

**Children's Services Coordinating Committee
House Bill No. 1014**

	FTE Positions	General Fund	Other Funds	Total
2003-05 executive budget (bills as introduced)	0.70	\$0	\$2,127,094	\$2,127,094
2003-05 legislative appropriations	0.80		2,514,600	2,514,600
Legislative increase (decrease) to executive budget	0.10	\$0	\$387,506	\$387,506
Legislative increase (decrease) to 2001-03 appropriations	(0.20)	\$0	(\$5,308,526)	(\$5,308,526)

SUMMARY OF LEGISLATIVE CHANGES TO THE EXECUTIVE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The legislative action affecting the recommended appropriation for the Children's Services Coordinating Committee is in accordance with legislative salary and fringe benefits guidelines as contained in Senate Bill No. 2423, which allows agencies to provide salary increases of up to 1 percent on January 1, 2004, and up to 2 percent on January 1, 2005, to be funded in part from pooled savings accumulated from agency FTE position reductions.

	Major Items FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding recommended in the executive budget for state employee salary increases			(\$594)	(\$594)
Reduced funding recommended in the executive budget for state employee health insurance premiums from \$493 to \$488.70 per month per policy			(103)	(103)
Added funding reduced in the salaries and wages line item relating to salary increases and health insurance adjustments to the operating expenses line item			697	697
Added funding as a result of a revised estimate of "refinancing" funds that will be generated during the 2003-05 biennium. This change restored .10 of the .30 FTE administrative position reduction recommended in the executive budget.	0.10		387,506	387,506
Total	0.10	\$0	\$387,506	\$387,506

FTE Changes

The Legislative Assembly restored .10 of the .30 FTE administrative position reduction recommended in the executive budget to provide the administrative position at a .80 FTE.

“Refinancing” - Funding Allocations

“Refinancing” - “Refinancing” is a system administered through the Department of Human Services which claims federal reimbursement of eligible administrative costs of local schools, juvenile courts, and public health organizations under the federal IV-E foster care and federal Medicaid programs. The local organizations participating in the system complete time studies to document the amount of time spent with children eligible for the federal reimbursement. These time studies are submitted to the regional or tribal children’s services coordinating committee, reviewed by the state Children’s Services Coordinating Committee, and submitted for federal administrative cost reimbursement by the Department of Human Services. The federal reimbursements are received by the Department of Human Services. The department retains its percentage allocation and transfers the remaining funds to the state Children’s Services Coordinating Committee, which retains its percentage and distributes the remaining funds to the children’s services coordinating committee of the region or tribe that generated the funds through the time study reports. Each regional or tribal committee distributes the percentage allocation of funds to each of the organizations that generated the federal reimbursements and uses remaining funds for its administrative and operating costs and for other purposes based on the allocations approved by the Legislative Assembly. The percentage allocation of these funds for the 2003-05 biennium compared to the 2001-03 biennium are listed below:

	2001-03 Biennium	2003-05 Biennium
Department of Human Services	10.0%	10.0%
Children’s Services Coordinating Committee - Administration	1.7%	5.0%
Children’s Services Coordinating Committee - Grants		
Participating entities generating federal funds	20.0%	50.0%
Statewide grants	10.2%	0.0%
Regional and tribal children’s services coordinating committees for administrative costs	16.2%	0.0%
Regional and tribal children’s services coordinating committees for collaboration efforts	1.8%	0.0%
Regional and tribal children’s services coordinating committees for administrative costs and collaboration efforts	0.0%	35.0%
Regional and tribal children’s services coordinating committees for grants to providers	40.1%	0.0%
Total	100.0%	100.0%

The estimated funding to be available from “refinancing” for the 2003-05 biennium compared to the 2001-03 biennium is substantially reduced due to a federal policy change relating to the allowable uses of federal IV-E foster care funds. The change became effective on July 1, 2002, and only allows federal IV-E foster care funding to be claimed if the child being served is in foster care or is a “candidate” for foster care. Previously, these funds could be claimed for a child in foster care or for a child who was “at risk” of being placed in foster care.

Statewide Grants

The Legislative Assembly did not change the executive recommendation to eliminate funding for statewide grants of the Children’s Services Coordinating Committee.

Legislative Council Report

Section 5 of the bill provides that the Children’s Services Coordinating Committee report to an interim Legislative Council committee at least twice during the 2003-04 interim on the amount of “refinancing” funds generated and the uses of the funds for the 2003-05 biennium.