

# State Board of Social Services Finance Update

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# Finance Update

- Discussion Topics
  - Statewide Economic Impact
  - Budget Reductions Through FY10
  - FY11 and FY12 Budget Actions Impacts
    - Local Departments
    - Clients
    - Central Office
  - Next Biennium Outlook
  - Summary

# Statewide Economic Impact

- FY10 Total System Spending Including Benefits = **>\$8B**
  - Medicaid Benefits = \$5.4B
  - SNAP = \$1.2B
  - TANF, CSA & Energy Assistance = \$560M
  - Local Generated Benefit Payments = \$175M
  - Local Procured Client Services = \$162M
  - Local Staff and Operations = \$520M
- Major Economic Force in the Commonwealth

# Budget Reductions Through FY10

- ✓ From FY08 to FY10 there were no reductions to local funding other than one day furlough in FY10
- ✓ Through FY10 there were no budget reductions made to client services
- ✓ Central Office - series of reductions over these three fiscal years resulted in:
  - Loss of 62 classified positions
  - Loss of 47 contract and part-time positions
  - Identification of over \$100M in one time “savings”
  - Reduction to base budget for administration of \$1.2M

# FY11 /12 Budget Actions Directly Impacting Local Departments and Clients

- FY11 and 12 Challenges
  - Local Staff and Operations Funding
    - 1.35% Reduction in FY11
    - Increases to 2.5% in FY12
  - Client Funding Reductions
    - Chore and Companion Program
      - 24% in FY11
      - No change in FY12
    - Other Purchased Services
      - Reduced by 50% in FY11
      - Eliminated in FY12
    - General Relief
      - Reduced by ~ 20% in FY11
      - Unattached Minors Only for FY12 Forward
  - Central Office Funding
    - \$1M General Fund Reduction
    - \$1M General Fund Commitment to Customer Portal Funding

# Next Biennium Outlook

- Economic Conditions Appear to be Improving
  - State revenues up 13 of last 14 months
  - Unemployment Rate Down
- Known State Funding Requirements
  - Address U.S. Department of Justice Issues
  - VRS
  - Revenue Stabilization/Rainy Day Fund
  - Accelerated Sales Tax
- Administration Priorities
  - Jobs
  - Transportation
- Challenging Environment for Department Priorities

# Budget Update Summary

- Challenging Times Continue
- Decreasing Funding with Increasing Caseloads
- FY12 Relief to Local Staff and Operations Funding via DOD SNAP Funds
- Funding Relief A Big Question
- Leveraging Technology
  - Processing Incoming Child Support Payments
  - Issuing Child Support and TANF Payments
  - Child Care System
  - Customer Portal