

**DEPARTMENT OF HUMAN SERVICES  
FISCAL YEAR 2015 BUDGET TESTIMONY  
APRIL 15, 2014**

---

**EXECUTIVE SUMMARY**

DEPARTMENT MISSION AND FUNCTION

- The mission of the City of Philadelphia Department of Human Services (DHS) is to provide and promote safety, permanency and well-being for children and youth at risk of abuse, neglect and delinquency.
- DHS aspires to become the nation's leading child welfare agency that employs caring, committed professionals who use innovative and collaborative practices to strengthen families and communities.
- DHS is currently engaged in a major system transformation called Improving Outcomes for Children (IOC). IOC is based on a belief that a community neighborhood approach with clearly defined roles between county and provider staff will positively impact safety, permanency and well being. Under IOC, families will have one case manager and one plan to guide them through the child welfare system. Services will be delivered in ten geographic regions by agencies called Community Umbrella Agencies (CUA).
- The goals of IOC are to have:
  - 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
  - Improved child, youth and family functioning
- The Department's short term goal is to successfully manage the transition from one system (dual case management) to the IOC system (single case management).
- While completing this transformation, DHS is also focused on the following short term goals:
  - Reducing the use of congregate care
  - Reducing the number of children and youth in placement
  - Achieving timely permanency for children and youth
- The Department's long term goal is to successfully complete the transition of service delivery to the CUAs.

PROPOSED BUDGET HIGHLIGHTS/FUNDING REQUEST

DHS' FY15 General/Grants Revenue Fund budget request is \$657,450,812. DHS' General Fund budget request is \$98,338,951. This is the same as the FY 14 Estimated Obligation Level. Our FY15 General Fund request, by class, is as follows:

- Class 100 - \$23,198,105
- Class 200 - \$74,127,032
- Class 300 - \$672,630
- Class 400 - \$341,184

DHS' Grants Revenue Fund request is \$559,111,861. Our FY 15 Grants Revenue Fund request, by class, is as follows:

- Class 100 - \$75,130,731
- Fringe Benefits - \$38,265,958
- Class 200 - \$443,660,961
- Class 300 - \$1,426,207
- Class 400 - \$628,004

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

**Financial Summary by Class - General Fund**

	Fiscal 2013 Actual Obligations	Fiscal 2014 Original Appropriations	Fiscal 2014 Estimated Obligations	Fiscal 2015 Proposed Appropriations	Difference FY14 - FY15
Class 100 - Employee Compensation	\$22,265,266	\$18,937,840	\$20,856,100	\$23,198,105	\$2,342,005
Class 200 - Purchase of Services	\$67,688,387	\$78,220,484	\$76,096,404	\$74,127,032	(\$1,969,372)
Class 300 - Materials and Supplies	\$437,164	\$645,697	\$648,515	\$672,630	\$24,115
Class 400 - Equipment	\$183,840	\$534,930	\$737,932	\$341,184	(\$396,748)
Class 500 - Contributions	\$476,224	\$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
<b>TOTAL</b>	<b>\$91,050,881</b>	<b>\$98,338,951</b>	<b>\$98,338,951</b>	<b>\$98,338,951</b>	<b>\$0</b>

**Staff Demographics Summary\***

Total	Minority	White	Female
1,587	85%	15%	73%
36	61%	39%	61%
Average Salary - Executive Staff	\$97,310	\$104,426	\$100,585
Median Salary - Executive Staff	\$95,067	\$95,467	\$95,067

**Employment Levels\***

Budgeted	Approved	Filled
1,838	1,838	1,587
0	0	0
38	38	36

**Contracts Summary\***

	FY09	FY10	FY11	FY12	FY13	FY14*
Total amount of contracts	\$81,080,759	\$70,502,519	\$66,736,765	\$11,675,627	\$10,981,264	\$6,910,636
Total amount to M/W/DBE	\$3,538,844	\$2,692,510	\$2,222,120	\$3,780,081	\$4,134,509	\$2,087,732
Participation Rate	4%	4%	3%	32%	38%	30%

\*As of December 2013

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

**DEPARTMENT PERFORMANCE (OPERATIONS)**

DHS reports on the following performance measures in the Quarterly City Manager’s Report and the Five Year Financial and Strategic Plan:

Performance Measure	FY08	FY12	FY13	FY13- FY12 Change	FY13 Q1-Q2	FY14 Q1-Q2	FY14- FY13 Q1-Q2 Change	FY14 Goal	FY15 Goal
Permanency discharges (all types)	2,140	1,633	1,229	-24.7%	612	649	6.0%	1,350	1,400
Adoptions (subset of permanency discharges)	356	480	352	-26.7%	176	194	10.2%	400	400
Average daily Youth Studies Center population	133	119	105	-11.8%	104	97	-6.3%	Total population less than 105	100
Dependent children in care more than two years	5,283	1,843	1,376	-25.3%	N/A	1,581	#VALUE!	1,300	1,325

  

Performance Measure	End of FY08	End of FY12	End of FY13	FY13- FY12 Change	End of FY13 Q2**	End of FY14 Q2**	FY14- FY13 Q2 Change	FY14 Goal	FY15 Goal
Dependent placement population	5,740	4,030	4,179	3.7%	4,115	4,375	6.3%	4,000	4,300
Delinquent placement population	1,657	1,198	1,155	-3.6%	1,181	1,023	-13.4%	1,000	1,000
Dependent out-of-state population	143	45	48	6.7%	44.5	44	-1.1%	40	40
Delinquent out-of-state population	101	6	3	-50.0%	4	1	-75.0%	4	4
Total out-of-state population	244	51	51	0.0%	49	45	-7.2%	44	44

\* The numbers for these performance measures represent a point in time: last day of fiscal year (June 30th)

\*\* The numbers for these performance measures represent a point in time: last day of Q2 (December 31st)

DHS surpassed its goals for the delinquent placement population and juvenile detention. Fewer than 1,000 (983) youths were in delinquent placement on the last day of Q2 FY14, with no youth in out-of-state placement. This indicates that delinquent residential programs that meet the needs of youth were available within the Commonwealth. Detention at the Juvenile Justice Services Center (JJSC) is court-ordered. At 97, the average daily population at the JJSC for Q2 FY14 remained below the benchmark of 105. By taking care to hold only those youths who posed threats to public safety, a smaller number of youth were held in secure confinement.

The dependent placement population on the last day of Q2 FY14 showed an increase when compared to the same point in time for Q2 FY13. This increase was due to a significant increase in the number of general protective service reports called into the DHS Hotline. DHS anticipates the number of calls to the DHS Hotline will continue to increase due to changes in the State laws that expand the definitions of child abuse and perpetrator. DHS is hopeful that it will be able to keep the number of children in dependent placement stable through the work of the Improving Outcomes for Children initiative. Of the children in out-of-state dependent placement on the last day of Q2 FY14, 76% were in care with extended family through kinship care. This is a positive trend, in that more children are able to maintain familial connections instead of residing in out-of-state congregate care. The number of children in dependent placement for more than two years has declined from 5,283 in FY08 to 1,376 for FY13. This comparison highlights a reduction of 74%, and it suggests a commitment to achieving timely permanent outcomes for children.

Although the number of permanency discharges per fiscal year has declined, DHS has set a goal of increasing permanency discharges by approximately 10% over FY13. At the end of Q2 FY14, DHS has achieved 48% of its goal. Of the 649 permanency discharges, 30% were adoptions while more than twice that percentage, 61%, were reunifications. This would indicate that factors adversely affecting the overall safety and well-being of children with their families were ameliorated with appropriate interventions.

DEPARTMENT CHALLENGES

As we transition to the IOC system, DHS faces a number of challenges. The challenges are as follows:

- Reports to the hotline are rising. During calendar year 2013, the hotline received 12% more neglect reports than in 2012. This trend is consistent across the Commonwealth and is likely due in large part to the publicity around Jerry Sandusky and the Child Protection Task Force that was created as a result. In addition, there are several new laws (scheduled to go into effect this calendar year) which will increase the number of reports made to our hotline. The new laws expand the definition of child abuse and also expand the definition of a perpetrator.
- As part of the IOC transition, we are currently closely monitoring our caseload size and our staffing ratios. As we move to the IOC system, staff is assuming new roles within the agency to support the IOC initiative. At the same time, we need to make sure that adequate staffing exists to support the cases in the “old” system. During calendar year 2013, we hired 119 new staff to ensure that all cases are adequately staffed and supported. These new hires filled existing vacancies.

STAFFING LEVELS

- Current Staffing Levels: DHS has a very diverse workforce. Currently, we have 1,587 employees. Of these employees, 73% are female and 27% are male. 81% of the women who work at DHS are African American, 13% are White, 3% are Hispanic and 2% are Asian. 70% of the men who work at DHS are African American, 23% are Caucasian and 3% are Asian. 63 employees are bilingual.
- Our executive staff is also very diverse. The Executive Staff is 61% female and 39% male. Of the female executive staff, 42% are African American and 19% are White. Of the male executive staff, 19% are African American and 19% are White.
- New Hires: From March of 2013, to March of 2014, DHS hired 119 total staff. The following chart details the race/ethnicity and gender of the new staff.

New Hires within the last 12 months (by race/ethnicity):

# of Staff	Race	Gender
2	Asian	Female
1	Asian	Male
77	Black/African American	Female
23	Black/African American	Male
2	Hispanic	Female
2	Other or More than 2 Races	Female
1	Other or More than 2 Race	Male
5	White	Female
5	White	Male
1	Other	Female
119 - TOTAL		

The following chart details the languages that the new hires speak:

# of Staff	Race	Gender	Language
1	White	Male	Arabic
2	Black	Female	Creole/French
1	Hispanic	Female	Spanish
1	Black	Male	Yoruba
5 - TOTAL			

Current total staff at DHS speak a diverse number of languages. The following chart lists the staff by language:

# of Staff	Language
3	Arabic
2	Chinese
4	Creole
3	Danish
6	French
2	German
1	Greek
1	Hebrew
3	Hindu
2	Igbo
1	Japanese
1	Korean
1	Malay
2	Philippine
32	Spanish
1	Yiddish
3	Yoruba
68 - TOTAL	

#### PAST INITIATIVES

- **Co-location:** On August 5, 2013, Sex Abuse Investigation staff began working from the new co-location site (called the Philadelphia Safety Collaborative) at 300 E. Hunting Park. The co-located facility was created to better coordinate investigations and services to child victims of sexual abuse. DHS shares the facility with Philadelphia Children's Alliance (PCA), Police Officers from the Special Victims Unit (SVU), and the District Attorney's Office. This new larger facility will help lessen the trauma of the investigative process by offering a comfortable, child-friendly place for children to receive services and by allowing partner agencies to effectively and efficiently coordinate their efforts in a single location. As a result, children will no longer have to be subjected to multiple interviews regarding their assault. The opening of this facility was an original recommendation from the Child Welfare Review Panel of 2007.
- **Consolidation of Staff into One Parkway Building (OPB):** As part of an effort to use space efficiently and plan for the future of DHS, we consolidated staff in OPB on 5 floors (2, 4, 5, 6 and 7). We are moving 85 staff from 3 Parkway and 42 staff from One Penn Center to OPB beginning early April thru May 2014. These moves will result in a total cost savings to the City of \$772,717.
- **Mobile Workforce:** The Mobile Workforce Program was launched on June 24, 2013 as a pilot program. The pilot participants were DHS staff assigned to support the first Community Umbrella Agency. The Department issued laptops, Blackberries and portable printers to the staff. The goal of the pilot program was to improve customer service, reduce commute time, improve productivity, reduce the usage of department vehicles, reduce the physical footprint in office space, and reduce sick leave and overtime. An evaluation of the program was conducted in January 2014 and revealed we met many of our goals. The most significant of which was a reduction in overtime and leave usage. We saw 18 less days of sick leave and 44 days less of overtime. We are currently in the process of building mobile work environments on each floor of our main office building so that staff has designated space to work when they are in Center City. There are currently 38 participants enrolled in the program. Another 151 participants will be added during the remainder of 2014.

- Training by DHS University (DHSU): As the department continues with its transformation efforts related to Improving Outcomes for Children, the ability to build DHS and CUA staff capacity to serve children and families is critical. With this transformation, DHSU was restructured and staffed to address system-wide learning and development needs. Over the last year, DHSU trained 933 employees to support children, families, and communities. DHSU also implemented Technical Assistance support for CUA staff who assumed new case management roles and responsibilities. This process will allow agencies to transfer classroom knowledge to practice and effectively navigate the child welfare system for the families they serve. Additionally, DHSU continues to enhance the roll-out of its online learning management system (LMS) to provide staff alternatives to classroom training. The system was recently expanded to include technology training. This is useful for our administrative employees and others who use desktop software to perform essential functions.

#### CURRENT INITIATIVES and NEW INITIATIVES

##### Improving Outcomes for Children:

- DHS is pleased to report significant progress in the implementation of IOC. Last year at this time, the first of two of the planned Community Umbrella Agencies had begun receiving cases and the Department was in the process of selecting CUAs III, IV, and V. Since then, DHS issued RFPs and selected the remaining five CUAs.
- Currently DHS is on schedule to have all ten Community Umbrella Agencies fully operational by January 2015. CUAs I and II began receiving in-home and placement referrals in January and April of 2013. As of March 2014, CUA-I is providing services to 247 families. CUA-II is providing services to 272 families.
- CUA-III and CUA-IV each began receiving in-home and family foster care referrals in January 2014. Currently CUA-III is providing services to 39 families. CUA-IV is providing services to 28 families. CUA-V is scheduled to begin receiving cases in April of 2014.
- CUA-VI and CUA-VII will begin to receive cases in July 2014. The remaining CUAs will begin to receive cases in November of 2014.
- In July of 2014, Prevention services will begin to transition gradually to the CUA agencies.
- Concurrently, as has always been part of this system overhaul planning, DHS is expanding its Hotline, Investigation, Sex Abuse, and Repeat Abuse sections to allow for more comprehensive investigations. Additionally, the Department is strengthening its Performance Management and Accountability Division, and its Family Team Conferencing sections so that effective and efficient oversight of the work of the CUAs is assured.
- The Division of Performance Management and Accountability provides extensive monitoring regarding the IOC rollout in the areas of compliance and quality. The monitoring consists of case file reviews, quality visitation reviews, quality service reviews, as well as the monitoring of performance standards. Additionally, as we move into IOC, DHS has worked with the Community Oversight Board to establish a specific set of outcomes to monitor to ensure the 4 main IOC outcomes are achieved.

Congregate Care Reduction Project: With the assistance of the Annie E. Casey Foundation, DHS is currently working to reduce the number of children and youth placed in group home or institution settings. In an attempt to provide better outcomes for children, DHS is trying to support youth in family settings with a goal of using congregate settings for children and youth in need of specific treatment. To this end, DHS instituted a Commissioner Approval Process which requires the DHS Commissioner to approve every congregate care placement. In addition, we instituted a new teaming process called Expedited Permanency Meetings. These meetings are convened for the sole purpose of determining whether or not a youth can be discharged from a congregate care setting and placed with a family.

Child Welfare Demonstration Project: At last year's Council hearing, I testified that Philadelphia was one of five counties participating in the Child Welfare Demonstration Project with the Federal Government. This project allows DHS to use federal money, previously only available for placement purposes, for prevention initiatives designed to achieve the outcomes established for IOC. During FY 14, the City was able to reinvest some of this money into our assessment phase of the project. This involved conducting well being assessments on children and families to determine functioning for the identification of services. In addition, during FY 14 we developed a plan to introduce evidenced based practice interventions designed to improve family functioning and keep families together. We have worked collaboratively with our CBH partners to begin to scale up for these programs.

Juvenile Detention Alternatives Initiative: The Department continues its collaboration with Philadelphia Family Court and Juvenile Probation towards further implementation of the Juvenile Detention Alternatives Initiative (JDAI) and a number of significant achievements have occurred during the past fiscal year. Together, we developed a detention risk assessment instrument (DRAI), expanded our array of detention alternatives by contracting for two new Evening Reporting Centers, and collaborated with leadership at the Philadelphia Police Department and the School District to begin development of a police diversion program, an innovative approach to reducing unnecessary student arrests.

## **OTHER BUDGETARY IMPACTS**

---

### FEDERAL AND STATE (WHERE APPLICABLE)

Recent changes to Pennsylvania law that expand the definition of child abuse and the definition of a perpetrator will likely increase reports to the Department of Human Services' child abuse and neglect hotline. We are already starting to see an increase in reports and most of the new laws do not go into effect until late 2014. We are working with the Department of Public Welfare on this issue to make sure we are prepared to respond appropriately.

If the number of youth in foster care unexpectedly spikes to a number higher than our cap under the Child Welfare Demonstration Project (Philadelphia is part of Pennsylvania's Title IVE Waiver), the state and local match would increase for placement costs. We do not expect for this to occur in light of our history of decreasing placements and our programming through the Improving Outcomes for Children Initiative.

If the Federal Medicaid Assistance Percentage (FMAP) decreases, the state and local share for costs associated with the placement of youth over the age of 18 and children receiving adoption and permanent legal custody subsidies would increase.

APPENDIX DEPARTMENT OF HUMAN SERVICES

CONTRACTING EXPERIENCE

M/W/DBE Participation on Large Contracts

FY14 Contracts

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Vision Quest National LTD	Placement	\$15,759,214	5/10/12	7/1/13	MBE:20-25 WBE:20-25 DSBE:0	15.65% 0.00% 0.00%	\$ 2,466,016 \$ - \$ -	15.6% \$2,466,016	y y y
Mid Atlantic Youth Services Corp	Placement	\$10,916,941	6/5/12	7/1/13	MBE:20-25 WBE:20-25 DSBE:0	0.00% 0.18% 0.00%	\$ - \$ 19,664 \$ -	0.2% \$19,664	y y y
ABS Lincs VA, Inc. DBA First Home Care	Placement	\$7,994,483	6/5/12	7/1/13	MBE:20-25 WBE:20-25 DSBE:0	0.41% 0.01% 0.03%	\$ 32,538 \$ 813 \$ 2,424	0.4% \$35,774	y y y
Cornell Abraxas Group, Inc.	Placement	\$5,792,396	5/10/12	7/1/13	MBE:20-25 WBE:20-25 DSBE:0	6.04% 4.96% 0.00%	\$ 350,000 \$ 287,050 \$ -	11.0% \$637,050	y y y
Eastern Software Strategies, Inc.	Technology Support	\$2,100,000	4/17/12	7/1/13	MBE:25-30 WBE:25-30 DSBE:0	13.33% 13.81% 0.00%	\$ 280,000 \$ 290,000 \$ -	27.1% \$570,000	y y y

DEPARTMENT EMPLOYEE DATA

Staff Demographics

Full-Time Staff

Executive Staff

	Male	Female	Male	Female
Total	433	1154	14	22
% of Total	27%	73%	39%	61%
	African-American	African-American	African-American	African-American
Total	303	932	7	15
% of Total	19%	59%	19%	42%
	White	White	White	White
Total	93	149	7	7
% of Total	6%	9%	19%	19%
	Hispanic	Hispanic	Hispanic	Hispanic
Total	17	39	0	0
% of Total	1%	2%	0%	0%
	Asian	Asian	Asian	Asian
Total	13	19	0	0
% of Total	1%	1%	0%	0%
	Other	Other	Other	Other
Total	7	15	0	0
% of Total	0%	1%	0%	0%
	Bi-lingual	Bi-lingual	Bi-lingual	Bi-lingual
Total	23	40	0	0
% of Total	1%	3%	0%	0%



**APPENDIX DEPARTMENT OF HUMAN SERVICES**

**CONTRACTING EXPERIENCE**

**M/W/DBE Participation on Large Contracts**

**FY13 Contracts**

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Vision Quest	Placement	\$17,990,537	5/10/12	7/1/12	MBE: 20%-25% WBE: 20%-25% DSBE: 0	12.34%	\$ 2,219,339	12.4%	y
Cornell Abraxas	Placement	\$8,885,795	5/10/12	7/1/12	MBE: 20%-25% WBE: 20%-25% DSBE: 0	3.32%	\$ 295,000	\$2,225,566	y
Mid Atlantic	Placement	\$11,583,259	6/5/12	7/1/12	MBE: 20%-25% WBE: 20%-25% DSBE: 0	0.00%	\$ -	\$529,300	y
First Home Care	Placement	\$7,990,875	6/5/12	7/1/12	MBE: 20%-25% WBE: 20%-25% DSBE: 0	0.00%	\$ -	0.3%	y
Eastrn Software	Technology Support	\$2,100,000	4/17/12	7/1/12	MBE: 25%-30% WBE: 25%-30% DSBE: 0	13.33%	\$ 280,000	44.8%	y

**M/W/DBE Participation on Large Contracts**

**FY12 Contracts**

Vendor	Service Provided	Amount of Contract	RFP Issue Date	Contract Start Date	Ranges in RFP	% of M/W/DBE Participation Achieved	\$ Value of M/W/DBE Participation	Total % and \$ Value Participation - All DSBEs	Living Wage Compliant?
Vision Quest	Placement	\$8,960,911	6/6/08	7/1/11	MBE: 0% WBE: 0% DSBE: 0%	25.72%	\$ 2,304,683	26%	y
Cornell Abraxas	Placement	\$14,422,309	6/6/08	7/1/11	MBE: 0% WBE: 0% DSBE: 0%	4.04%	\$ 581,991	\$2,310,239	y
Western PA Child Care	Placement	\$8,054,777	6/6/08	7/1/11	MBE: 0% WBE: 0% DSBE: 0%	0.00%	\$ -	8%	n
Mid Atlantic	Placement	\$5,620,069	6/6/08	7/1/11	MBE: 0% WBE: 0% DSBE: 0%	0.00%	\$ -	\$1,163,982	n
Eastern Software	Technology Support	\$2,304,100	6/7/08	7/1/11	MBE: 10-15% WBE: 5-10% DSBE: 0%	11.50%	\$ 265,000	32%	y