

# House Appropriations Committee

Health and Human Resources  
Subcommittee

## Proposed Budget Amendments

Martin D. Brown, Commissioner  
Department of Social Services  
January 31, 2011



# Presentation Roadmap

- Agency Highlights
  - Striving to be one of the “Best in Class”
- Public Assistance Caseload Explosion
- Impact of 5% Local Staff and Operations Budget Reduction
- Proposed Budget Amendments
- Temporary Assistance for Needy Families (TANF) Structural Funding Imbalance
- Summary



# Agency Highlights

- State Supervised, Locally Administered System
  - Social Services Programs
    - Child Welfare
      - Adoptions
      - Foster Care
      - Child Protection
    - Adult Services/Adult Protective Services
  - Public Assistance Programs
    - Supplemental Nutritional Assistance Program (SNAP)
    - Medicaid
    - Temporary Assistance for Needy Families (TANF)
    - Unemployed Parents (UP)
    - Energy Assistance
    - Child Care



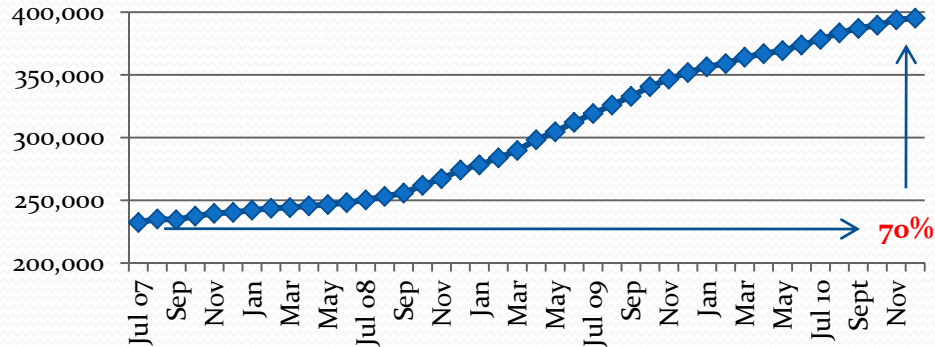


# Agency Highlights

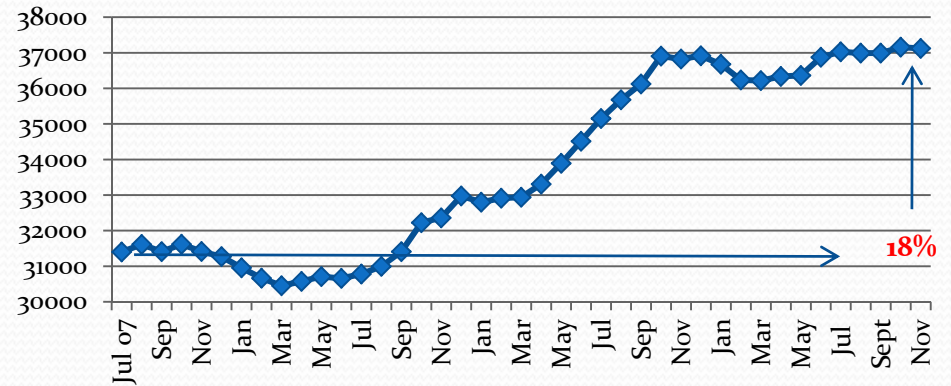
- State Administered Programs
  - Child Support Enforcement
    - Caseload & Collections
  - Licensure
- Departmental Efficiencies
  - Electronic Benefit and Child Support Payments
  - Incoming Child Support Payments Received Electronically

# Public Assistance Caseload Explosion

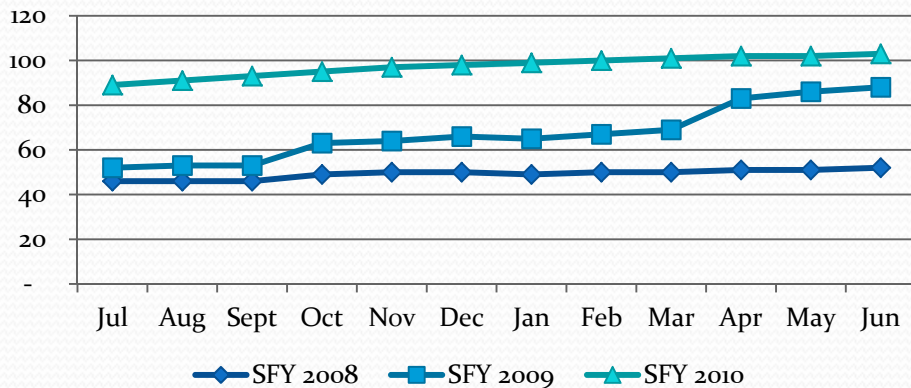
## SNAP Caseload



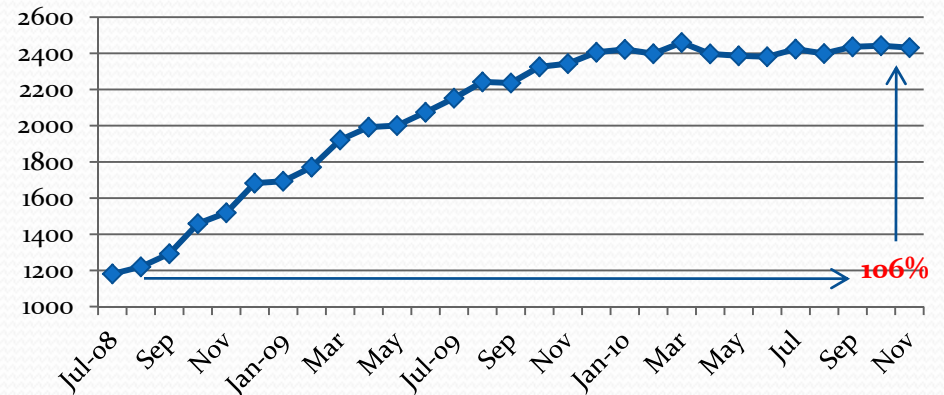
## TANF Caseload



## SNAP Benefits Issued (Amounts in Millions)



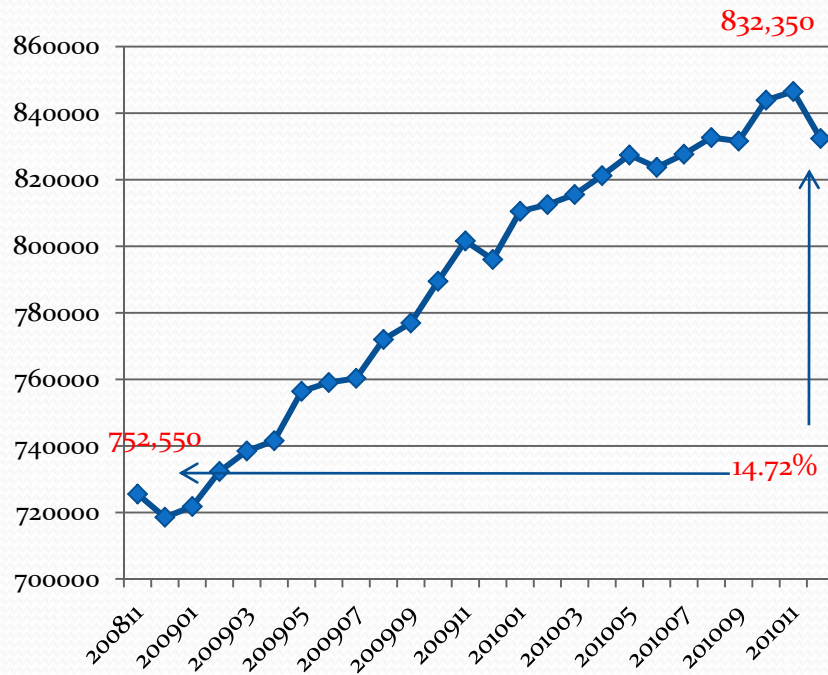
## Unemployed Parent Caseload





# Public Assistance Caseload Explosion

## Medicaid Caseload



- Health Care Reform Expected to Increase Caseload by 275K to 425K
- Participating in SHHR Automation Initiative
- Leveraging Child Care Contract to Develop a Customer Portal

# Impact of 5% Reduction to Local Staff and Operations Funds

- Caseload Increases Make Reduction Significant
- Additional Reliance on Local Funding
- Anticipate Longer Customer Wait Times
- Expect Higher Error Rates in Eligibility Determination
- Almost 90% of These Funds Support Local Staff
- DSS Has Worked to Minimize Reductions to Local Staff and Operations Funding
- Trying to Mitigate the Impact by Better Leveraging Technology



# Proposed Budget Amendments

(Additional Funding Provided)

• Child Support Enforcement	FY11	FY12
• General Funds	\$2.75M	\$10.7M
• Non-General Funds	(\$2.75M)	(\$4.13M)
• Unemployed Parent Program		
• General Funds	(\$1.8M)	\$2.6M
• Restore Auxiliary Grant Funds		
• General Funds	\$0	\$2.4M
• Information Technology Costs		
• Non-General Funds	\$584K	\$0
• Federation of Virginia Food Banks		
• General Funds	\$0	\$500K



# Proposed Budget Amendments

(Adjusting Funding to DPB Forecasts)

• Foster Care and Adoptions	FY11	FY12
• General Funds	\$1.32M	(\$761K)
• Non-General Funds	(\$2.26M)	(\$2.99M)
• TANF Cash Benefits		
• General Funds	\$0	\$0
• Non-General Funds	(\$1.33M)	\$1.98M

# Proposed Budget Amendments

(Appropriate Federal Funds)

	FY11	FY12
• Appropriate Federal Funds to Match Increased Local Funding		
• Non-General Funds	\$5M	\$7.5M
• Appropriate Federal Energy Assistance Funds		
• Non-General Funds	\$49.5M	\$49.5M

# Proposed Budget Amendments

(Supplant General Funds)

● Domestic Violence	FY11	FY12
● General Funds	\$0	(\$1.25M)
● Non-General Funds	\$0	\$1.25M
● Healthy Families		
● General Funds	\$0	(\$2.36M)
● Non-General Funds	\$0	\$2.36M
● At Risk Child Care		
● General Funds	\$0	(\$7.97M)
● Non-General Funds	\$0	\$7.97M
● One Time TANF Balances		
● General Funds	(\$3.02M)	\$3.02M
● Non-General Funds	\$0	\$0



# Proposed Budget Amendments

(Decrease Funding)

	FY11	FY12
• Central Office Admin		
• General Funds	\$0	(\$1M)
• Non-General Funds	\$0	\$859K
• Provide Training In-House		
• General Funds	\$0	(\$463K)
• Non-General Funds	\$0	(\$463K)
• Auxiliary Grants Funding		
• General Funds	(\$500K)	(\$500K)



# TANF Structural Funding Imbalance

- Annual TANF Grant is \$158M
  - ~ \$30M Additional TANF Available to the State Over the Past Two Federal Fiscal Years
  - Prior Year TANF Balances That Accrued Over a Number of Years When TANF Spending Was Less Than the Annual TANF Grant
- FY12 TANF Commitments Projected to be \$172M
  - Difficult Decisions will be Necessary in the Next Biennium Budget Cycle
- Will Need to Resolve the Imbalance Next Year





# Summary

- The Department is Working to Become “Best in Class”
- Public Assistance Caseloads Have Grown at Unprecedented Levels Over the Past Three Years
- The Proposed Amendments are Needed to Support Critical Needs of the Department
- TANF Will Require Close Consideration and Difficult Decisions Next Biennium
- Thank You Again for Your Time and Interest