

DEPARTMENT FOR CHILDREN & FAMILIES BUDGET STATUS

SENATE WAYS AND MEANS COMMITTEE
SECRETARY LAURA HOWARD 3/5/2025

Comparison of FY 2025 GBR to HB 2007

	FY 2025 GBR		HB 2007		Difference	
	All Funds	SGF	All Funds	SGF	All Funds	SGF
Base Budget	\$1,126,702,410	\$493,650,610	\$1,085,924,660	\$469,835,332	(\$40,777,750)	(\$23,815,278)
Fall 2024 Consensus Caseload						
TANF Cash Assistance	400,000	-	400,000	-	-	-
Foster Care	(1,800,001)	2,974,999	(1,800,001)	2,974,999	-	-
Subtotal	(1,400,001)	2,974,999	(1,400,001)	2,974,999	-	-
Summer EBT Administration*	In base above	In base above	3,650,000	1,825,000	3,650,000	1,825,000
Caseload Correction	In base above	In base above	997,737	997,737	997,737	997,737
Total	\$1,125,302,409	\$496,625,609	\$1,089,172,396	\$475,633,068	(\$36,130,013)	(\$20,992,541)

- The Summer EBT Administration funding is in the Finance Council and will be transferred to DCF when the Secretary submits a waiver request to the U.S. Department of Agriculture to prohibit SNAP benefits from being used for candy and soda.
- The Agency Reappropriated \$23,815,278 into FY2025. All the reappropriations were removed by the Special Committee. Two items were added back leaving a \$20,992,541 base budget shortage.

FY 2025 DCF Top Priorities Not Funded

Item	All Funds	SGF
Top Reappropriation Priorities		
New KMIS System for VR	4,005,434	853,157
Increases in Fees, Contracts, Leases, & Fed Funding Changes	2,000,000	1,190,000
Amazon Connect Rate and Period Change	1,167,500	606,283
Develop Workload Management Software	931,162	401,424
Contract for McIntire Settlement Data	505,000	505,000
Lower Shrinkage, Fund Fringe Benefits, Salaries Spent	2,000,000	1,190,000
Subtotal	10,609,096	4,745,864
Other Reappropriations		
CCWIS	22,000,000	11,000,000
Other Budgeted Reappropriations	3,520,917	5,246,677
Subtotal	25,520,917	16,246,677
Total	36,130,013	20,992,541

FY 2025 DCF Top Priorities

New KMIS System for Vocational Rehabilitation



All Funds	SGF
4,005,434	853,157

- The KMIS modernization project was delayed in FY 2024, resulting in funds being reappropriated to FY 2025 for use.
- The contract was awarded in FY 2025 and the work on the new system started. These are now obligated to the project.
- The federal Rehabilitation Services Administration requires DCF to retain the state funds for the project to draw the needed federal funds. Federal funds account for over 80% of this project.
- Any unspent funds during FY 2025 would need to be reappropriated to following years when deliverables are met.

FY 2025 DCF Top Priorities

Increase in Fees, Contracts, Leases, and Federal Funding Changes



All Funds	SGF
2,000,000	1,190,000

- This item represents uncontrollable cost increases for the following:
 - Employment verification contract
 - Administration and regional building leases
 - Administrative Hearings fees
 - Printing and postage
 - IT hardware and software licenses
 - Operations software, training, recruitment, and contract staff
- These are all contracts that have been in place and costs incurred during FY2025. Without this funding, contracts will have to be cancelled, payments delayed, or shrinkage will have to be increased which, in turn, would reduce the staff available to provide services and meet state and federal requirements.

FY 2025 DCF Top Priorities

Amazon Connect - Rate and Period Changes



All Funds	SGF
1,167,500	606,283

- This is funding for a contract that is awarded and being paid.
- This funding is for an extra six-month payment needed in FY 26 to align this contract with the Accenture state contract per DofA.
- The amount also includes an increase in the new Amazon Connect contract which began 8/1/24.

FY 2025 DCF Top Priorities

Develop Workload Management Software



All Funds	SGF
931,162	401,424

- This funding was reappropriated for a statewide workload case management system designed to maximize resources and eliminate manual calculations.
- It covers the software cost and integration into the statewide KEES system, with a license subscription.
- An enhancement request for recurring software licenses for 800 users of \$883,200 AF was requested for FY 2026.

FY 2025 DCF Top Priorities

Contract for McIntyre Settlement Data



All Funds	SGF
505,000	505,000

- The Agency is under a settlement agreement requiring additional data collection to meet agreed outcomes.
- The contract with outside resources would assist with:
 - Monthly performance management reports
 - Metadata analysis
 - Data observations statewide and by catchment areas
 - Improvement plans for each case management provider.
- This contract provides DCF with the data and reporting necessary to pinpoint areas where improvement is needed to meet the settlement goals and to end the settlement period.

FY 2025 DCF Top Priorities

Lower Shrinkage, Fund Fringe Benefits, Salaries Spent



All Funds	SGF
2,000,000	1,190,000

- Because the Agency does not have enough salary allocation to fund all current positions, saving are identified each year to carry into the next year to fund salaries.
- The reappropriated funds were used in FY2025 to lower shrinkage to 12.43%.
- These funds were also used to fund fringe benefit increases (mainly in health).
- Reappropriations were also used to fund changes in the agency’s cost allocation plan, which resulted in additional SGF funding for many positions.
- The agency’s shrinkage is still higher than natural turnover and salaries are projected to be over budget.

Comparison of FY 2026 GBR to HB 2007



	FY 2026 GBR		HB 2007		Difference	
	All Funds	SGF	All Funds	SGF	All Funds	SGF
Base Budget	\$1,032,900,673	\$470,311,955	\$1,032,900,673	\$470,311,955	\$0	\$0
Fall 2024 Consensus Caseload						
TANF Cash Assistance	400,000	-	400,000	-	-	-
Foster Care	(14,503,632)	(8,103,632)	(14,503,632)	(8,103,632)	-	-
Subtotal	(14,103,632)	(8,103,632)	(14,103,632)	(8,103,632)	-	-
Enhancements (details on next slide)	9,233,452	19,153,007	2,633,200	925,000	(6,600,252)	(18,228,007)
Other Adjustments not in GBR						
Pilot GILA Life Skills-Cerebral Palsy	-	-	215,000	215,000	215,000	215,000
Home Based VR Services - Envision	-	-	600,000	600,000	600,000	600,000
One-on-One TANF Mentoring	-	-	300,000	-	300,000	-
1.5% OOE Reduction	-	-	(4,471,634)	(2,258,179)	(4,471,634)	(2,258,179)
Child Care Workforce Registry	-	-	(1,100,000)	-	(1,100,000)	-
Vacant Position Reduction	-	-	Pending	Pending	Reduction	Reduction
Pay Plan	-	-	Pending	Pending	Increase	Increase
Subtotal	-	-	(4,456,634)	(1,443,179)	(4,456,634)	(1,443,179)
Total	\$1,028,030,493	\$481,361,330	\$1,016,973,607	\$461,690,144	(\$11,056,886)	(\$19,671,186)

FY 2026 GBR Enhancements



Enhancement	All Funds	SGF	Fee Fund
Included in HB 2007			
Summer EBT Program	1,750,000	925,000	-
Workload Management Software Licenses	883,200	-	-
Subtotal	2,633,200	925,000	-
Highest Priority Enhancements			
End the Use of Children's Federal Benefits to Fund Foster Care (Exec. Order)	-	8,000,000	(9,000,000)
Behavioral Health Intervention for Placement Stability in Foster Care	3,000,000	2,681,400	-
Subtotal	3,000,000	10,681,400	(9,000,000)
Other GBR Enhancements Requested			
Amazon Connect Virtual Call Center Contract	195,000	101,264	-
Nurse Co-Responder Partnership on Child Reports with Infants Under One	996,000	996,000	-
Administrative Operating Expense Increases	1,654,252	1,000,000	-
End Mandatory Referrals to Child Support in CINC Cases	-	1,703,595	(1,703,595)
End the Retention of Child Support Collections in TANF	-	1,510,000	(1,510,000)
Reduce the Family Co-Payment in Child Care Assistance	755,000	755,000	-
Workforce Registry Funding Switch	-	1,100,000	-
Subtotal	3,600,252	7,165,859	(3,213,595)
Total	9,233,452	19,153,007	(12,213,595)

GBR Enhancement

EO No. 25-01: End the Use of Children's Federal Benefits to Fund Foster Care



Expense Category	All Funds	SGF	Fee Fund
Grants	0	8,000,000	(9,000,000)

- DCF used children’s federal benefits to reimburse the cost of foster care. This executive order ended this practice and instead conserves the children’s federal benefits for their future use as they transition to adulthood.
- Approximately 12.8% of children in foster care receive federal benefits from the Social Security Administration and Veterans Administration.
- Under this policy change the federal benefits used to finance foster care maintenance will be replaced by SGF and IV-E. The children’s benefits will be reserved in special ABLE accounts to avoid exceeding SSA asset limits and to maintain the children’s eligibility for continued benefits.
- As of December 1, 2024, 29 states and jurisdictions have pursued actions ranging from incremental to comprehensive reforms to protect the rights of foster youth’s federal benefits. (Children’s Advocacy Institute, University of San Diego.)

GBR Enhancement

Behavioral Health Intervention for Placement Stability in Foster Care



Expense Category	All Funds	SGF
Other Operating Expenditures	3,000,000	2,681,400

- This funding provides for eight behavioral health intervention teams to serve youth experiencing frequent placement disruptions.
- The eight behavioral health intervention teams are in addition to 3.5 teams established in FY 2025.
- These teams would address the extreme placement instability experienced by a cohort of youth in care and improve the state's performance under the *McIntyre* settlement.
- Each team would consist of two specialized case managers and two in-home behavioral interventionists.
- Youth are expected to remain with a team for approximately six months, or until a long-term stable placement has been achieved.

GBR Enhancement

Amazon Connect Virtual Call Center Contract



Expense Category	All Funds	SGF
Other Operating Expenses	195,000	101,264

- An increase in the DCF virtual call center is funded in this enhancement.
- Almost all DCF client services operate through the virtual call center, in which geographically dispersed DCF employees provide services to clients.
- The most significant benefit of the technology is the ability to route calls to staff working remotely, thereby eliminating delays in answering calls.
- The new call center agreement runs through January 31, 2026, with the potential for an extension.
- FY 2025 cost increase was planned to be covered with reappropriations from FY 2024.

GBR Enhancement

Nurse Co-Responder Partnership on Child Reports with Infants Under One



Expense Category	All Funds	SGF
Other Operating Expenses	996,000	996,000

- The Nurse Co-Responder Partnership enhancement allows nurses to collaborate with DCF child protection specialists during investigations of allegations of abuse and/or neglect, as well as during family assessments.
- This funding would be used to contract for up to 12 public health nurses through nursing agencies across the state.
- Child protection specialists may lack the specialized expertise necessary to thoroughly assess all aspects of a child's development and any chronic health issues.
- Pairing a nurse with a child protection specialist will create a multidisciplinary approach that enhances the immediate and long-term safety for the child.
- Approximately 10% of intakes in FY 2024 involved children aged 0-1.

GBR Enhancement

Administrative Operating Expense Increases



Expense Category	All Funds	SGF
Other Operating Expenses	1,654,252	1,000,000

- This enhancement funds a diverse mix of administrative cost increases:
 - Postage increases
 - Printing increases
 - ITS software renewals
 - Administrative building lease
 - Regional increases in leases, security, and translation
 - Operations increases for software, training, and recruitment.
- Except for last year, the increases were covered by reappropriations or by higher shrinkage.
- DCF has little control over these increases. Without additional funding, an increase in shrinkage would be necessary, which in turn would reduce the staff available to provide services and meet state and federal requirements. The alternative would be cuts to employment programs, child care, prevention, or other services.

GBR Enhancement

End Mandatory Referrals to Child Support in CINC Cases



Expense Category	All Funds	SGF	SW Fee Fund
Other Operating Expenses	-	1,703,595	(1,703,595)

- This policy ends the referral of parents of children in foster care to the Child Support Services Program.
- Parents of children in foster care are currently required to pay child support. The Child Support Services Program is partially funded through these collections which are deposited in the agency's fee fund. The \$1,703,595 in SGF would replace the lost fee fund revenue.
- Most foster care cases are due to neglect and poverty of the family, not abuse. Adding child support orders to already limited family funds is detrimental to the reintegration of families.
- A study by the Institute for Research on Poverty (University of Wisconsin-Madison) upheld earlier findings that child support orders (which offset the cost of foster care) substantially delay reunification efforts.
- Federal guidance issued June 2022 urged states to remove mandatory child support referral requirements in foster care cases.

GBR Enhancement

End the Retention of Child Support Collections in TANF



Expense Category	All Funds	SGF	SW Fee Fund
Assistance	-	1,510,000	(1,510,000)

- Families receiving TANF benefits currently waive their right to child support and assign it to the state.
- The state share of the child support collections is used to finance the Child Support Services Program. Child support collected on behalf of families is divided between the state and federal government. The state and federal shares are 39.03% and 60.97%, respectively.
- This policy change would redirect the state share of child support collections to the family without affecting the family's financial eligibility or benefits.
- The \$1,510,000 in State General Funds replaces the lost revenue to the state.
- Supplementing the family's benefit with child support will help the household's transition off cash assistance. In addition, noncustodial parents may be more likely to make child support payments when they know the support goes directly to support their children.

GBR Enhancement

Reduce the Family Copayment in Child Care Assistance



Expense Category	All Funds	SGF
Assistance	5,000,000	5,000,000

- High copayments make child care assistance unaffordable and may result in families having to reduce their work hours or even leave the workforce.
- This policy change would reduce the financial strain of copayments for families receiving child care assistance.
- Currently, copayments are waived for families with incomes up to 100 percent of the federal poverty level. This policy would end copayments for families up to 150% of the federal poverty level.

GBR Enhancement

Workforce Registry Funding Switch



Expense Category	All Funds	SGF	CIF
Other Operating Expenses	-	1,100,000	(1,100,000)

- The Child Care Workforce Registry was created using CCDF pandemic funding and serves as a resource for providers to track education progress, facilitates the improvement of supply and quality of services, and assists in the assessment and provision of workforce professional development.
- The ongoing maintenance of the registry was funded with children's initiative funds in FY 2025.
- In recognition of the demands on the Children's initiative Fund, the GBR replaced the CIF with SGF to fund the ongoing maintenance.

Note: *HB 2007 removed all funding for the workforce registry and requires DCF to absorb the cost.*

GBR Enhancement Funded

Workload Management Software Licenses



Expense Category	All Funds	SGF
Other Operating Expenses	883,200	380,748

- This enhancement funds 800 Workload Management software licenses that will be used to manage workloads, prevent unprocessed work backlogs, and to meet requirements for case processing times.
- In FY 2024, less than 73% of over 13,000 applications were processed within federally-required time frames, resulting in delayed benefits to needy families and children.
- The failure to process applications and complete reviews with federal time frames could result in federal sanctions, penalties, or reductions in funding.
- The software provides real-time information regarding caseloads and alerts managers when processing thresholds are met or when action is needed. It allows priorities to be established in real time for unprocessed eligibility work, automated assignment of unprocessed work, and provides critical real time operational data reports.

Note: HB 2007 replaces the \$380,748 from the State General Fund with interest proceeds from ARPA balances. This is a one-time funding replacement which will not cover the costs of the licenses in future years.

GBR Enhancement Funded

Summer EBT Program



Expense Category	All Funds	SGF
Salaries	71,695	35,848
Other Operating Expenses	1,578,305	789,152
Assistance	100,000	100,000
Total	1,750,000	925,000

- The Summer EBT Program provides food benefits during the summer (when children are not receiving meals at school) to families below 185 percent of poverty.
- This enhancement funds the administration of the Summer EBT Program, which requires a 50% state match. The funding covers the salary of a program administrator, contracted staff to process applications, the cost of issuing benefits through the EBT contractor, and the cost of replacing lost or stolen benefits.
- The benefits for the program are not a part of this enhancement. The benefits are 100% federally funded.
- The benefit per family is \$120 for the summer. An estimated 266,000 children are potentially eligible to receive benefits through this program.

FY 2025 Summary

KEY: DCF requested Funded, not requested Unfunded GBR & agency priorities

Items Funded in HB2007

	GBR All Funds	GBR SGF	HB2007 All Funds	HB2007 SGF	Comments/Effect
Consensus Caseload	997,737	997,737	997,737	997,737	KLRD's technical adjustment
Summer EBT Administration	3,650,000	1,825,000	3,650,000	1,825,000	Language added for funds to be held by the State Finance Council until the Secretary provides certified submission of USDA SNAP Waiver prohibiting purchase of candy and soda

DCF's Top Priorities (not funded in HB2007)

	GBR All Funds	GBR SGF	HB2007 All Funds	HB2007 SGF	Comments/Effect
New KMIS System for VR	4,005,434	853,157	-	-	Part of Priority to Restore 20% (\$4.75m) of Reapprop
Increases in Fees, Contracts, Leases, & Fed Fund Changes	2,000,000	1,190,000	-	-	
Amazon Connect Rate and Period Change	1,167,500	606,283	-	-	
Develop Workload Management Software	931,162	401,424	-	-	
Contract for McIntyre Settlement	505,000	505,000	-	-	
Lower Shrinkage, fund fringe, salaries spent	2,000,000	1,190,000	-	-	-
CCWIS	22,000,000	11,000,000	-	-	
Other Reappropriations Budgeted	3,520,917	5,246,677	-	-	

FY 2026 Summary

KEY: DCF requested

Funded, not requested

Unfunded GBR & agency priorities



Items Funded in HB2007 including Additions by Committee *not requested by DCF*

	GBR All Funds	GBR SGF	HB2007 All Funds	HB2007 SGF	Comments/Effect
Summer EBT Program	1,750,000	925,000	1,750,000	925,000	Language to lapse any unspent
Workforce Registry Funding Switch CIF	-	1,100,000	(1,100,000)	(1,100,000)	Took out CIF from base & self fund
Pilot GILA Life Skills to Cerebral Palsy (One-Time Funding)	-	-	215,000	215,000	One-time
Home Based Blind Serv. To Envision (One-Time Funding)	-	-	600,000	600,000	One-time
Ionl Mentoring to Big Brothers & Sis. (One-Time TANF)	-	-	300,000	-	All TANF One-time
1.5% reduction in SGF State Operations inc. Salaries and OOE (Assistance & Capital Excluded)	-	-	(4,460,000)	(2,258,000)	Already significantly short
Workload Management Software, 800 Licenses	883,200	380,748	883,200	-	Funded 1 Yr with ARPA. Didn't get FY25 Development

DCF's Top Priorities (not funded in HB2007)

	GBR All Funds	GBR SGF	HB2007 All Funds	HB2007 SGF	Comments/Effect
End Use of Children's Federal Benefits to Fund Foster Care	-	8,000,000	-	-	Part of High Priority Request
Behav. Health Intervention for Placement Stability in FC	3,000,000	2,681,400	-	-	Part of High Priority Request
Amazon Connect Virtual Call Center Contract	195,000	101,264	-	-	-
Nurse Co-Responder Partner on Reports w/under 1	996,000	996,000	-	-	-
Administrative Operating Expense Increases	1,654,252	1,000,000	-	-	-
End Mandatory Ref to Child Supp. in CINC Cases	-	1,703,595	-	-	-
End the Retention of Child Supp. Collections TANF	-	1,510,000	-	-	-
Reduce the Family Co-Pay in Child Care Assistance	755,000	755,000	-	-	-

QUESTIONS?

Comparing HB2007 to the Governor's Budget Recommendation

FY 2025



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Other Reappropriations Budgeted	3,520,917	5,246,677	-	-	-

FY 2026

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Funded, not requested

Unfunded GBR & agency priorities

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Reduce the Family Co-Pay in Child Care Assistance	755,000	755,000	-	-	-