



DEPARTMENT OF HUMAN SERVICES

While the Department of Human Services (DHS) has experienced structural changes over the past six decades, its primary mission has remained largely the same: to enable people and families to lead healthy, secure, economically independent and productive lives.

Until 1983 the agency received direct funding from the state sales tax, bypassing the annual legislative appropriations process. With a dedicated and growing revenue source, DHS took on more and more functions over the years as the state's health and welfare system was developed.

For years DHS was the state's largest agency. At its apex in FY'93, DHS consumed \$2 billion in state and federal funds annually, or one out of every three dollars spent by all of state government.

Beginning in the 1990s, lawmakers began a piece-by-piece process of reviewing the organization. It was determined by successive legislatures that major divisions of DHS – the public teaching hospitals, rehabilitative services, Medicaid, and juvenile justice services – could be managed more effectively if moved outside the umbrella of the state's largest agency.

DECENTRALIZATION

Since 1993, decentralization has been the trend at DHS. The Legislature has transferred four large divisions out of DHS and created new, distinct agencies, which provide the following services:

- University of Oklahoma Teaching Hospitals
- Rehabilitation Services
- Medical Services/Medicaid
- Juvenile Justice

As a result, DHS's appropriated budget has decreased by more than half between FY'94 and FY'99.

Functions Separated from DHS Since 1993

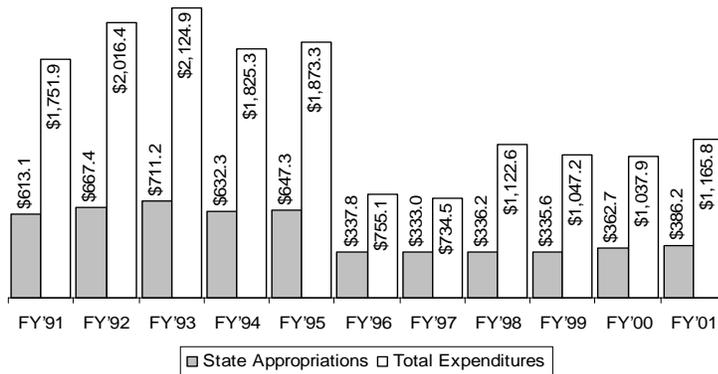
<u>Year</u>	<u>DHS Division</u>	<u>Transferred Amount</u>
1993	University Hospitals Authority	\$29,710,032
1993	Rehabilitation Services	\$21,952,152
1995	Medical Services (Health Care Authority)	\$227,816,716
1995	Juvenile Justice Services (Office of Juvenile Affairs)	\$75,959,840
Total		\$355,438,740

Note: The University Hospitals Authority is currently partnered with a Columbia HCA, which provides management and operating services.

FUNDING

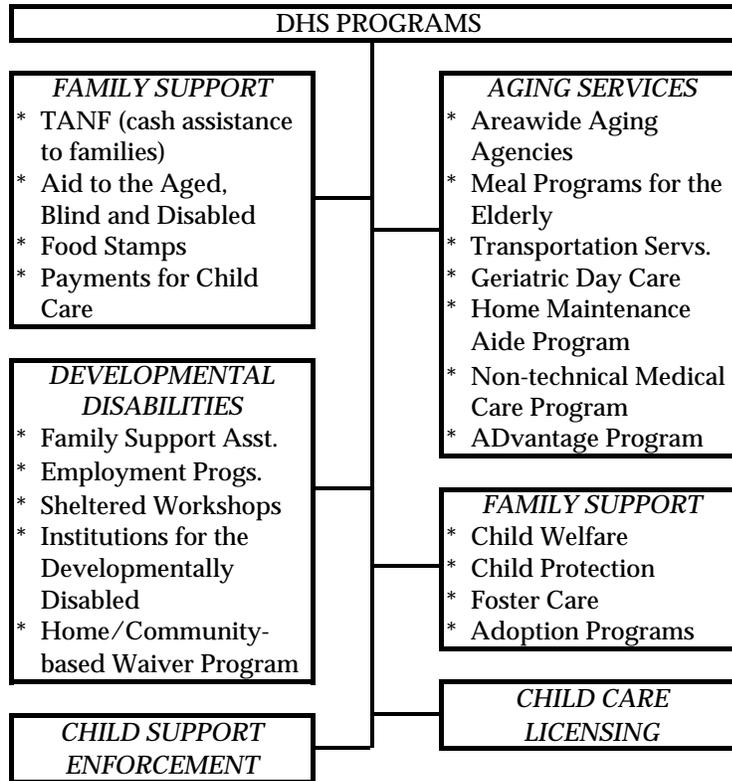
More than half of the agency's \$1 billion total budget in FY'00 was provided by federal block grants and entitlement programs. State appropriations for the agency have decreased over the years as a result of increased federal funds and decentralization.

**Appropriations and Total Budget Comparison
FY'91 through FY'01 (in Millions)**



ORGANIZATION

The agency consists of six main divisions that oversee the following major programs:



Family Support Programs

The Family Support Division is responsible for a number of programs providing low-income and disabled Oklahomans with cash payments, food stamps and child care assistance.

Temporary Assistance for Needy Families (TANF) Block Grant: In August 1996 Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act, which drastically altered both the funding and focus of the nation's welfare system. The act replaced Aid to Families with Dependent Children (AFDC) with TANF and made major revisions in child support laws. TANF introduced two critical changes to welfare:

- First, it eliminated the entitlement status of welfare – no longer are citizens guaranteed public assistance. Eligibility and benefits are determined more by state policies and budget constraints and less by federal mandates.

- Second, stringent time limits and work requirements have been enacted for all recipients of cash assistance. Recipients may collect cash assistance for a lifetime maximum of five years and must work at least part-time to collect benefits.

If there are more eligible clients than funds, the state may deny programs and services to eligible clients. All families who are eligible to receive TANF are also eligible for Medicaid (see chapter on Medicaid).

TANF Eligibility and Benefit Levels

Under TANF, DHS defines eligibility criteria and benefit levels. The agency also may implement caps on eligible members of the family and require recipients to work. According to 1998 eligibility requirements, a person qualifying for cash assistance payments must:

- have at least one dependent child living with them;
- not own a car worth over \$5,000;
- not have over \$1,000 in other assets available;
- cooperate with child support enforcement efforts to establish paternity and increase parental support; and
- be willing to comply with all of the work requirements mandated by state and federal law.

The average family in the TANF program involves a parent and two children. The maximum monthly payment for a family of three is \$292 per month. The maximum a family of three can earn to still receive any cash assistance payment is \$700 per month in gross income.

Monthly TANF Payments vs. Federal Poverty Level

<u>Family Members</u>	<u>2000 TANF Payment</u>	<u>Fed. Poverty Level</u>	<u>TANF as % of Poverty</u>
1	\$180	\$696	26%
2	\$225	\$938	24%
3	\$292	\$1,179	25%
4	\$361	\$1,421	25%
5	\$422	\$1,663	25%
6	\$483	\$1,904	25%
7	\$544	\$2,146	25%
8	\$598	\$2,388	25%
9+	\$650	\$2,630	25%

TANF has four purposes set out in federal law:

- Purpose 1: to provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
- Purpose 2: to end the dependence of needy parents on government benefits by promoting job preparation, work and marriage;
- Purpose 3: to prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- Purpose 4: to encourage the formation and maintenance of two-parent families.

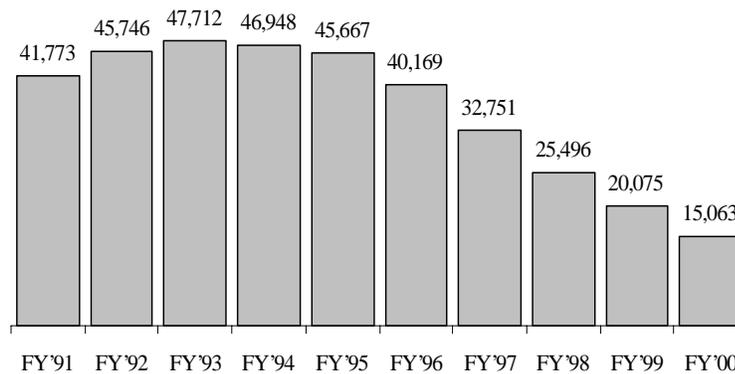
Under federal laws that ordered the conversion from AFDC to TANF, Oklahoma must expend at least \$61.8 million in state funds each year to access federal funds that total \$148 million (this amount is referred to as “maintenance of effort” or MOE). Programs and services included under TANF include cash assistance and vocational training. Additionally, TANF gives states the flexibility to use the grant for many other programs as long as they meet one of the four purposes of TANF.

Types of Programs & Services Eligible for TANF Funds

* Individual Development Accounts	* Teenage Pregnancy Prevention
* Educational Accounts	* Services to Teen Parents
* Adult Basic Education/ GED/Literacy	* Tax Credit for Low-Income Families
* Services to Low-Income Fathers	* Substance Abuse Treatment
* Child Abuse Prevention	* Domestic Violence Training/Prevention
* Employer Stipends	* Post Employment Services
* Caseworker Incentives	* Early Childhood Education
* Child Care	* Homeless Shelters
* Job Training	* Safety Net Services
* Utility Assistance	* Food Banks
* Tuition Assistance	
* Transportation/Cars	

As a result of welfare reform initiatives and the state’s prosperous economy, the caseload for the TANF program has decreased dramatically -- by more than 68% between FY’93 and FY’00.

Families Served by AFDC/TANF
FY'91 through FY'00



Aging Services Programs

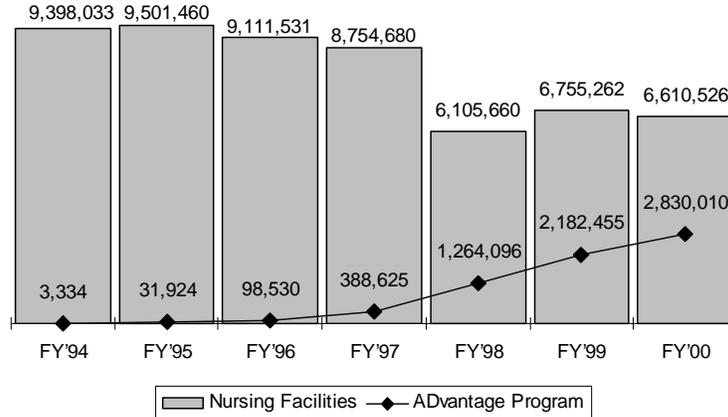
The DHS Aging Services Division administers community programs that support the independence and quality of life of senior citizens. Many of the services are delivered through 11 Area Agencies on Aging (AAAs), which were created as a result of the federal Older Americans Act of 1965. Major services provided include:

- **Congregate and Home-Delivered Meals:** AAAs provide meals and nutrition education to senior citizens across the state. More than four million meals are served annually, with 1.8 million delivered to homes. This program is funded by state appropriations and federal funds from the Older Americans Act.
- **Transportation:** Transportation services to medical appointments, shopping and other social services are provided across the state through AAAs.
- **Geriatric Day Care:** In FY'00, 21 sites across the state provided subsidized day care for 676 elderly persons. People who receive Supplemental Security Income (SSI); Aid to the Aged, Blind or Disabled (ABD); or meet state income guidelines may qualify for a subsidy for day care costs.
- **Home Maintenance Aide Program:** Eligible clients may receive in-home services such as light housekeeping, meal planning, shopping, cooking and home maintenance. Services are provided through contracts with private service providers and are 100% state funded.

- **Non-Technical Medical Care:** This Medicaid program provides in-home visits from caseworkers and registered nurses to assess clients' needs, develop a plan of care, monitor recipient progress and supervise contracted personnel who provide the care. Eligibility for the NTMC program is based on a person's income.
- **The ADvantage Program – The Home Health Care Alternative to Institutional Nursing Home Care:** The ADvantage program provides an alternative to nursing home care by providing in-home health care and case management services to seniors who qualify medically for nursing home care under Medicaid and who meet income guidelines. This comprehensive medical and social program is a federally- and state-funded Medicaid program under the home and community-based waiver. Home visits from nurses, housekeepers and therapists allow people to sustain their independence, preventing the need for more expensive nursing home care. Caseworkers work with clients' families to coordinate a wide range of services.

Serving over 11,300 people in FY'00, the program continued to grow at a rate of 200 new clients each month in FY'00. The average annual per-client cost of the ADvantage program is \$11,700 – less than half the \$23,000 cost for nursing home care. The program is funded with 30% state funds and 70% federal funds.

Comparison of Medicaid Days for
Nursing Facilities vs. ADvantage Program
FY'94 through FY'00



Developmental Disabilities Programs

The mission of the Developmental Disabilities Services Division is to help people with developmental disabilities lead more independent and productive lives in the least restrictive environment.

The division administers community-based programs and runs institutions for eligible citizens.

- **Family Support Assistance:** This program provides monthly cash payments to eligible families who care for children with developmental disabilities. Payment amounts depend on the number of eligible children living in the home. In FY'00, 923 families were paid an average of \$250/month under this program.
- **Work Programs:** The division manages several programs to help persons with developmental disabilities live more independently by getting and holding jobs. These programs include Supported Employment, Sheltered Workshops, and Community Integrated Employment for Persons with Developmental Disabilities. Under these programs, job coaches and on-the-job support services are provided.
- **Institutional Residential Services:** DHS operates three residential facilities, the Southern Oklahoma Resource Center in Pauls Valley (with an average census 199), the Northern Oklahoma Resource Center in Enid (average census 145) and the Greer Center in Enid (51). The Greer Center specializes in people who have been dually diagnosed with developmental disability and mental illness. During FY'00, management of the Greer Center was turned over to a private contractor.
- **Home- and Community-Based Waiver Program:** Funded under Medicaid, this program provides the following services to children, aged six and older, and adults with developmental disabilities:
 - ✓ physical/occupational therapy;
 - ✓ medical services;
 - ✓ counseling;
 - ✓ nursing assistance; and
 - ✓ vocational services.

The program served more than 3,123 clients in FY'00. Demand for the program exceeds funding available. In FY'01 there were 2,500

children and adults on the waiting list for services. More than 650 people have been on the waiting list for three years or more.

Division of Children and Family Services (Child Welfare)

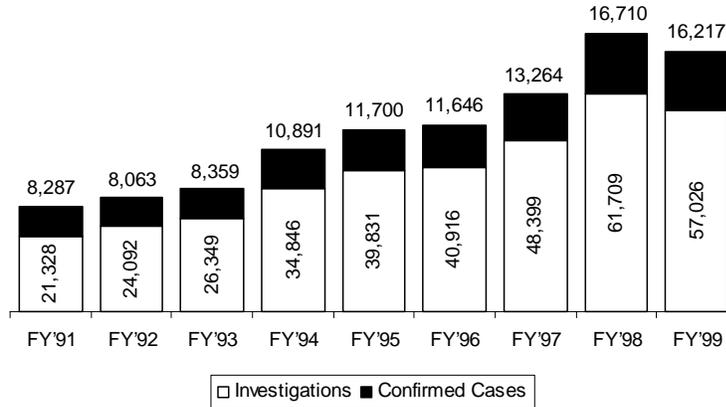
The DHS Division of Children and Family Services is responsible for performing four major functions:

- investigating child abuse cases;
- providing safe foster care home placements for children removed from their homes;
- administering programs that strengthen and preserve families; and
- developing permanent placement plans for children, which includes adoption and family reunification.

The division operates two shelter programs: the Oklahoma County Juvenile Center in Oklahoma City and the Dester Center in Tulsa. It also administers the federal Family Support and Preservation Block Grant, which funds community-based parenting classes, counseling services and other programs designed to keep families together.

Child Abuse Investigations: The number of investigations of child abuse has more than doubled since FY'91. Some of this increase can be attributed to increased public awareness and public funding of this issue.

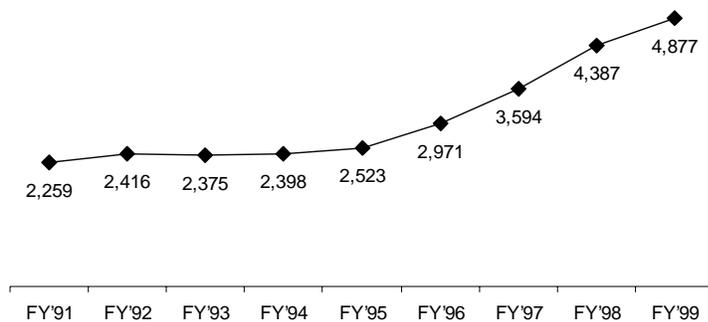
Child Abuse Cases
FY'91 through FY'99



The number of confirmed reports of child abuse has increased by 96% since FY'91. About one-third of investigations result in confirmed cases of child abuse. The percentage of confirmed cases attributable to sexual abuse continues to increase. Since 1991, 309 children have died from child abuse and neglect. In FY'99, a record 47 deaths of children in Oklahoma was attributed to abuse and neglect. About 10% of these fatalities resulted from head trauma.

Foster Care: The division spent \$22.4 million in state and federal funds on Foster Care in FY'99. The number of Oklahoma children living in foster care homes has increased by 116% between FY'91 and FY'99, an increase that has been directly linked to more confirmed cases of child abuse.

Average Daily Number of Children in Foster Care
FY'91 through FY'99



The number of foster care homes has grown 10% since FY'91, which has not kept pace with demand. In FY'99, there were 1,720 foster care homes available (the number of homes does not include kinship foster homes as they are not available to care for other foster children). With more children in need of foster care than homes available, children are spending more time in shelters, emergency foster care or group homes.

Adoption Subsidies: The Adoption Subsidy Program provides payments to families who adopt children with developmental disabilities. Federal and state law provides three types of reimbursements or subsidies:

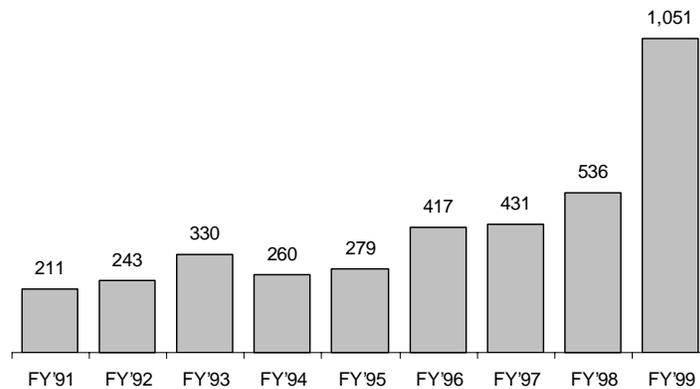
- A general subsidy is designed for children who have an identified medical need.

- A non-recurring subsidy is funded by 50% state and 50% federal funds and provides reimbursement to the adoptive family for costs associated with adoption. The program provides a one-time payment not to exceed \$2,000.
- A post-legal adoption subsidy is a state-funded program to assist families who have adopted a child who has a causative, pre-existing condition which was not identified or known prior to the adoption and requires treatment.

The Adoption Subsidy Assistance program provided monthly benefits and/or services to 3,117 children during FY'99.

Due to concerted efforts on the part of DHS, the number of children placed in adoptive homes has nearly quadrupled between FY'91 and FY'99. However, about 1,400 children are still awaiting adoption.

Children Placed in Adopting Homes
FY'91 through FY'99



Of the 1,051 children placed in adoptive homes in FY'99, 43% were aged 5 or under, 46% were aged 6 to 12, and 11% were aged 13 to 18. Ninety percent had one or more special needs (defined as either physical, mental or emotional disability; or age, racial or ethnic factor).

Division of Child Care

The division of child care is responsible for assuring that Oklahoma's children and their parents have access to licensed, affordable, quality child care. This is accomplished through administration of the federal ChildCare Development Fund and the statewide licensing program that

monitors child care programs for compliance with minimum requirements.

In FY'97, DHS began using a tiered system for rating child care centers and homes.

- A ★ rating means the facility meets minimum licensure standards.
- A ★+ rating, added in FY'01, is available to facilities for a 24-month period. The expectation is that at the end of the 24-months the facility will meet ★★ requirements or revert back to the ★ rate.
- A ★★ rating is given if the facility meets additional quality criteria, OR is nationally accredited.
- A ★★★ rating is awarded when a program meets additional criteria, AND is nationally accredited.

In addition to creating the ★+ category to encourage improvements, DHS in FY'01 instituted a reimbursement rate increase for all day care facilities with the highest increases provided to the highest quality centers.

The state child care reimbursement rate depends on a number of factors: the facility's star rating, the age of the child, whether the child attends full- or part-time, whether the facility is a home or a center, and whether the facility is located in an area of high, medium or low rates.

Division of Child Support Enforcement

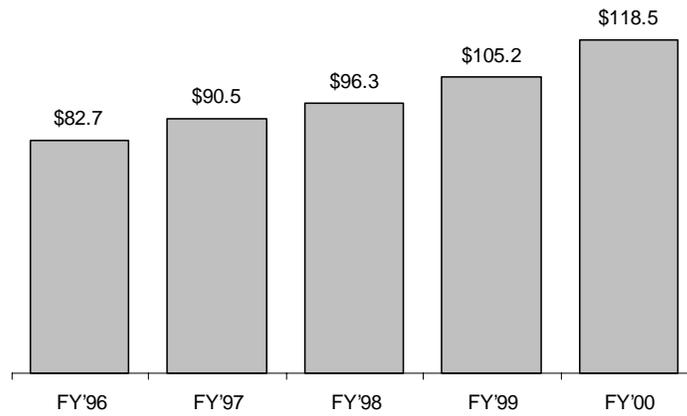
The mission of the Child Support Enforcement Division is to be an economic advocate for the children of Oklahoma, helping to ensure that both parents financially and emotionally support their children. To this end, the division provides the following services:

- locating non-custodial parents;
- establishing paternity;
- establishing and enforcing support orders;
- collecting and distributing support payments; and
- modifying child support orders when necessary.

The division contracts with District Attorneys, in some counties, for collection assistance.

The division increased the amount of support collected by 43% between FY'96 and FY'00.

Child Support Collections FY'96 through FY'00 (in millions)



The number of paternities established by the division has increased three-fold between FY'96 and FY'00. During FY'00, paternities were established for over 95% of children needing this service.

Paternities Established in Child Support Cases FY'96 through FY'00

