

**HUMAN SERVICES
FISCAL YEAR 2025 BUDGET TESTIMONY
WEDNESDAY, APRIL 3, 2024**

INTRODUCTION

Good morning, President Johnson and Members of City Council. I am Kimberly Ali, Commissioner for the Department of Human Services (DHS). I am pleased to provide testimony on DHS's Operating Budget for Fiscal Year 2025.

DEPARTMENT MISSION & PLANS

Mission: The Department of Human Services (DHS) is the City's child welfare and juvenile justice agency. The Department's mission is to provide and promote child safety, permanency, and well-being for children and youth at risk of abuse, neglect, and delinquency.

Plans for Fiscal Year 2025:

During Fiscal Year 2025, the Department of Human Services will continue to commit to safely diverting children and families from entering the child welfare and juvenile justice systems through the work with our Community Based Prevention Services. In the first half of fiscal year 2024, our diversion programs have served a total of 1,010 families.

The Department will continue to emphasize family engagement to reduce the number of children and youth who enter out-of-home care and reduce the use of congregate care through the Family Engagement Initiative. The number of children and youth in out-of-home placement has continued to decrease, dropping by 39% from 5,111 children in December 2019 to 3,117 children in December 2023. The Department will continue to prioritize kinship care and decrease the use of congregate care. Roughly half (50.9%) of the youth in dependent placement as of December 2023 were in kinship care. As of December 2023, 6.7% of dependent youth in placement were in residential placement, which continues to be lower than the national average of 9.5%. The Department, along with our Community Umbrella Agencies (CUA), will continue to work on safely reunifying children with their families.

The Juvenile Justice Services (JJS) Division will continue to collaboratively work with the Commonwealth, the Courts, Juvenile Probation, District Attorney's Office, Defender's Association of Philadelphia, and other stakeholders to reduce the number of youth being held at the Philadelphia Juvenile Justice Services Center (PJJSC). Additionally, we will continue to invest in community-based diversionary and prevention services to help prevent youth from entering or becoming further involved with the juvenile justice system. In the first half of fiscal year 2024, two new Community Evening Resource Centers (CERCs) were opened in the Northeast and East divisions of the city, bringing the total number of CERCs to six. Since inception, 1,518 youth have completed 18,162 visits to the CERCs.

The Department will also continue to collaborate with partner City agencies to support interventions focused on eliminating the disproportionate number of Black children and youth in child welfare due to allegations of neglect as well as other socioeconomic factors.

PROPOSED BUDGET OVERVIEW

General Fund Financial Summary by Class						
	FY23 Original Appropriations	FY23 Actual Obligations	FY24 Original Appropriations	FY24 Estimated Obligations	FY25 Proposed Appropriations	Difference: FY25-FY24
Class 100 - Employee Compensation	\$34,466,970	\$32,334,996	\$37,396,767	\$37,396,767	\$37,396,767	\$0
Class 200 - Purchase of Services	\$152,645,655	\$150,959,985	\$180,510,950	\$180,510,950	\$181,260,950	\$750,000
Class 300/400 - Materials, Supplies & Equipment	\$2,111,970	\$1,242,535	\$1,802,170	\$1,802,170	\$1,802,170	\$0
Class 500 - Contributions		\$215,204				\$0
Total	\$189,224,595	\$184,752,720	\$219,709,887	\$219,709,887	\$220,459,887	\$750,000

Grants Revenue Fund (including Special Grants) Financial Summary by Class						
	FY23 Original Appropriations	FY23 Actual Obligations	FY24 Original Appropriations	FY24 Estimated Obligations	FY25 Proposed Appropriations	Difference: FY25-FY24
Class 100 - Employee Compensation	\$150,932,283	\$148,803,128	\$157,017,029	\$156,201,311	\$161,961,669	\$5,760,358
Class 200 - Purchase of Services	\$506,590,016	\$417,832,106	\$530,294,537	\$531,574,569	\$533,260,895	\$1,686,326
Class 300/400 - Materials, Supplies & Equipment	\$3,668,242	\$2,265,087	\$3,841,502	\$4,070,058	\$4,100,058	\$30,000
Class 800 - Payment to Other Funds	\$8,000,000	\$434,013	\$8,000,000	\$8,000,000	\$8,000,000	\$0
Total	\$669,190,541	\$569,334,334	\$699,153,068	\$699,845,938	\$707,322,622	\$7,476,684

ALL Funds Financial Summary by Class						
	FY23 Original Appropriations	FY23 Actual Obligations	FY24 Original Appropriations	FY24 Estimated Obligations	FY25 Proposed Appropriations	Difference: FY25-FY24
Class 100 - Employee Compensation	\$185,399,253	\$181,138,124	\$194,413,796	\$193,598,078	\$199,358,436	\$5,760,358
Class 200 - Purchase of Services	\$659,235,671	\$568,792,091	\$710,805,487	\$712,085,519	\$714,521,845	\$2,436,326
Class 300/400 - Materials, Supplies & Equipment	\$5,780,212	\$3,507,622	\$5,643,672	\$5,872,228	\$5,902,228	\$30,000
Class 800 - Payment to Other Funds	\$8,000,000	\$434,013	\$8,000,000	\$8,000,000	\$8,000,000	\$0
Total	\$858,415,136	\$753,871,850	\$918,862,955	\$919,555,825	\$927,782,509	\$8,226,684

Proposed Funding Request:

The proposed Fiscal Year 2025 General Fund budget totals \$220,459,887, an increase of \$750,000 over Fiscal Year 2024. This increase is primarily due to the additional supports needed across the department.

The proposed budget includes:

- \$37,396,767 in Class 100, level funding from FY24.
- \$181,260,950 in Class 200, a \$750,000 increase over FY24. This funding will support the increased needs across the department.
- \$1,802,170 in Class 300/400, level funding from FY24. Staffing Levels:

The department is requesting 1,889 budgeted positions for FY25, level with FY24.

Employment Levels (as of December 2023)		
	FY25 Budgeted	Filled as of December 2023
Number of Full-Time Positions	1,889	1,385
Number of Exempt Positions	94	85
Number of Executive Positions (deputy level and above)	15	15
Average Salary of All Full-Time Positions	\$69,051	\$69,192
Median Salary of All Full-Time Positions	\$74,980	\$74,980

NEW HIRES

New Hires (from 7/1/2023 to December 2023)										
	Total Number of New Hires	Spanish	French	Creole	Italian	Cambodian	Vietnamese	Hindi	Russian	Canto
Black or African American	84		1	2	1					
Asian	3	1				1	1	1	1	1
Hispanic or Latino	8	10	1							
White	11	3	1		1					
Other	4	1								1
Total	110	15	3	2	2	1	1	1	1	2

PROGRAM BASED BUDGETING:

Program Name: Administration and Management

Program Number: 1

FY25 Proposed General Fund: \$3,569,439

Program Description: The Administration and Management (A&M) program supports the overall business needs of all the DHS operating divisions. This includes human resources, employee relations, payroll, health and safety, procurement, transportation, records management, and facilities management.

FY25 Strategic Goals:

- Continue to improve recruitment and retention efforts.
- Improve the workspace to accommodate all work schedules and work units.
- Implement processes and systems to provide quality and timely services.

FY25 Performance Measures:

Measure	FY23 Actual	FY24 Target	FY25 Target
Percentage of DHS/Community Umbrella Agency (CUA) employees who complete Charting the Course and stay employed in the DHS or CUA system for one year	59.4%	≥ 70%	≥ 70%

*Difficulty retaining staff at DHS and CUA partners is consistent with industry-wide trends in human services staffing. Based on a review of exit interview responses, workers who left following their completion of the Foundations training cited a range of factors that resulted in their departure: finding better pay in a different position, a desire to leave the city, personal and health reasons, the amount of required overtime in their position, the overall workload, and a desire for more training and support were identified. DHS is working to improve all practices and increase retention.

PROGRAM BASED BUDGETING:

Program Name: Finance

Program Number: 2

FY25 Proposed General Fund: \$1,237,243

Program Description: The Finance division oversees the financial operations of DHS, including budget, contracts, and audits. The division works to ensure that all Department divisions, Community Umbrella Agencies (CUAs), and contracted providers have the necessary budget and fiscal support to successfully carry out their missions.

FY25 Strategic Goals:

- Support MWDSBE community-based providers in expanding their fiscal and administrative capacity to support large DHS programs and contracts.
- Maintain timely contract conformance.
- Continue to increase the Foster Care/Kinship Care rate.

FY25 Performance Measures:

Measure	FY23 Actual	FY24 Target	FY25 Target
Percentage of current year placement provider contracts conformed by the end of Q1*	47.7%	≥75.0%	≥75.0%

*DHS prioritized contract conformance this fiscal year by putting additional supports into place to expedite the process. Adding additional legal staff to the review process as well as streamlining internal scope development have supported the increased number of contracts conformed in the first quarter.

PROGRAM BASED BUDGETING:

Program Name: Performance Management and Technology

Program Number: 3

FY25 Proposed General Fund: \$9,195,973

Program Description: The Performance Management and Technology (PMT) division is responsible for monitoring and evaluating private providers who contract with DHS for services. Additionally, PMT performs quality assurance work for internal operations at DHS, oversees the information technology system, and produces data to monitor system performance. PMT also provides current data analysis to the operating divisions supporting ongoing operations and systems enhancements.

FY25 Strategic Goals:

- Continue to develop and implement new tools to evaluate Juvenile Justice Diversion and Detention Alternatives. Complete new reporting and research to support initiatives driven by Juvenile Justice priorities and continue to work on improving integration of service delivery data related to programming in the Philadelphia Juvenile Justice Services Center (PJJSC).
- Complete the second phase of a research study to identify and address ethno-racial disproportionality in the child welfare system. Specifically, conduct focus groups with birth parents who have been impacted by out-of-home placement within the child welfare system. DHS also plans to share the results of the study with executive leadership and key system partners.
- Complete the move of the current Data Center to a new co-located environment which will include Virtual Desktop Infrastructure (VDI) to improve security and operational efficiency of the database, development, and testing environments. Complete a disaster recovery strategy, including finalizing redundant environments in the cloud. Begin the process of implementing Identity Access Management (IAM) for Department systems, specifically the completion of business requirements collection and possible RFP for development. Finally, DHS will upgrade network switches for all DHS locations and install wireless access at the PJJSC.

FY25 Performance Measures:

Measure	FY23 Actual	FY24 Target	FY25 Target
Percentage of CUA case file reviews completed per quarter*	15%	15%	15%

*DHS reviews approximately 600 case files per quarter. These reviews help to form the basis for data that appears in the CUA Scorecard assessment tool.

PROGRAM BASED BUDGETING:

Program Name: Child Welfare Operations

Program Number: 4

FY25 Proposed General Fund: \$81,342,587

Program Description: DHS operates a 24-hour child abuse hotline 365 days a year to respond to allegations of child abuse or neglect. In addition, social work staff conduct investigations and assess families to determine their need for services. While the primary focus is to keep children at home with their families, DHS manages the placement of children based on safety threats in a family. DHS works with seven Community Umbrella Agencies (CUAs) to provide ongoing services (in-home and placement) to children and families in 10 geographic regions in Philadelphia. In-home safety services are case management social services designed to stabilize a family and eliminate the existence of safety threats. Placement services are out-of-home living environments for children removed from their parents or guardians, including kinship care, non-relative foster care, and congregate care.

FY25 Strategic Goals:

- Continue to divert families from the formal child welfare system by offering supportive services.
- Set a target of having less than 3,000 youth in Dependent Care.
 - Increase Permanency Efforts.
 - Stabilize home of origin to mitigate safety concerns.
- Continue to enhance engagement efforts for kinship care with anticipated increases of two percent or greater in each fiscal year.
- Collaborate with DHS HR to increase and maintain its investigation workforce.

FY25 Performance Measures:

Measure	FY23 Actual	FY24 Target	FY25 Target
Dependent placement population (as of the last day of the quarter)*	3,309	≤4,200	≤2,900
Percent of Child Protective Services (CPS) investigations that were determined within 60 days**	99.8%	≥ 98.0%	≥ 98.0%
Percent of General Protective Services (GPS) investigations that were determined within 60 days***	97.9%	≥ 90.0%	≥ 90.0%

Percent of children who enter an out-of-home placement from in-home services****	8.5%	≤ 8.0%	≤ 8.0%
Percent of children in out-of-home placement who achieved permanency out of all children in placement in a given year*****	23.8%	≥ 22.0%	≥ 22.0%
Percent of dependent placement population in Congregate Care (as of the last day of the quarter)*****	6.6%	≤ 7.1%	≤ 6.9%
Percent of dependent placement population in Kinship Care (as of the last day of the quarter)*****	50.9%	≥ 55.0%	≥ 50.0%
Percent of dependent placement population in care more than two years (as of the last day of the quarter)*****	51.4%	≤ 45.0%	≤ 45.0%

*Through continued efforts like secondary screening of low response priority reports and increasing use of diversionary programs, DHS's overall placement number is continuing to decline.

** CPS investigations are conducted according to state law to investigate whether abuse or neglect occurred. By law, CPS investigations not determined in 60 days can be unfounded automatically. Increases in the number of staff and consistent use of data to track investigation timeliness helped DHS increase the timeliness rate.

***GPS investigations are assessments conducted to determine if a family needs child welfare services to prevent abuse or neglect, stabilize family, and safeguard a child's well-being and development. The Department is working on multiple fronts to improve the completion of GPS reports within 60 days, including: adding staff to Intake and Investigations, doing refresher trainings, and utilizing a secondary hotline screening process to enable safe diversion of reports to community-based services when there are no safety threats.

****In-home services are case management services provided to a family to stabilize family functioning and prevent placement. Out-of-home placement includes foster care, kinship care, and congregate care.

*****The ongoing goal of DHS is to reduce the use of out-of-home placement through prevention services, careful screening, and diversionary services. Success in these areas means that the overall complexity of families where children are recommended to receive out-of-home placement is increasing over time. This complexity can mean more time is required to address concerns within a home and allow for families to be reunified. DHS continues to work with its system partners to find ways to close cases faster, including strategies like carefully managing legal staff caseloads, Family Engagement Initiatives, Crisis Rapid Response Meetings, and the Systemwide Reduction of Congregate Care Strategy Workgroup, where DHS and Law Department staff meet for targeted case reviews of youth in congregate care settings.

*****The ongoing goal of DHS is to reduce the use of out-of-home placement through prevention services, careful screening, and diversionary services. Success in these areas means that the overall complexity of families where children are recommended to receive out-of-home placement is increasing over time. This complexity can mean more time is required to address concerns within a home and allow for families to be reunified. DHS continues to work with its system partners to find ways to close cases faster, including strategies like carefully managing legal staff caseloads, Family Engagement Initiatives, Crisis Rapid Response Meetings, and the Systemwide Reduction of Congregate Care Strategy Workgroup, where DHS and Law Department staff meet for targeted case reviews of youth in congregate care settings.

*****DHS continues to work with its system partners to stabilize families, including strategies like the Family Engagement Initiative, Family Team Conferencing, referrals to the Achieving Reunification Center and other supports, and the Systemwide Reduction of Congregate Care Strategy Workgroup, where DHS and Law Department staff meet for targeted case reviews of youth in congregate care settings. As DHS successfully reduces the in-care population overall, the proportion of families presenting complex situations has increased.

*****DHS continues to work with its system partners to stabilize families, including strategies like the Family Engagement Initiative, Family Team Conferencing, referrals to the Achieving Reunification Center and other supports, and the Systemwide Reduction of Congregate Care Strategy Workgroup, where DHS and Law Department staff meet for targeted case reviews of youth in congregate care settings.

PROGRAM BASED BUDGETING:

Program Name: Juvenile Justice Services

Program Number: 5

FY25 Proposed General Fund: \$31,718,236

Program Description: JJS operates the Philadelphia Juvenile Justice Services Center (PJJSC), the City’s secure detention facility for juveniles. JJS also supports a full array of diversion programs to prevent youth from becoming further involved in the juvenile justice system. Additionally, through JJS, the City funds out-of-home placement services for youth who have been adjudicated delinquent.

FY25 Strategic Goals:

- Continuing to operationalize anti-racist culture throughout JJS.
- In collaboration with the School District, JJS will establish vocational trade and career pathways for youth returning from placement, to assist with the mitigation of gun violence and decrease recidivism.
- Advancing JJS’s Juvenile Alternative to Detention Initiative (JDAI), such as adding to the alternatives to detention for youth via contracted community-based options.
- Continuing to work with Juvenile Justice partners to ensure that the census at the PJJSC is within licensed capacity.

FY25 Performance Measures:

Measure	FY23 Actual	FY24 Target	FY25 Target
Average daily number of youth in detention at the Philadelphia Juvenile Justice Services Center (PJJSC)	197.1	≤ 184.0	≤ 184.0

* DHS is responsible for operating the PJJSC secure detention facility and maintaining state-mandated staffing levels. Given the increase in population, maintaining staffing levels has been tremendously difficult. In order to ensure appropriate staffing ratios at the PJJSC, DHS has enhanced recruitment efforts. There is also a substantial number of youth awaiting State delinquent placement. There is a need for immediate intervention to reduce the number of youth being held at the PJJSC which can be achieved by PA-DHS assuming their responsibility of providing placement for the youth ordered to their care. A reduced population would allow DHS to better ensure appropriate staffing levels as well as provide youth with care that supports them with successful transition to adulthood. While some of DHS’ Community-Based programs for Juvenile Justice System-involved youth can be used as an alternative to detention at the PJJSC, the daily population is ultimately determined by how many youth are ordered by the courts to remain in secure detention.

OTHER BUDGETARY IMPACTS

Federal and State (Where Applicable)

The proposed budget includes approximately \$160M in federal funding, made up of the following components:

1. \$26.0M in TANF, primarily used for Out-of-School Time programming.
2. \$123.5M in Traditional Title IV-E for income-eligible children and youth in placement, adopted or with permanent legal custodianship.
3. \$3.5M in Title XX, which supports child protective services; and
4. \$2.6M in Title IV-B, a small but flexible child welfare-related allocation.
5. \$4M in various smaller Federal grants that support child welfare services

State

DHS's proposed budget assumes \$456M in State funding, primarily through Act 148. This funding is applied to all the services DHS provides, including diversionary, placements, juvenile justice and administrative functions. Services provided by DHS are legislatively required to address a demonstrated need through the Commonwealth's annual Needs Based Plan and Budget process. The funding is received on a reimbursement rate basis that varies based on the type of service rendered.