is in care more than two years due to delays in the adoption process. More than half of children in placements longer than 24 months are awaiting adoption finalization.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

Federal. The proposed budget includes approximately \$124M in federal funding, made up of the following components:

- 1) \$26.0M in TANF (primarily used for daycare);
- 2) \$58.4M in Title IV-E Child Welfare Demonstration Project, used for a wide variety of DHS services for children and youth under 18, including prevention, case management, and placement services;
- 3) \$33.5M in Traditional Title IV-E (for income-eligible children and youth in placement, adopted, or with permanent legal custodianship);
- 4) \$3.5M in Title XX (supports child protective services); and
- 5) \$2.6M in Title IV-B (a small but flexible child welfare-related allocation).

State. DHS's proposed budget assumes \$397.9M in State funding, primarily through Act 148. These flow to all of the services DHS provides, including prevention, placements, juvenile justice expenses, and IT/administrative functions. The funding flows into all of DHS's programs on a reimbursement basis that varies by the type of service provided.

CONTRACTING EXPERIENCE

M/W/DSBE Participation on Large Professional Services Contracts											
Top Five Largest For- Profit Contracts, FY17 (Does not include Community Umbrella Agencies)											
Vendor Name	Service Provided	Dollar 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 % Participation - All DSBEs	Total \$ Value Participation - All DSBEs	Local Business (principal place of business located within City limits)	Waiver for Living Wage Compliance?
Mid Atlantic Youth Services	Placement	\$8,299,198	4/21/2016	7/1/2016	MBE: 30%	0%	\$7,469	1%	\$43,986	No	No
					WBE: 30%	0%	\$36,516				
					DSBE: 0%	0%	\$0				
VisionQuest National	Placement	\$7,341,317	4/21/2016	7/1/2016	MBE: 30%	17%	\$1,248,024	17%	\$1,250,960	No *	Yes
					WBE: 30%	0%	\$2,937				
					DSBE: 0%	0%	\$0				
Resilient Business Solutions	IT Staff Augmentation	\$2,369,546	5/3/2016	7/1/2016	MBE: 30%	0%	\$0	100%	\$2,369,546	No	No
					WBE: 30%	100%	\$2,369,546				
					DSBE: 0%	0%	\$0				
FutureNet, Inc	FACTS Staff Augmentation	\$1,245,820	7/21/2016	11/1/2015	MBE: 30%	92%	\$1,146,154	100%	\$1,245,820	Yes	No
					WBE: 30%	8%	\$99,666				
					DSBE: 0%	0%	\$0				
ABS Lincs VA	Placement	\$1,999,715	4/4/2016	7/1/2016	MBE: 30%	2%	\$36,795	3%	\$58,192	No *	No
					WBE: 30%	1%	\$21,397				
					DSBE: 0%	0%	\$0				

*Agency has a local satellite office.

EMPLOYEE DATA

Staff Demographics (as of December 2016)					
Full-Time Staff *			Executive Staff *		
	Male	Female		Male	Female
	African-American	African-American		African-American	African-American
<i>Total</i>	290	916	<i>Total</i>	1	2
<i>% of Total</i>	19%	60%	<i>% of Total</i>	11%	22%
<i>Average Salary</i>	\$52,319	\$54,203	<i>Average Salary</i>	\$110,000	\$123,498
<i>Median Salary</i>	\$52,665	\$59,245	<i>Median Salary</i>	\$110,000	\$123,498
	White	White		White	White
<i>Total</i>	82	143	<i>Total</i>	2	1
<i>% of Total</i>	5%	9%	<i>% of Total</i>	22%	11%
<i>Average Salary</i>	\$60,519	\$55,806	<i>Average Salary</i>	\$106,662	\$130,000
<i>Median Salary</i>	\$60,555	\$59,245	<i>Median Salary</i>	\$106,662	\$130,000
	Hispanic	Hispanic		Hispanic	Hispanic
<i>Total</i>	18	45	<i>Total</i>	0	2
<i>% of Total</i>	1%	3%	<i>% of Total</i>	0%	22%
<i>Average Salary</i>	\$58,495	\$53,034	<i>Average Salary</i>	\$0	\$155,000
<i>Median Salary</i>	\$62,971	\$59,245	<i>Median Salary</i>	\$0	\$155,000
	Asian	Asian		Asian	Asian
<i>Total</i>	11	15	<i>Total</i>	0	1
<i>% of Total</i>	1%	1%	<i>% of Total</i>	0%	11%
<i>Average Salary</i>	\$55,055	\$53,944	<i>Average Salary</i>	\$0	\$115,000
<i>Median Salary</i>	\$59,245	\$59,245	<i>Median Salary</i>	\$0	\$115,000
	Other	Other		Other	Other
<i>Total</i>	5	14	<i>Total</i>	0	0
<i>% of Total</i>	0%	1%	<i>% of Total</i>	0%	0%
<i>Average Salary</i>	\$68,704	\$53,563	<i>Average Salary</i>	\$0	\$0
<i>Median Salary</i>	\$59,245	\$53,210	<i>Median Salary</i>	\$0	\$0
	Bilingual	Bilingual		Bilingual	Bilingual
<i>Total</i>	31	53	<i>Total</i>	0	3
<i>% of Total</i>	2%	3%	<i>% of Total</i>	0%	22%
<i>Average Salary</i>	\$58,356	\$56,176	<i>Average Salary</i>	\$0	\$155,000
<i>Median Salary</i>	\$59,245	\$59,245	<i>Median Salary</i>	\$0	\$155,000
	Male	Female		Male	Female
<i>Total</i>	406	1133	<i>Total</i>	3	6
<i>% of Total</i>	26%	74%	<i>% of Total</i>	33%	67%
<i>Average Salary</i>	\$54,525	\$54,348	<i>Average Salary</i>	\$107,775	\$133,666
<i>Median Salary</i>	\$59,245	\$59,245	<i>Median Salary</i>	\$110,000	\$129,000

*Full time staff in this chart is not inclusive of Executive Staff.

NUMBER OF BILINGUAL EMPLOYEES

Number of Bilingual Employees																			
Division	Arabic	Cantonese	Chinese-Cantonese (Includes Yueh)	Cree	Dutch	French	Haitian	Haitian-Creole	Hebrew	Hindi	Japanese	Korean	Malayalam	Mandarin	Polish	Russian	Spanish	Tagalog	Uzbek
Community Based Prevention Services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5	-	-
Administration and Management	3	-	-	-	-	3	-	-	-	-	-	1	-	-	-	-	8	1	-
Child Welfare Operations	2	2	1	2	1	3	1	-	-	3	1	-	2	1	-	-	27	1	-
Finance	-	-	-	-	-	2	-	-	-	1	-	-	-	-	-	1	3	2	1
Juvenile Justice Services	-	-	-	-	-	3	-	1	-	-	-	-	-	-	-	-	5	-	-
Performance Management and Technology	-	-	-	-	-	-	-	-	1	-	-	-	2	-	-	-	3	-	-
Total - All Divisions	5	2	1	2	1	11	1	1	1	4	1	1	4	1	1	1	51	4	1
Total - # of Bilingual Employees	86																		
Total - # of Languages Spoken	19																		