

State Board of Social Services Finance Update

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Finance Update

- Discussion Topics
 - State Fiscal Year 2011 In Review
 - State Fiscal Year 2012 Preview
 - Biennium Budget Development
 - House Appropriations Committee Staff Analysis
 - Personal Observations

State Fiscal Year 2011 In Review

- State Results
 - Operating Surplus of \$311M
 - Agency Savings to be Announced Tomorrow
- Department Results
 - Returned \$600K in General Relief in May
 - Ended with General Relief Balance of \$240K
 - Contributions to Agency Savings
 - \$867K from Child Support Enforcement
 - \$400K from Central Office Under Spending

State Fiscal Year 2012 Preview

- State Perspective
 - Prior Year Reductions Absorbed
 - Additional Reduction of ~\$2M
 - Customer Portal General Fund Costs ~\$1.2M
 - Vacancy Savings Budget Provision ~ \$1.9M
 - VITA Main Frame Computing Costs Moving Down
- Local Perspective
 - Elimination of Child Care Matching Requirements
 - Last Year of SNAP Administrative Funds Relief ~\$3.1M
 - 2.5% Reduction to Staff and Operations Funding ~\$8.5M
 - Previously Discussed Program Reductions
 - Staff Pushed to Their Limits

Biennium Budget Development

- Department Activities Recently Started
- Developing Budget Proposals
 - Foster Care and Adoptions Cost Increases
 - Unemployed Parent Program
 - TANF Structural Imbalance
 - Health Care Reform Initiatives
- Governor's Budget to be released mid-December
- General Assembly Actions

House Appropriations Committee Staff Analysis

- Continued Softness in the Labor Market and Wage and Salary Growth Evidenced by Lower Growth in Payroll Withholding Taxes than Experienced in 1991 and 2001 Recessions (60%)
- Current Sales Tax Collections Suggest Consumers Remain Cautious – Fuel Prices, Depressed Home Values, and Debt
- Constitutional and Statutory Claims Against Excessive Revenues
- Need to Keep an Eye on Federal Deficit Reduction Efforts and Impact of Cuts in Defense impact Northern Virginia and Hampton Roads Economies

Personal Observations

- Limited Opportunities for Funding in the Next Biennium
- Expect Funding for “Mandated” Activities
- Hopeful for Funding for Health Care Reform Activities
 - Likely for Technology
 - CMS Providing 90/10 Funding for Certain Technology Projects
- Questions