

**Department of Human Services
Board Meeting
August 18, 2010**

Department of Human Services

August Board Meeting

Attached for your review and approval are our FY11 Amended & FY12 budget proposals, presented as follows:

<u>Topic / Content</u>		<u>Slides</u>
DHS Budget Reductions:	Calculation of required Reduction Amounts	6
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OPB Guidance for FY 2011A & FY 2012

Due to a continued decline in projected State revenues, the Governor's Office of Planning & Budget (OPB) has issued the following directives for all State Agencies:

- Submit budget reduction plans of 4%, 6%, and 8% for FY 2011 Amended.
- Beginning August 2010, DHS Allotments have been reduced by 4%. DHS was instructed to adjust operations accordingly, as though budgets will be reduced by the entire 4%.
- Submit budget reduction plans of 6%, 8% and 10% for FY 2012.



Our Response

- We have reduced our allotment by 4%.
- We have continued to suspend all non-critical State employee hiring. Further, we have implemented a temporary hiring freeze. Even “critical hires” are being evaluated for a temporary delay in the hiring process.
- We have continued moratoriums on travel, vehicle and equipment purchases, restricted office supply purchases, vacated floor space, shifted to on-line and in-house training, among other cost-saving efforts.
- Additional actions will be described in the 4% budget reduction section.

How have we addressed the proposed 4%, 6%, 8% & 10% (FY12) reductions?

- The people who need our services and the children in our care remain our top priority.
- Previously, we approached budget reduction plans with a strategy of protecting front line employees and limiting cuts that placed meeting MOE at risk.
- After consecutive years of reducing the budget, and prioritizing must-do work over should-do and nice-to-do work, we have now reached a point where our cut proposals necessitate reaching into areas that:
 - Place MOE (Maintenance of Effort) at risk
 - Affect service delivery and,
 - May impact front line employee staffing levels

Department of Human Services

Calculation of Reductions per OPB

State Funds Only (w/o Attached Agencies)

	FY 11 Amended Reductions	FY 12 Reductions
FY11 Appropriations (Base) <i>Including Tobacco</i>	\$473,874,616	\$473,874,616
<i>Less: Items not requiring reduction:</i>		
Tobacco Funds	\$(6,191,806)	\$(6,191,806)
GAIT Funds	<u>\$(22,951,303)</u>	<u>\$(22,951,303)</u>
Budget from which Reductions are Taken	\$444,731,507	\$444,731,507
FY11A, FY12		
4% Reduction	\$17,789,260	\$17,789,260
6% Reduction	\$26,683,890	\$26,683,890
8% Reduction	\$35,578,521	\$35,578,521
10% Reduction	N / A	\$44,473,151

Department of Human Services Budget Reduction Plan FY2011

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
1	Admin: Office of Information Technology (OIT) – Personnel Costs	\$1,365,010	\$1,365,010	0.3%	Savings derived from more favorable federal share of costs. Estimate based upon first year of history following agency reorganization.
2	Admin: Office of Information Technology (OIT) – Regular Operating Expenses	\$91,310	\$1,456,320	0.3%	Reflects projected spending based upon FY10 reduced spending levels.
3	Admin: Office of Information Technology (OIT) – Computer Charges/Telecommunications	\$226,552	\$1,682,872	0.4%	Anticipated net savings on Oracle renewal.
4	Residential Child Care (RCC)	\$343,200	\$2,026,072	0.5%	Shift funding structure to 100% TANF. This removes all State dollars from the RCC budget, placing more dependency on TANF.

Department of Human Services Budget Reduction Plan FY2011

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
5	Division of Aging Services: Elder Community Living Services [Center for Visually Impaired contract]	\$177,859	\$2,203,931	0.5%	Only provider for services specific to visually impaired elders statewide. Cancels entire contract.
6	* Division of Aging Services: Elder Community Living Services [Alzheimer's Services contracts]	\$225,000	\$2,428,931	0.5%	100% State funded. Loss of est. 20,500 hours of day care and mobile day care annually.
7	* Division of Aging Services: Elder Community Living Services [Respite Services contract]	\$1,376,718	\$3,805,649	0.9%	Loss of est. 135,000 units statewide of respite services including day care, homemaker services, and personal care services. Adjust service levels through attrition as much as possible.
	* Note: Alzheimer's and Respite reductions above represent a 5.13% reduction to AAA contracts.				

Department of Human Services Budget Reduction Plan FY2011

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
8	Division of Families & Children (DFCS): Out of Home Care	\$5,906,000	\$9,711,649	2.2%	Reflects drop in OHC spending compared to FY11 budget (14% overall, 9% State). Impact– Potential loss of TANF MOE.
9	DFCS: Support for Needy Families (SNF) – Work	\$3,577,658	\$13,289,307	3.0%	Cut all State funds for SNF - Work Assistance. Reduced state spending on employment support activities. Impact: TANF MOE impact – Potential loss of TANF MOE.
10	DFCS: Contract Cuts (Various Programs)	\$1,388,324	\$14,677,631	3.3%	Cut RBWO rates (excluding foster parent payments), pre/post adoption services, and select Child Welfare Services and Federal Eligibility Benefit Services contracts by 4%, effective 10/1/2010. Impact: May see closure of some RBWO providers who may no longer be financially viable. Potential loss of TANF MOE.
11	DFCS: Family Violence	\$3,111,629	\$17,789,260	4.0%	Shift a portion of state dollars for Family Violence to TANF. Make offsetting cut of \$3.1M to TANF transferred to DCH (Reproductive Health Care (RHC)). Impact: Potential loss of TANF MOE.

Department of Human Services Budget Reduction Plan FY2011

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
12	DFCS: Family Violence	\$1,371,542	\$19,160,802	4.3%	Shift all remaining state dollars for Family Violence to TANF. Make an additional offsetting cut of \$1.3M (total of \$4.4M) to TANF transfers to DCH (Reproductive Health Care (RHC)). Impact: Potential loss of TANF MOE.
13	Admin: Aging Admin	\$99,032	\$19,259,834	4.3%	13,205 fewer trips (Transportation Services)
14	Admin: OIT (Contracts)	\$839,011	\$20,098,845	4.5%	Severely impacts the ability for DHS to implement Enterprise Technology Solutions, e.g., DHS will not have the ability to expand the Data Warehouse and the Document Imaging solutions to all of the Enterprise. DHS will also not be able to fund the next Phases of the Sourcing Assessment Initiative.

Department of Human Services

Budget Reduction Plan FY2011

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
15	DAS: Elder Community Living Services (CCSP)	\$2,000,000	\$22,098,845	5.0%	Loss of \$5.7M in Medicaid match. Potential impact on Georgia's compliance with Olmsted plan. Wait list to increase by approximately 700 people. (CCSP)
16	Child Support (DCSS)	\$1,000,000	\$23,098,845	5.2%	Leverage ARRA funding during the 1Q SFY 2011 to maximize incentive funding and save state funds.

Department of Human Services Budget Reduction Plan FY2011

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
17	DFCS: Out of Home Care	\$3,234,394	\$26,333,239	5.9%	This cut projects a further 5.5% utilization drop in Out of Home Care. Impact: TANF MOE - Potential loss of TANF MOE. Risk is that projected utilization drop does not materialize.
18	DFCS: Out of Home Care	\$350,651	\$26,683,890	6.0%	Adjust specialized rate for select providers to reflect current rate structure.

Department of Human Services

Budget Reduction Plan FY2011

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
19	DFCS: Contract Cuts (Various Programs)	\$1,217,586	\$27,901,476	6.3%	Cut RBWO rates (excluding foster parent payments), by an additional 4%, total of 8%. Impact: May see closure of some RBWO providers who may no longer be financially viable. Potential loss of TANF MOE.
20	TBD	\$7,677,045	\$35,578,521	8.0%	TBD

Department of Human Services Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
1	Admin: Office of Information Technology (OIT) – Personnel Costs	\$1,365,010	\$1,365,010	0.3%	Savings derived from more favorable federal share of costs. Estimate based upon first year of history following agency reorganization.
2	Admin: Office of Information Technology (OIT) – Regular Operating Expenses	\$91,310	\$1,456,320	0.3%	Reflects projected spending based upon FY10 reduced spending levels.
3	Admin: Office of Information Technology (OIT) – Computer Charges/Telecommunications	\$226,552	\$1,682,872	0.4%	Anticipated net savings on Oracle renewal.
4	Residential Child Care (RCC)	\$343,200	\$2,026,072	0.5%	Shift funding structure to 100% TANF. This removes all State dollars from the RCC budget, placing more dependency on TANF.

Department of Human Services Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
5	Division of Aging Services: Elder Community Living Services [Center for Visually Impaired contract]	\$177,859	\$2,203,931	0.5%	Only provider for services specific to visually impaired elders statewide. Cancels entire contract.
6	* Division of Aging Services: Elder Community Living Services [Alzheimer's Services contracts]	\$225,000	\$2,428,931	0.5%	100% State funded. Loss of est. 20,500 hours of day care and mobile day care annually.
7	* Division of Aging Services: Elder Community Living Services [Respite Services contract]	\$1,376,718	\$3,805,649	0.9%	Loss of est. 135,000 units statewide of respite services including day care, homemaker services, and personal care services. Adjust service levels through attrition as much as possible.
	* Note: Alzheimer's and Respite reductions above represent a 5.13% reduction to AAA contracts.				

Department of Human Services Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
8	Division of Families & Children (DFCS): Out of Home Care	\$5,906,000	\$9,711,649	2.2%	Reflects drop in OHC spending compared to FY11 budget (14% overall, 9% State). Impact:– Potential loss of TANF MOE.
9	DFCS: Support for Needy Families (SNF) – Work	\$3,577,658	\$13,289,307	3.0%	Cut all State funds for SNF - Work Assistance. Reduced state spending on employment support activities. Impact: TANF MOE impact – Potential loss of TANF MOE.
10	DFCS: Contract Cuts (Various Programs)	\$1,851,099	\$15,140,406	3.4%	Cut RBWO rates (excluding foster parent payments), pre/post adoption services, and select Child Welfare Services and Federal Eligibility Benefit Services contracts by 4%, effective 10/1/2010. Impact: May see closure of some RBWO providers who may no longer be financially viable. Potential loss of TANF MOE.
11	DFCS: Family Violence	\$2,648,854	\$17,789,260	4.0%	Shift a portion of state dollars for Family Violence to TANF. Make offsetting cut of \$2.6M to TANF transferred to DCH (Reproductive Health care (RHC)). Impact: Potential loss of TANF MOE.

Department of Human Services Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
12	DFCS: Family Violence	\$1,834,317	\$19,623,577	4.4%	Shift all state dollars for Family Violence to TANF. Make offsetting cut of \$1.8M (total of \$4.4M) to TANF transfers to DCH (Reproductive Health Care (RHC)). Impact: Potential loss of TANF MOE.
13	Admin: Aging Admin	\$99,032	\$19,722,609	4.4%	13,205 fewer trips (Transportation Services)
14	Admin: OIT (Contracts)	\$839,011	\$20,561,620	4.6%	Severely impacts the ability for DHS to implement Enterprise Technology Solutions, e.g., DHS will not have the ability to expand the Data Warehouse and the Document Imaging solutions to all of the Enterprise. DHS will also not be able to fund the next Phases of the Sourcing Assessment Initiative.

Department of Human Services

Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
15	DAS: Elder Community Living Services (CCSP)	\$2,000,000	\$22,561,620	5.1%	Loss of \$5.7M in Medicaid match. Potential impact on Georgia's compliance with Olmsted plan. Wait list to increase by approximately 700 people. (CCSP)
16	Child Support (DCSS)	\$1,000,000	\$23,561,620	5.3%	Leverage ARRA funding during the 1Q SFY 2011 to maximize incentive funding and save state funds.

Department of Human Services Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
17	DFCS: Out of Home Care	\$3,122,270	\$26,683,890	6.0%	This cut projects a further 5.5% utilization drop in Out of Home Care. Impact: TANF MOE – Potential loss of TANF MOE. Risk is that projected utilization drop does not materialize.
18	DFCS: Out of Home Care	\$112,124	\$26,796,014	6.0%	This cut continues to project a further 5.5% utilization drop in Out of Home Care. Impact: TANF MOE impact – Potential loss of TANF MOE. Risk is that projected utilization drop does not materialize.

Department of Human Services Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
19	DFCS: Out of Home Care	\$350,651	\$27,146,665	6.1%	Adjust specialized rate for select providers to reflect current rate structure.
20	DFCS: Contract Cuts (Various Programs)	\$1,623,448	\$28,770,113	6.5%	Cut RBWO rates (excluding foster parent payments), by an additional 4%, total of 8%. Impact: May see closure of some RBWO providers who may no longer be financially viable. Potential loss of TANF MOE.
21	TBD	\$6,808,408	\$35,578,521	8.0%	TBD

Department of Human Services Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
22	TBD	\$6,191,592	\$41,770,113	9.4%	TBD
23	DAS: Elder Abuse Investigations & Prevention	\$540,000	\$42,310,113	9.5%	Eliminate 10 Positions (APS Case Mgrs), Salary and Fringe. If these are eliminated, the caseload/worker ratio rises to 1 to 28. NAPSA recommends 1 to 24.
24	DAS: Elder Abuse Investigations & Prevention	\$482,320	\$42,792,433	9.6%	Eliminate 22 Positions (Family Service Workers), Salary and Fringe -- Duties not mandated by law. Reduced services to 1,775 clients. Eliminates entire class of worker.

Department of Human Services Budget Reduction Plan FY2012

Reduction Priority	Program / Subprogram / Activity	Reduction	Cumulative Reduction	Cumulative Percentage	Comments / Impact
25	Child Support (DCSS)	\$1,004,154	\$43,796,587	9.8%	Additional state fund reductions > \$1M will require a reduction in operations and may risk our ability to provide child support services/payments timely and may jeopardize our ability to meet minimum state fund participation for FFY12. Additional reductions equivalent of up to 60 positions.
26	DAS: Elder Community Living Services (CCSP)	\$676,564	\$44,473,151	10.0%	Loss of \$1.9M in Medicaid match. Adverse impact to Georgia's compliance with Olmsted plan. Wait list to increase by approximately 230 people.

Reduction Summary: FY 2011

State Funds Only (Including Tobacco)	FY11 Appropriated Budget	4% Reduction		6% Reduction		8% Reduction	
		Reduction Amount from FY11 Appropriation	FY11 Proposed	Reduction Amount from FY11 Appropriation	FY11 Proposed	Reduction Amount from FY11 Appropriation	FY11 Proposed
Adoptions	31,251,149	59,280	31,191,869	59,280	31,191,869	59,280	31,191,869
After School Care	0	0	0	0	0	0	0
Child Care Licensing	343,200	343,200	0	343,200	0	343,200	0
Child Care Services	54,262,031	0	54,262,031	0	54,262,031	0	54,262,031
Child Support Services	20,041,528	0	20,041,528	1,000,000	19,041,528	1,000,000	19,041,528
Child Welfare Services	89,414,370	98,079	89,316,291	98,079	89,316,291	98,079	89,316,291
Community Services	0	0	0	0	0	0	0
Departmental Administration	37,134,465	1,682,872	35,451,593	2,620,915	34,513,550	2,620,915	34,513,550
Elder Abuse Investigations & Prevention	11,749,971	0	11,749,971	0	11,749,971	0	11,749,971
Elder Community Living Services	60,851,458	1,779,577	59,071,881	3,779,577	57,071,881	3,779,577	57,071,881
Elder Support Services	1,783,484	0	1,783,484	0	1,783,484	0	1,783,484
Energy Assistance	0	0	0	0	0	0	0
Family Violence Services	4,483,171	3,111,629	1,371,542	4,483,171	0	4,483,171	0
Federal Eligibility Benefit Services	93,258,965	13,379	93,245,586	13,379	93,245,586	13,379	93,245,586
Out of Home Care	65,623,166	7,123,586	58,499,580	10,708,631	54,914,535	11,926,217	53,696,949
Refugee Assistance	0	0	0	0	0	0	0
Support for Needy Families - Basic Assistance	100,000	0	100,000	0	100,000	0	100,000
Support for Needy Families - Work Assistance	3,577,658	3,577,658	0	3,577,658	0	3,577,658	0
Federal Funds Transfers to Other Agencies	0	0	0	0	0	0	0
Special Project - Child Welfare Services	0	0	0	0	0	0	0
TBD	0	0	0	0	0	7,677,045	(7,677,045)
Total DHS without Attached Agencies	473,874,616	17,789,260	456,085,356	26,683,890	447,190,726	35,578,521	438,296,095

Reduction Summary: FY 2012

State Funds Only (Including Tobacco)	FY12 Appropriated Budget	6% Reduction		8% Reduction		10% Reduction	
		Reduction Amount from FY12 Appropriation	FY12 Proposed	Reduction Amount from FY12 Appropriation	FY12 Proposed	Reduction Amount from FY12 Appropriation	FY12 Proposed
Adoptions	31,251,149	79,040	31,172,109	79,040	31,172,109	79,040	31,172,109
After School Care	0	0	0	0	0	0	0
Child Care Licensing	343,200	343,200	0	343,200	0	343,200	0
Child Care Services	54,262,031	0	54,262,031	0	54,262,031	0	54,262,031
Child Support Services	20,041,528	1,000,000	19,041,528	1,000,000	19,041,528	2,004,154	18,037,374
Child Welfare Services	89,414,370	130,772	89,283,598	130,772	89,283,598	130,772	89,283,598
Community Services	0	0	0	0	0	0	0
Departmental Administration	37,134,465	2,620,915	34,513,550	2,620,915	34,513,550	2,620,915	34,513,550
Elder Abuse Investigations & Prevention	11,749,971	0	11,749,971	0	11,749,971	1,031,470	10,718,501
Elder Community Living Services	60,851,458	3,779,577	57,071,881	3,779,577	57,071,881	4,446,991	56,404,467
Elder Support Services	1,783,484	0	1,783,484	0	1,783,484	0	1,783,484
Energy Assistance	0	0	0	0	0	0	0
Family Violence Services	4,483,171	4,483,171	0	4,483,171	0	4,483,171	0
Federal Eligibility Benefit Services	93,258,965	17,839	93,241,126	17,839	93,241,126	17,839	93,241,126
Out of Home Care	65,623,166	10,651,718	54,971,448	12,737,941	52,885,225	12,737,941	52,885,225
Refugee Assistance	0	0	0	0	0	0	0
Support for Needy Families - Basic Assistance	100,000	0	100,000	0	100,000	0	100,000
Support for Needy Families - Work Assistance	3,577,658	3,577,658	0	3,577,658	0	3,577,658	0
Federal Funds Transfers to Other Agencies	0	0	0	0	0	0	0
Special Project - Child Welfare Services	0	0	0	0	0	0	0
TBD	0	0	0	6,808,408	(6,808,408)	13,000,000	(13,000,000)
Total DHS without Attached Agencies	473,874,616	26,683,890	447,190,726	35,578,521	438,296,095	44,473,151	429,401,465

Funding issues impacting FY 2011A & FY 2012 Budget

- State funding required for TANF maintenance of effort (MOE) is at minimum level
 - Relying on external sources
 - Fundamental budget structure threatened by over-reliance on TANF

- TANF program funding has been maximized wherever possible (no more reserves)
 - RCC: entire State budget eliminated in 4% cuts
 - SNF – Work Assistance: entire State budget eliminated in 4% cuts
 - Child Welfare Services: budget disproportionately supported by TANF (42%)

- Aging MOE is near minimum level: \$20,377,777

- Child Support at minimum state participation level: \$19,974,669
 - Additional cuts of state funds create future deficits and put long-term funding of DCSS at risk.

TANF MOE Estimates

DHS Programs

■ After School	\$28,000,000
■ Child Support	3,216,117
■ Child Welfare	48,259,890
■ Child Care	22,182,651
■ Family Violence	4,483,171
■ Out of Home Care	24,239,774
■ SNF – Work	<u>3,577,658</u>
■ Total DHS Programs	\$133,959,231

External Sources – Current Estimate

■ OFC School Readiness Pre-K DECAL	\$5,716,231
■ OFC School Readiness Pre-K Trans.	753,622
■ DTAE-Technical Education	1,024,125
■ DTAE-Hope Scholars	149,640
■ Atlanta Food Bank	24,100,000
■ MOE from CCI Donations	<u>7,000,000</u>
■ Total External Sources	\$38,744,425

Total Estimated MOE	\$172,703,656
Required TANF MOE	<u>173,368,527</u>
Difference to be identified	\$ (664,871)

TANF MOE Estimates

TANF Maintenance of Effort (MOE)						
Analysis of Impact Required Budget Submission Reductions on MOE						
Impact of Budget Reductions on MOE						
MOE From DHS Program Budgets	Projected FY2011	FY11 4%	FY11 and FY12 6%	FY11 and FY12 8%	FY12 10%	Total
After School	28,000,000					
Child Support	3,216,117					
Child Welfare	48,259,890					
Child Care	22,182,651					
Family Violence	4,483,171	(3,111,629)	(1,371,542)			(4,483,171)
Out of Home Care	24,239,744	(3,702,300)	(1,505,934)	(1,025,660)		(6,233,894)
SNF-Work	3,577,658	(3,577,658)				(3,577,658)
Total MOE from DHS Program Budgets	133,959,231	(10,391,587)	(2,877,476)	(1,025,660)	0	(14,294,723)
Total from External Sources	38,744,425					
Total current estimated TANF MOE	172,703,656					
Required TANF MOE	173,368,527					
Cumulative MOE Deficit	(664,871)	(11,056,458)	(13,933,934)	(14,959,594)	(14,959,594)	(14,959,594)
* Current estimate of external sources of MOE						
MOE Deficit would reduce the TANF annual grant on a dollar for dollar basis and would increase the MOE requirement in subsequent federal years.						
Potential Impact of MOE Deficit on TANF Grant		4%	6%	8%	10%	
TANF Annual Grant		368,024,967	368,024,967	368,024,967	368,024,967	
Reduction Due to MOE Deficit		(11,056,458)	(13,933,934)	(14,959,594)	(14,959,594)	
Revised TANF Annual Grant		356,968,509	354,091,033	353,065,373	353,065,373	
Beginning MOE		172,703,656	172,703,656	172,703,656	172,703,656	
Increase Due to MOE Deficit		11,056,458	13,933,934	14,959,594	14,959,594	
Revised MOE		183,760,114	186,637,590	187,663,250	187,663,250	

Division of Aging Services

Georgia Division of Aging Services						
Maintenance of Effort -- Projected impact of budget submission reductions						
		Impact of Budget Reductions on MOE				
	Projected MOE for FY 2011 Budget	4%	6%	8%	10%	Total
MOE From DHS Program Budgets						
Elder Abuse Investigations & Prevention	1,330,489					
Elder Community Living Services	16,083,127	(1,779,577)				(1,779,577)
Elder Support Services	727,400					
MOE From DHS Program Budgets	18,141,016					
Local Match and Contributions	4,622,000					
TOTAL AGING Programs	22,763,016					
Cumulative Impact of Reductions on MOE		(1,779,577)	(1,779,577)	(1,779,577)	(1,779,577)	(1,779,577)
Projected MOE after reduction		20,983,439	20,983,439	20,983,439	20,983,439	20,983,439
MOE Required	20,377,777	20,377,777	20,377,777	20,377,777	20,377,777	20,377,777
DIFFERENCE	2,385,239	605,662	605,662	605,662	605,662	605,662

Child Support Required Participation

Child Support Services - Impact of reduction on Required State Funds Participation

		Impact of Budget Reductions on MOE			
		FY11 4%	FY11 and FY12 6%	FY11 and FY12 8%	FY12 10%
State Funds Prior to ARRA (FY09)	\$24,963,922				
State Funds Reduction	<u>(4,922,394)</u>	0	(1,000,000)		(1,004,154)
Cumulative Impact of proposed Reductions		0	(1,000,000)	(1,000,000)	(2,004,154)
Current State Funding (FY11)	\$20,041,528				
Cumulative Impact on State Funds		20,041,528	19,041,528	19,041,528	18,037,374
Minimum State Participation	<u>\$19,974,669</u>	19,974,669	19,974,669	19,974,669	19,974,669
Excess or (Deficit) in State Required Participation	\$66,859	66,859	(933,141)	(933,141)	(1,937,295)

- Recommending no cuts for DCSS at 4% because of future fiscal risks for subsequent years.
- FY2011 - at 6% and 8% recommending one time funding shift between Federal and State fiscal years to support \$1M cut through the end of FY2012.
- At 10% - Recommending \$2M which will result in \$13M deficit in FY 2013 and the need for \$4.5M State funds to stabilize the budget and pull down \$8.5M in Federal funds.

Budget Footnote: FMAP Restoration Request

During the ARRA Period, the reimbursement rate for Medicaid, expressed as FMAP, or Federal Medical Assistance Percentages, increased up to 65.27%. The effect was to increase Federal funds for several DHS programs (Adoptions, Out of Home Care, Elder Community Living). Consequently, an equal amount of State revenues were reduced from each respective budget.

The Governor's FY11 & FY12 budgets were built assuming the enhanced FMAP rate would be extended through both FY11 and FY12. On August 11, 2010, Congress voted to extend enhanced FMAP through June 30, 2011. However, the enhancement is stepped down each quarter back to the original FMAP rate. Therefore, our budgets will be short by amount equivalent to approximately 31% of the annual FMAP amount in FY11 budget, and 100% of the budgeted FMAP amount for FY12.

Our budget request for FY11A and FY12 will include a request to restore this lost revenue in the amount of:

	<u>FY11</u>	<u>FY12</u>
DFCS	\$2,081,596	\$7,177,918
DAS	<u>\$3,680,116</u>	<u>\$11,411,110</u>
Total DHS	\$5,761,712	\$18,589,028

Aging

Snap Shot of Core Services

- Community Care Services Program (CCSP) – 11,335 Clients Served
- Home and Community Based Services – 36,116 Clients Served
- Georgia Cares – 21,494 individual clients served
- Senior Medicare Patrol (SMP) – 32,314 clients received Medicare beneficiary counseling
- Adult Protective Services (APS)
 - Total Unduplicated Caseload for APS: 11,235
 - 733 New Investigations/month (24% increase over FY09)
 - Representative Payee Services for average of 512 clients/month



Residential Child Care

- 3,828 reports of Incidents / Complaints (increase of 9% over FY 09).
- 89 Enforcement Actions (35% increase over FY 09).

DFCS

Snap Shot of Core Services

□ Office of Family Independence

■ Food Stamps (SNAP)	687,401
■ TANF Child	16,738
■ TANF Adult	3,250
■ Medicaid	714,702
■ Child Care	67,561
■ Temporary Child Care (ARRA)	17,114

DFCS

Snap Shot of Core Services

□ Child Welfare Services

■ Children in Foster Care	7,486
■ CPS Investigations last month	1,821
■ Diversion Cases last month	1,898
■ Family Preservation (“Ongoing”) Cases	3,715
■ Adoptions last 12 months	1,201
■ Active Adoption Assistance Cases Average per month	11,300
■ Family Support (“Diversions”) - Parent Cases with Children in Foster Care	5,792
■ Family Support – Relative Subsidies	7,860



Child Support Services

Caseload:

- Serves over 1.2M citizens in the state (Approximately 400,000 cases)
- Represents approximately 500,000 children

Child Support Distributed in FY 10:

- Distributed \$673M in child support to Georgia families