DCYF Budget Update

Welcome to today’s webinar.

Please remember to mute your phone and computer upon entry.

We will begin shortly. Thank you!

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Agenda

- Refresh on what led us here
- Overview of recommendations
- Planning for 2021
Realities

• COVID-19 has had an impact on our national and state economy

• Next revenue and caseload forecast June 17
  • FY 21 projected shortfall is $2-3 billion
  • Current projection is -$7 billion in revenue collections over the next three years

• There is no confirmation of a special legislative session happening at this time
Washington State Budget Overview

- Public Schools, $14,002,270, 50%
- HCA, $3,101,232, 11%
- Other DSHS, $1,938,958, 7%
- Higher Ed, $2,151,609, 8%
- Long Term Care, $1,488,964, 5%
- Corrections, $1,253,459, 5%
- Bond Debt, $1,226,315, 4%
- DCYF, $1,064,123, 4%
- Other, $1,291,616, 5%
- Natural Resources, $254,077, 1%
OFM Currently Projects a $1.9 billion Budget Gap in SFY 2021

- All 2021 NGFS Appropriation
  - $27,772,623, 94%
  - $1,873,939, 6%

- Off the table, $15,279,699, 55%

- Up for Reduction, $12,492,924, 45%
  - $1,873,939, 15%

Items that are excluded for reduction include:
- Basic Education
- Bond Payments
- Legislative and Judicial Branch Agencies
Office of Financial Management Assignment

• The Office of Financial Management (OFM) released immediate combined savings options target on May 14.
• Total reduction is $1.9 billion for FY 21 across all Executive Cabinet Agencies.
• DCYF’s target was $155 million – 15% of near-general fund budget.
• Submissions were due Monday, June 1.
• NOTE from OFM: These reflect preliminary savings options identified by each agency. They are not formal proposals and do not necessarily reflect the priorities of Gov. Inslee or the agency. Because a program or service reduction is listed does not mean the reduction will actually happen, or happen at the level shown.
DCYF’s SFY 2021 Budget

- **Federal**: 520,580,390 (32%)
- **Other Funds**: 46,439,908 (3%)
- **GF-S Total**: 1,035,762,000 (65%)
- **Child Welfare Total**: 408,986,000 (39%)
- **Early Learning Total**: 392,222,814 (38%)
- **Juvenile Rehab Total**: 111,895,000 (11%)
- **Program Support Total**: 122,658,186 (12%)
Guiding Budget Principles for DCYF

• Prioritize resources that focus on core responsibilities outlined in DCYF’s vision and strategic plan.

• Prioritize programs and services that reduce racial and ethnic disparities in outcomes across all DCYF systems of care.

• Prioritize prevention services and intervention solutions to keep children, youth and families safe in their community and not going deeper into the DCYF system.

• Prioritize funding for programs and policies that have demonstrated their effectiveness in improving outcomes through evidence based and promising practices.
# Budget recommendations - Overview

<table>
<thead>
<tr>
<th>Topic</th>
<th>General Fund- State</th>
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<tbody>
<tr>
<td>Agency-wide Reductions (impact of hiring freeze, equipment purchases, training, travel, etc.)</td>
<td>$7,625,000</td>
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<tr>
<td>Caseload Decline (WCCC, Foster Care, Juvenile Rehabilitation)</td>
<td>$51,841,648</td>
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<td>Implementation Delays</td>
<td>$11,060,298</td>
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<tr>
<td>Innovative Approach</td>
<td>$48,956,313</td>
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<tr>
<td>Prioritizing Evidence Based Practices</td>
<td>$35,881,041</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>$155,364,300</strong></td>
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Agency-Wide and Caseload Decline

• Capturing savings with vacant positions
  • Including prioritization of retaining existing DCYF staff, no wide-spread lay-offs
• Implementing the hiring and personal services freeze
  • Does not include exempt staff, JR line staff and child welfare social workers

• Caseload decline savings reflect program and service savings
  • Does not include savings from staffing reductions
Implementation Delays

• Delay Cost of Living Adjustment (COLA) increases

• Services and programs that will benefit from delayed implementation
  • Ex: Automatic Early Supports for Infants and Toddlers (ESIT) referrals for families involved with the Child Welfare system
  • Ex: Commercially Sexually Exploited Children (CSEC) receiving centers operational
Innovative Approach

• Programs and services where an additional funding source could be leveraged
  • Ex: Federal funding availability

• Agency alignment in program and service delivery
  • Ex: Internal practice improvement

• Capturing efficiency in service delivery
  • Ex: Leveraging technology availability to meet outcomes
Prioritizing Evidence-Based Practices

- Eliminating services that do not have evidence

- Eliminating programs or services not yet implemented
  - Ex: budgeted services to start July 2020, which does not impact any currently provided service
Preparing for 2021 – State Budget Timeline

State Agencies
- **JUN 1 2020**: Agencies submit reduction exercises to OFM
- **JUN 17 2020**: Revenue forecast
- **FALL 2020**: Quarterly revenue and caseload forecasts
- **JUNE-JULY, 2021**: Agencies submit detailed spending plans
- **JULY 1, 2021**: Biennial budget takes effect

Governor and Office of Financial Management (OFM)
- **MAY 2020**: OFM issues budget reduction exercise directions
- **FALL 2020**: OFM reviews state agency ARL and budget proposals, Governor decides
- **DEC 2020**: Governor proposes supplemental budget to Legislature
- **APRIL/MAY 2021**: OFM reviews, Governor signs or vetoes
- **APRIL 2021**: Legislature passes budget

State Legislature
- **SUMMER/FALL 2020**: Possible special session
- **FEB/MARCH 2021**: Quarterly revenue and caseload forecasts
- **JAN 2021**: Legislature convenes
- **APRIL 2021**: Legislature passes budget

**State Agencies**
- **Governor and Office of Financial Management (OFM)**
- **State Legislature**
Agency Request Legislation & Budget Development Timeline

- ARL concept paper drafting
- Secretary determines decision package and ARL framework
- DCYF Leadership
- ARL Concept
- Approval
- ARL Development and Drafting
- DCYF Leadership
- ARL & DP
- Review & Approval
- DCYF submits
- DPs & ARL to OFM
- Decision Package Drafting
- Review and Approval
- by OFM/Governor
- Upon approval; stakeholder & legislative engagement for refinement
- Stakeholder Engagement
Thank you!

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