

Funding for Child Welfare and Juvenile Justice Services

- The Public Welfare Code mandates that the county children and youth services agencies within the Commonwealth “assure within the Commonwealth of Pennsylvania the availability and equitable provision of adequate public child welfare services...”.The children and youth of the Commonwealth have a clear entitlement to these services, as described in regulation and law.
- Act 1991-30 clearly states that the Commonwealth must fund these services to the level certified by the Department of Public Welfare.
- The needs-based budgeting process, as it is currently being funded and implemented, is meeting neither the letter nor intent of Act 1991-30. The level of funding and the methods by which it is allocated for use simply do not address the escalating costs of providing services and do not allow for any flexibility in the use of those funds.
- Pennsylvania's children and youth services system is at a crossroads. What has historically been a robust, quality-oriented, performance driven system cannot continue to provide the quality of services expected without stable funding, based upon need and a contracting process that meets actual costs.
- Private service providers in Pennsylvania have been repeatedly burdened by unfunded mandates through the imposition of policies, procedures and other requirements not evaluated against their potential financial impact.
- Private service providers are business entities. In order to remain financially viable, they must be given the opportunity to reasonably recover the actual costs of doing business. The current process through which rates for services are negotiated makes this impossible. The difference in actual costs and rates is currently being absorbed by private service providers. Many providers are finding it necessary to reduce costs by eliminating programs and staff positions.
- The Governor's Children and Youth line items in the proposed budget for 2004-2005 fall almost \$65 million short of the \$721 million allocation in state dollars originally requested in the Department of Public Welfare's transmittal to the Legislature's Appropriations Committees. It does not include any designated funds to address much needed cost of living adjustments for purchased services.
- A specifically designated allocation must be identified within the Commonwealth budget structure to address the increased costs of providing the services delivered by private agencies.