

# Department of Social Services



## **Fiscal Year 2010**

## **Revised Recommended Budget**

## **July 1, 2009 – June 30, 2010**

**Presented to the Joint Appropriations Committee**

**February 12<sup>th</sup>, 2009**

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### **Acronyms:**

*ACF – Administration for Children and Families*  
*CMS – Centers for Medicare and Medicaid Services*  
*DHS – Department of Human Services*  
*DOE – Department of Education*  
*DOH – Department of Health*  
*DSS – Department of Social Services*  
*FMAP – Federal Medical Assistance Percentage*  
*FTE – Full Time Equivalent*

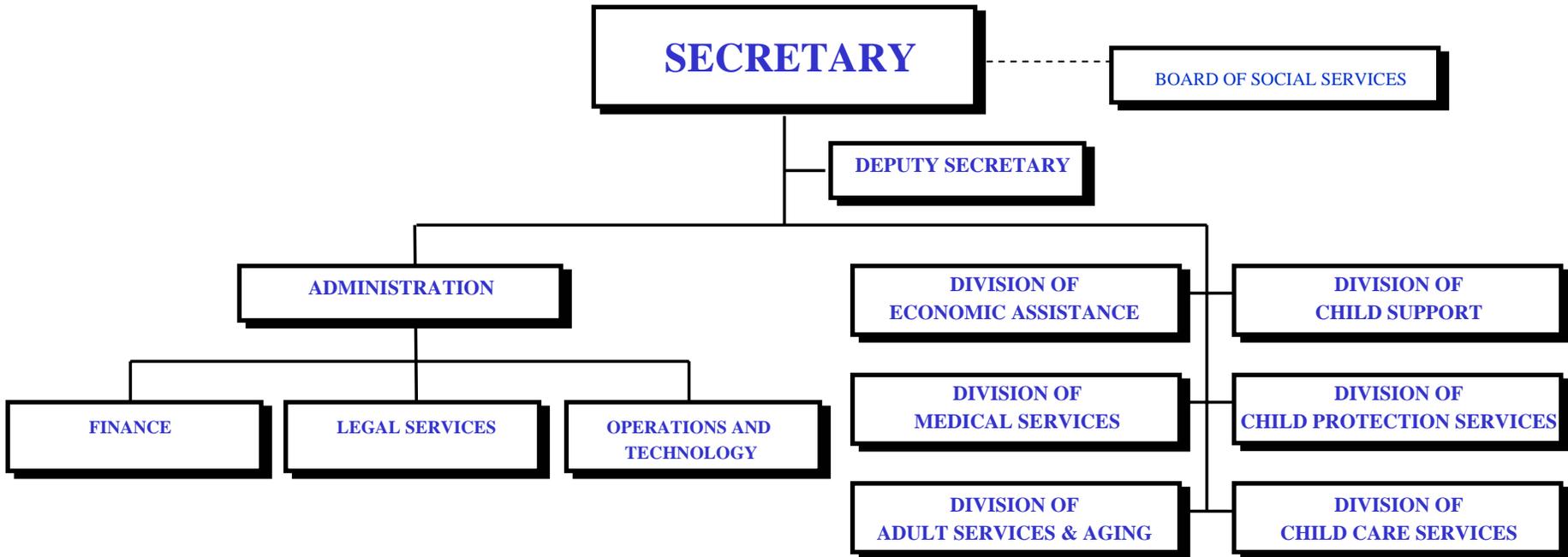
*IDEA – Individuals with Disabilities Education Act*  
*LIEAP – Low Income Energy Assistance Program*  
*Part D – Medicare Prescription Drug Program*  
*SHINE – Senior Health Information & Insurance Education*  
*TANF – Temporary Assistance for Needy Families*  
*Title IV E – Foster Care and Adoption Assistance*  
*Title XIX - Medicaid*  
*Title XXI (CHIP) – Children’s Health Insurance Program*

# Department of Social Services

**Vision:** *Strong Families – South Dakota’s  
Foundation & Our Future*

**Mission:** *To strengthen and support individuals and families by fostering independence and personal responsibility; protecting people; providing opportunities for individuals to achieve their full potential; and promoting healthy families and safe communities by ensuring quality, cost-effective and comprehensive services are provided in cooperation with our partners.*

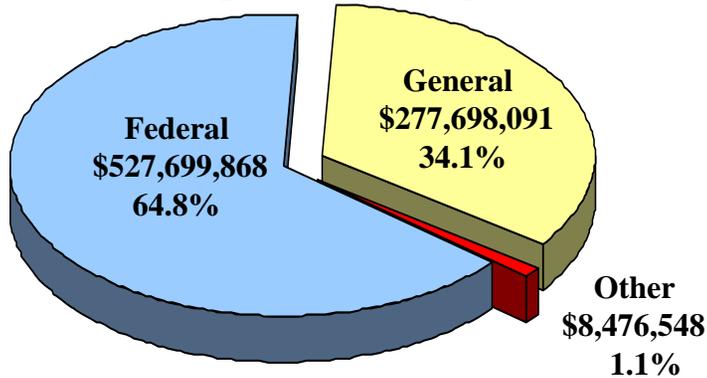
# Department of Social Services



# Department of Social Services

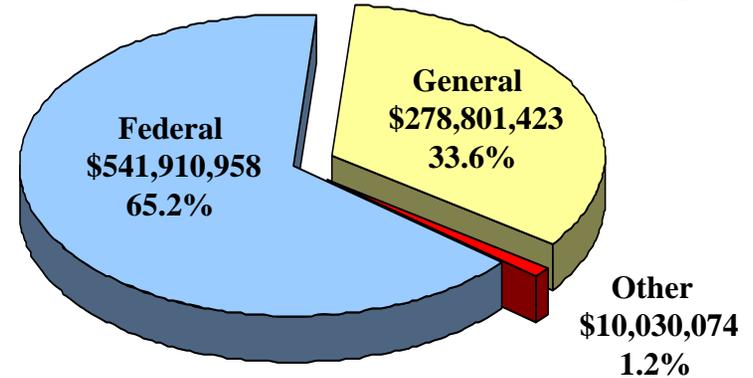
## FY09 Budget Compared to FY10

**FY09 Operating Budget**



**Total: \$813,874,507 and 1,001.5 FTE**

**FY10 Revised Recommended Budget**



**Total: \$830,742,455 and 996.5 FTE**

	<b>GENERAL</b>	<b>FEDERAL</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>FY09 Operating Budget – 1,001.5 FTE:</b>	\$277,698,091	\$527,699,868	\$8,476,548	\$813,874,507
<b>FY10 Recommended Budget – 996.5 FTE:</b>	\$278,801,423	\$541,910,958	\$10,030,074	\$830,742,455
<b>FY10 Recommended Inc./Dec.: -5.0 FTE</b>	<b>\$1,103,332</b>	<b>\$14,211,090</b>	<b>\$1,553,526</b>	<b>\$16,867,948</b>

# Major Impacts to DSS Revised Budget

## **Federal Medical Assistance Percentage (FMAP).**

- Title XIX: From a state match of 38.08% in FY09 to a state match of 37.32% in FY10.  
Title XIX: From a federal match of 61.92% in FY09 to a federal match of 62.68% in FY10.
- Title XXI (CHIP): From a state match of 26.65% in FY09 to a state match of 26.12% in FY10.  
Title XXI (CHIP): From a federal match of 73.35% in FY09 to a federal match of 73.88% in FY10.

## **Medicaid Growth & Medicaid Utilization.**

## **Increase for Child Care Direct Assistance.**

## **Increase for Subsidized Adoptions and Subsidized Guardianships.**

## **Elimination of Three Optional Medical Services for Adults.**

- Adult Dental Services
- Managed Care
- Adult Chiropractic Services

## **Medicare Part D – One Time Use of Other Funds.**

## **Reduction to the Nursing Home Budget Due to Client Cost Share Changes.**

## **Eliminating the Sales Tax on Food Refund Program.**

## **Shifting Catastrophic County Poor Relief Administration to the Counties.**

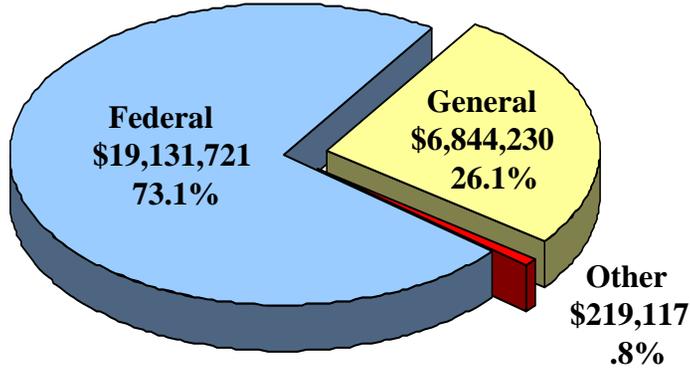
## **Removal of Employee Compensation.**

## **Removal of Discretionary Inflation for Providers.**

# Office of the Secretary

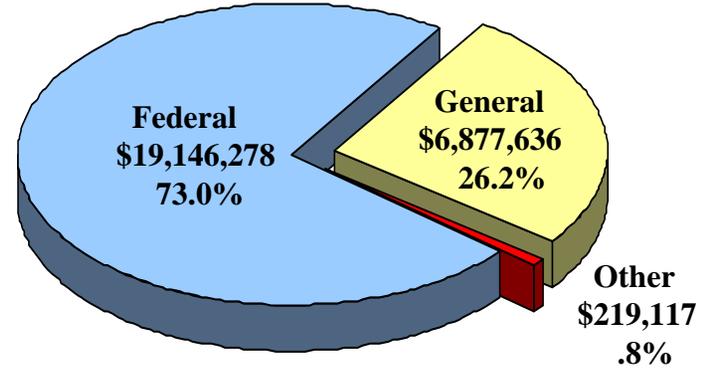
## FY09 Budget Compared to FY10

**FY09 Operating Budget**



**Total: \$26,195,068 and 178.7 FTE**

**FY10 Revised Recommended Budget**



**Total: \$26,243,031 and 177.7 FTE**

**MAJOR BUDGET INCREASES AND DECREASES**

	<b>GENERAL</b>	<b>FEDERAL</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>FMAP - Federal Medical Assistance Percentage:</b>	(\$3,393)	\$3,393	\$0	\$0
<b>Computer Services:</b> Increase in computer services for rate increases.	\$59,660	\$41,467	\$0	\$101,127
<b>Catastrophic County Poor Relief Program:</b> The counties would take over administering this program. -1.0 FTE	(\$22,861)	(\$30,303)	\$0	(\$53,164)
<b>Totals:</b>	\$33,406	\$14,557	\$0	\$47,963

# Office of the Secretary

## FY10 Governor's Revised Budget Changes

SUMMARY OF REVISED BUDGET CHANGES	GENERAL	FEDERAL	OTHER	TOTAL
<b>Elimination of the Compensation Package:</b>	(\$87,242)	(\$115,138)	(\$247)	(\$202,627)
* <b>Catastrophic County Poor Relief Program:</b> The counties would take over administering this program. -1.0 FTE	(\$22,861)	(\$30,303)	\$0	(\$53,164)
<b>Totals:</b> -1.0 FTE	<b>(\$110,103)</b>	<b>(\$145,441)</b>	<b>(\$247)</b>	<b>(\$255,791)</b>

\* FY09 Base budget cut.

# **Division of Economic Assistance (EA)**

## **Services Provided:**

- **Eligibility determination for programs including:**
  - Energy Assistance & Weatherization**
  - Medicaid (Title XIX and CHIP)**
  - Food Stamps & Sales Tax on Food Refund Program**
  - TANF – Temporary Assistance for Needy Families**
- **Referrals to other providers**
- **Education assistance for youth in out of home placements (Aux. Placement)**

## **Eligible Populations:**

- **Low income families, children and individuals**
- **Elderly**
- **People with disabilities**

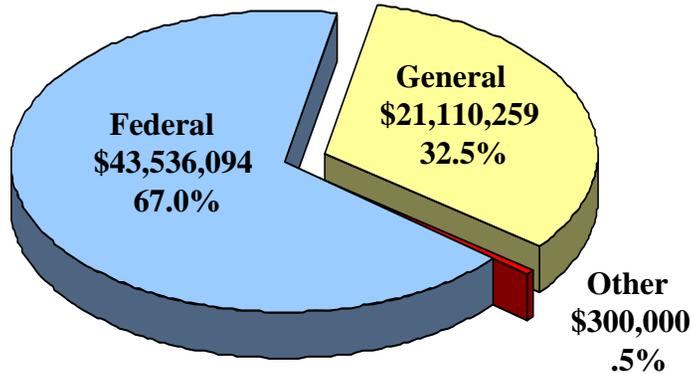
## **Service Delivery:**

- **Benefits specialists are located in 63 communities throughout the state**

# Economic Assistance

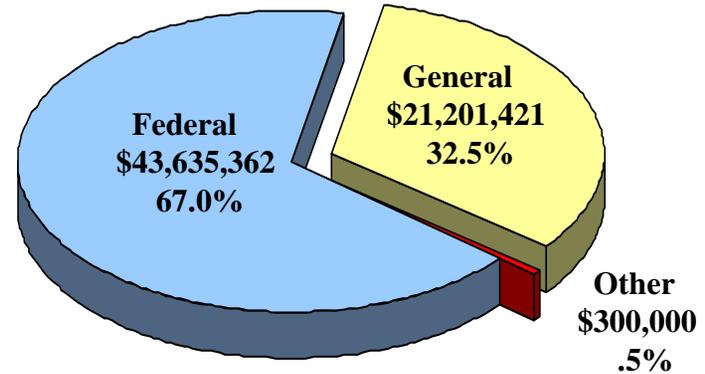
## FY09 Budget Compared to FY10

**FY09 Operating Budget**



**Total: \$64,946,353 and 322.5 FTE**

**FY10 Revised Recommended Budget**



**Total: \$65,136,783 and 319.5 FTE**

**MAJOR BUDGET INCREASES AND DECREASES**

		<b>GENERAL</b>	<b>FEDERAL</b>	<b>OTHER</b>	<b>TOTAL</b>
<b>FMAP - Federal Medical Assistance Percentage:</b>		(\$4,053)	\$4,053	\$0	\$0
<b>TANF Case Load Increase:</b> Increase for 40 TANF cases.		\$95,215	\$95,215	\$0	\$190,430
<b>Elimination of the Sales Tax on Food Refund Program:</b> (Funded through Special Appropriation)	<b>-3.0 FTE</b>	\$0	\$0	\$0	\$0
<b>Totals:</b>	<b>-3.0 FTE</b>	<b>\$91,162</b>	<b>\$99,268</b>	<b>\$0</b>	<b>\$190,430</b>

# Economic Assistance

## FY10 Governor's Revised Budget Changes

SUMMARY OF REVISED BUDGET CHANGES	GENERAL	FEDERAL	OTHER	TOTAL
<b>Removal of Inflation:</b> Inflation for auxiliary placement, TANF, and Food Stamp Employment Training.	(\$318,310)	(\$142,421)	\$0	(\$460,731)
<b>Elimination of the Compensation Package:</b>	(\$172,333)	(\$242,903)	\$0	(\$415,236)
* <b>Elimination of the Sales Tax on Food Refund Program:</b> (Funded through Special Appropriation) <span style="float: right;"><b>-3.0 FTE</b></span>	\$0	\$0	\$0	\$0
<b>Totals:</b> <span style="float: right;"><b>-3.0 FTE</b></span>	<b>(\$490,643)</b>	<b>(\$385,324)</b>	<b>\$0</b>	<b>(\$875,967)</b>

\* *FY09 Base budget cut.*

# Division of Medical Services

## Services Covered:

- **Must be medically necessary and physician ordered**
- **Inpatient and outpatient hospital**
- **Physician, clinic, lab and x-ray services, and prescription drugs**
- **Home health, hospice, personal care, and transportation services**
- **Medical equipment and prosthetic devices**
- **Dental, orthodontic, and optometric services**
- **Chiropractic**

## Provide Medical Coverage For:

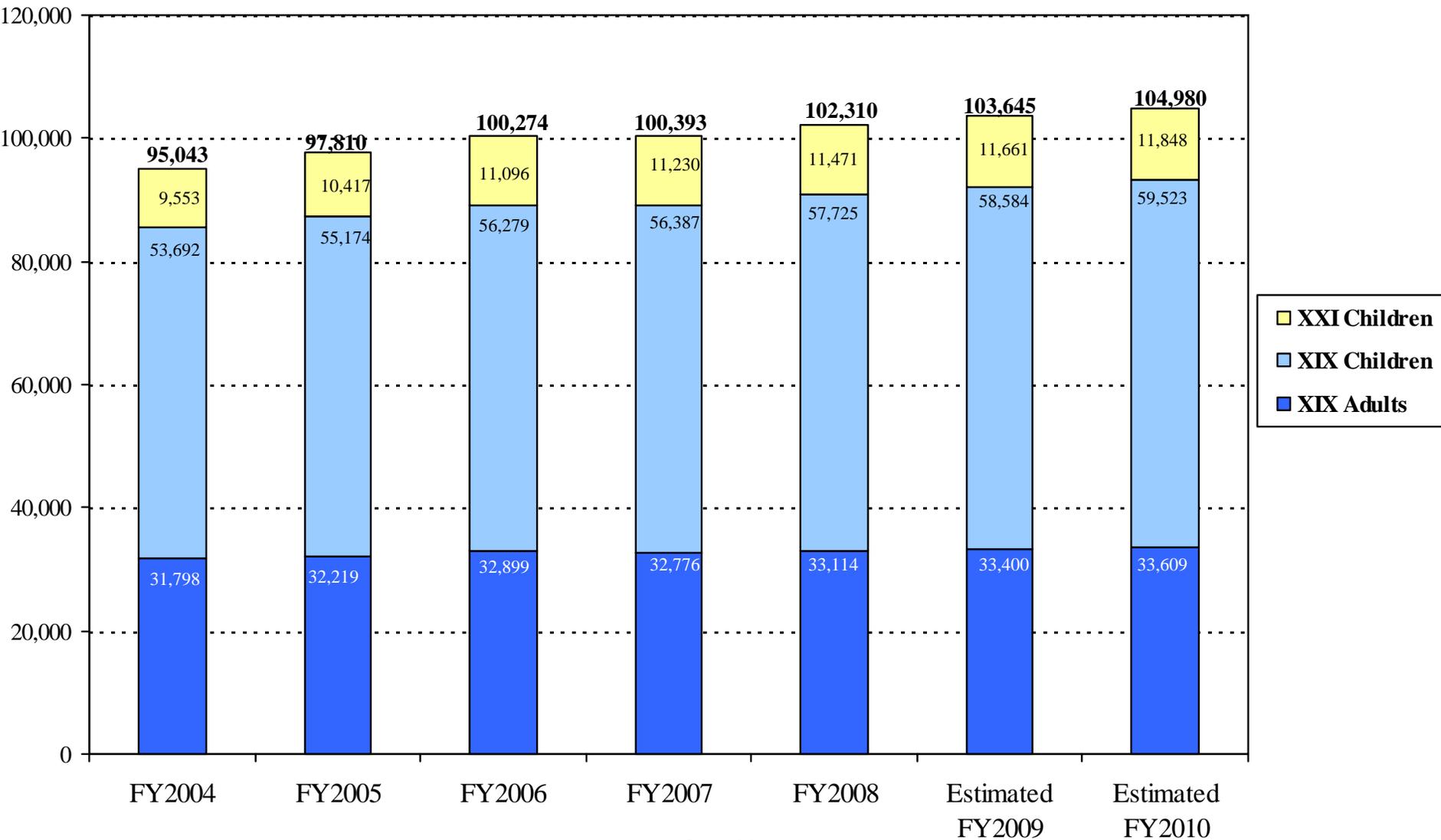
- **Elderly and disabled**
- **Low income children, pregnant women, adults and families**
- **Foster care children**

## Service Delivery:

- **Through a health care delivery system of over 11,000 Medicaid providers**

# Division of Medical Services

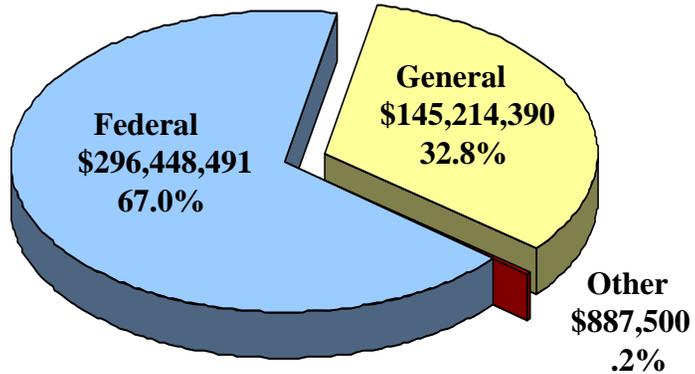
## Medicaid Monthly Eligible Totals



# Medical Services

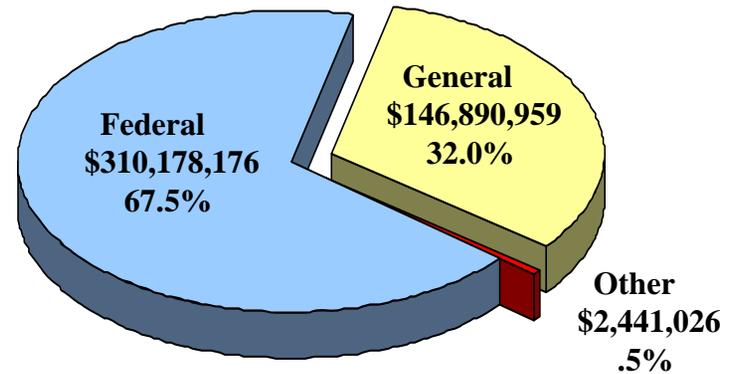
## FY09 Budget Compared to FY10

**FY09 Operating Budget**



**Total: \$442,550,381 and 46.0 FTE**

**FY10 Revised Recommended Budget**



**Total: \$459,510,161 and 45.0 FTE**

**MAJOR BUDGET INCREASES AND DECREASES**

	GENERAL	FEDERAL	OTHER	TOTAL
<b>FMAP - Federal Medical Assistance Percentage:</b>	(\$2,488,437)	\$2,488,437	\$0	\$0
<b>Medical Services Inflation and Increased Service Costs:</b>	\$3,658,463	\$6,396,687	\$0	\$10,055,150
<b>Growth of Title XIX (Medicaid) Clients:</b> From a projected caseload for FY09 of 91,984 to 93,132 for FY10.	\$1,657,416	\$2,783,678	\$0	\$4,441,094
<b>Growth of Title XXI (CHIP) Clients:</b> From a projected caseload for FY09 of 11,661 to 11,848 for FY10.	\$104,428	\$194,585	\$0	\$299,013
<b>Growth of Medicare Part B Premium Payments:</b>	\$0	\$115,177	\$0	\$115,177

# Medical Services – Cont.

MAJOR BUDGET INCREASES AND DECREASES – (CONT.)	GENERAL	FEDERAL	OTHER	TOTAL	
<b>School Based Administrative Claiming:</b>	\$0	\$600,000	\$0	\$600,000	
<b>Increased Utilization of Medical Services:</b>	\$2,311,519	\$3,882,262	\$0	\$6,193,781	
<b>Revised Projection of Medicaid Expenditures:</b>	\$862,396	\$1,626,733	\$0	\$2,489,129	
<b>Medicare Part D:</b> Utilizing one-time funds from the Attorney General’s Consumer Protection Division that are a result of settlements involving drug companies.	(\$2,153,526)	\$0	\$2,153,526	\$0	
<b>Eliminating Adult Dental Services:</b>	(\$1,485,987)	(\$2,320,818)	\$0	(\$3,806,805)	
<b>Eliminating Reimbursement for Managed Care: -1.0 FTE</b>	(\$647,360)	(\$1,052,640)	\$0	(\$1,700,000)	
<b>Eliminating Adult Chiropractic Services:</b>	(\$142,343)	(\$231,457)	\$0	(\$373,800)	
<b>Catastrophic County Poor Relief Program:</b> The counties would take over administering this program.	\$0	\$0	(\$600,000)	(\$600,000)	
<b>Minor Items:</b> Reduction of federal fund authority.	\$0	(\$752,959)	\$0	(\$752,959)	
<b>Totals:</b>	<b>-1.0 FTE</b>	<b>\$1,676,569</b>	<b>\$13,729,685</b>	<b>\$1,553,526</b>	<b>\$16,959,780</b>

# Medical Services

## FY10 Governor's Revised Budget Changes

SUMMARY OF REVISED BUDGET CHANGES	GENERAL	FEDERAL	OTHER	TOTAL
<b>Removal of Discretionary Inflation:</b>	(\$1,860,938)	(\$3,161,914)	\$0	(\$5,022,852)
<b>Elimination of the Compensation Package:</b>	(\$15,323)	(\$46,084)	\$0	(\$61,407)
<b>Projected CHIP Shortfall:</b> Increase no longer necessary since the funding is being re-authorized.	(\$752,959)	(\$0)	\$0	(\$752,959)
* <b>Eliminating Adult Dental Services:</b>	(\$1,485,987)	(\$2,320,818)	\$0	(\$3,806,805)
* <b>Eliminating Reimbursement for Managed Care: -1.0 FTE</b>	(\$647,360)	(\$1,052,640)	\$0	(\$1,700,000)
* <b>Eliminating Adult Chiropractic Services:</b>	(\$142,343)	(\$231,457)	\$0	(\$373,800)
* <b>Catastrophic County Poor Relief Program:</b> The counties would take over administering this program.	\$0	\$0	(\$600,000)	(\$600,000)
<b>Totals: -1.0 FTE</b>	<b>(\$4,904,910)</b>	<b>(\$6,812,913)</b>	<b>(\$600,000)</b>	<b>(\$12,317,823)</b>

\* FY09 Base budget cut.

# Division of Adult Services and Aging (ASA)

## Services Provided:

- Long-term care and assisted living care
- In-home services - homemaker, nursing, caregiver support, adult protective services, and prescription assistance
- Community Services - congregate and home delivered meals, transportation, and adult day services
- Shelter, counseling and transportation for victims of crime

## Provide Services For:

- Persons age 60 and older
- Adults with disabilities
- Victims of domestic violence and other violent crimes

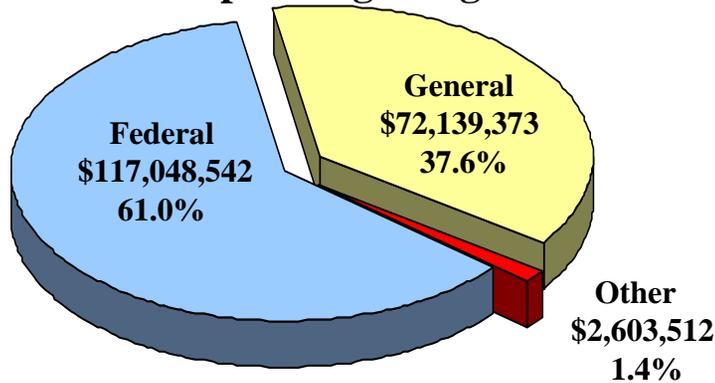
## Service Delivery:

- ASA Specialists located in 25 communities provide statewide coverage
- Contracts with service providers - home health agencies, nutrition programs, senior centers, domestic violence shelters, long-term care facilities and assisted living centers

# Adult Services & Aging

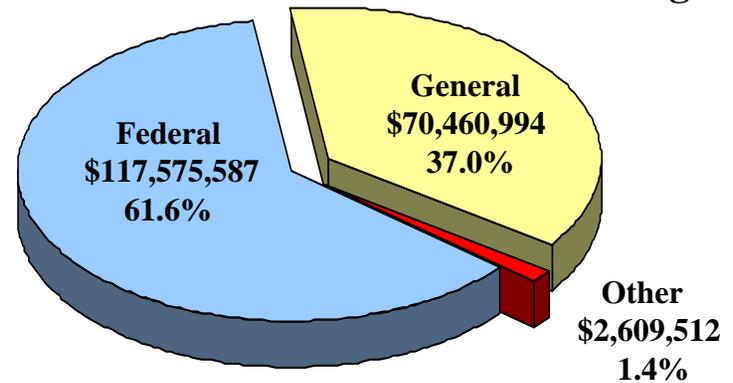
## FY09 Budget Compared to FY10

**FY09 Operating Budget**



**Total: \$191,791,427 and 99.5 FTE**

**FY10 Revised Recommended Budget**



**Total: \$190,640,093 and 99.5 FTE**

**MAJOR BUDGET INCREASES AND DECREASES**

	GENERAL	FEDERAL	OTHER	TOTAL
<b>FMAP - Federal Medical Assistance Percentage:</b>	(\$1,248,701)	\$1,248,701	\$0	\$0
<b>Nursing Home:</b> Reduction due to client cost share changes.	(\$429,678)	(\$721,656)	\$0	(\$1,151,334)
<b>Totals:</b>	<b>(\$1,678,379)</b>	<b>\$527,045</b>	<b>\$0</b>	<b>(\$1,151,334)</b>

# Adult Services & Aging

## FY10 Governor's Revised Budget Changes

SUMMARY OF REVISED BUDGET CHANGES	GENERAL	FEDERAL	OTHER	TOTAL
<b>Removal of Inflation &amp; Increased Service Costs:</b> Inflation for assisted living, nursing facilities, in-home services, and elderly nutrition.	(\$1,773,791)	(\$2,589,651)	\$0	(\$4,363,442)
<b>Elimination of the Compensation Package:</b>	(\$50,527)	(\$86,664)	(\$6,438)	(\$143,629)
<b>Removal of the In-Home Services Rate Adjustment:</b> Rate adjustment for increased costs in travel.	(\$84,476)	(\$14,966)	\$0	(\$99,442)
<b>Removal of Minor Items:</b> For operating costs; rent of office space, and janitorial and maintenance.	(\$11,648)	\$0	\$0	(\$11,648)
* <b>Nursing Home:</b> Reduction due to client cost share changes.	(\$429,678)	(\$721,656)	\$0	(\$1,151,334)
<b>Totals:</b>	(\$2,350,120)	(\$3,412,937)	(\$6,438)	(\$5,769,495)

\* *FY09 Base budget cut.*

# Division of Child Support (DCS)

## Services Provided:

- **Locate non-custodial parents**
- **Establish paternity for out-of-wedlock children**
- **Establish and enforce child support orders**
- **Enforce health insurance coverage**
- **Process modification of support order requests**
- **Collect and distribute child support payments**

## Provide Services For:

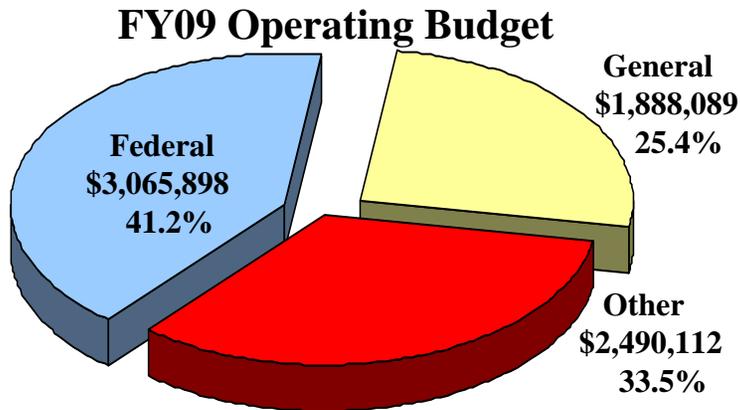
- **47,500 families who need help to collect child support**

## Service Delivery:

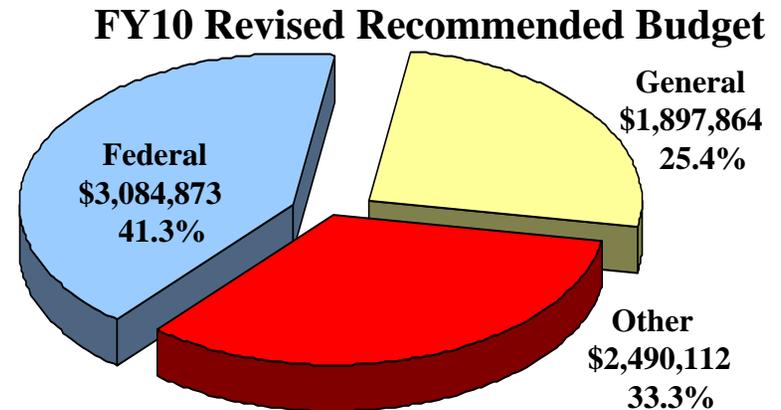
- **Staff located in 8 communities throughout the state**

# Child Support

## FY09 Budget Compared to FY10



**Total: \$7,444,099 and 86.0 FTE**



**Total: \$7,472,849 and 86.0 FTE**

### MAJOR BUDGET INCREASES AND DECREASES

	GENERAL	FEDERAL	OTHER	TOTAL
<b>Increased Utilization of Referee Hearing:</b> Increase of 115 cases with referee hearings for order establishment and modification hearings at \$250 per case.	\$9,775	\$18,975	\$0	\$28,750
<b>Totals:</b>	<b>\$9,775</b>	<b>\$18,975</b>	<b>\$0</b>	<b>\$28,750</b>

# Child Support

## FY10 Governor's Revised Budget Changes

SUMMARY OF REVISED BUDGET CHANGES	GENERAL	FEDERAL	OTHER	TOTAL
<b>Removal of Inflation:</b> Inflation for prosecutors reimbursement when court actions are required.	(\$6,732)	(\$13,068)	\$0	(\$19,800)
<b>Elimination of the Compensation Package:</b>	(\$24,978)	(\$39,136)	(\$41,381)	(\$105,495)
<b>Totals:</b>	<b>(\$31,710)</b>	<b>(\$52,204)</b>	<b>(41,381)</b>	<b>(\$125,295)</b>

# Division of Child Protection Services (CPS)

## Services Provided:

- Intake of reports of child abuse and neglect
- Family assessments
- Direct & Referral Services
- Maintain or reunite family
- Obtain placements for children
- Independent living skills for teens
- Adoption & Post-Adoption
- Licensing
- Parenting education
- Court Ordered Supervision

## Provide Services For:

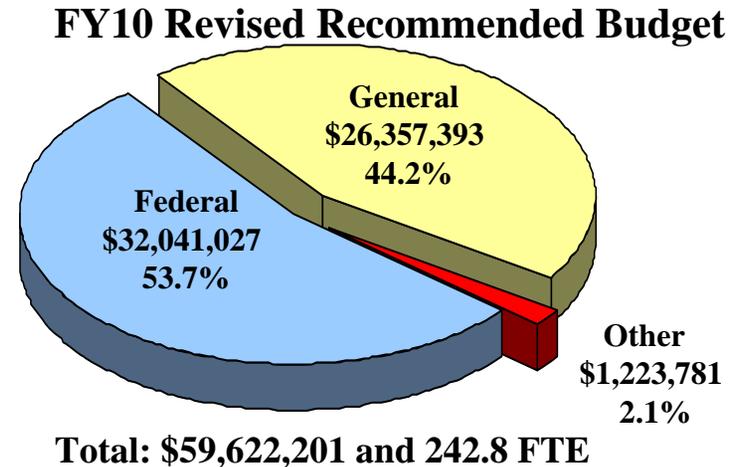
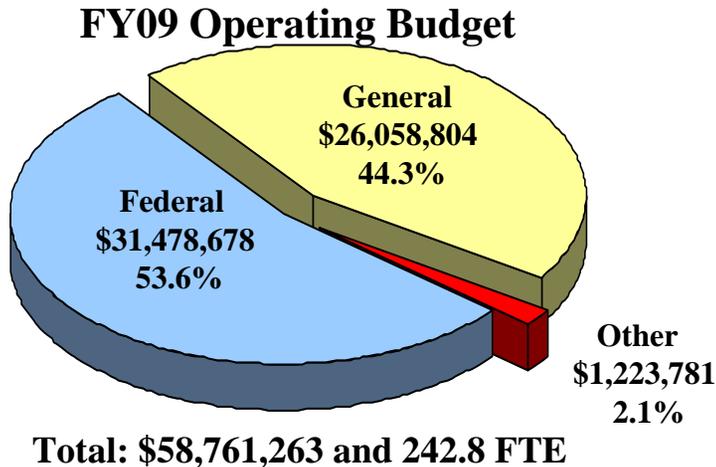
- Families referred due to safety concerns of children relating to neglect, physical abuse, sexual abuse and emotional abuse
- Kinship, foster and adoptive families

## Service Delivery:

- Staff located in 22 communities throughout the state
- Contracts with service providers, including tribal agreements

# Child Protection Services

## FY09 Budget Compared to FY10



### MAJOR BUDGET INCREASES AND DECREASES

	GENERAL	FEDERAL	OTHER	TOTAL
<b>FMAP - Federal Medical Assistance Percentage:</b>	(\$200,654)	\$200,654	\$0	\$0
<b>Subsidized Guardianship:</b> Expansion requested to meet anticipated growth in guardianships from 170 in FY09 to 175 in FY10 at an average annual costs of \$4,188 and funding to cover the projected deficit.	\$70,369	\$0	\$0	\$70,369
<b>Subsidized Adoption:</b> Expansion requested to meet anticipated growth in adoptions from 1,414 in FY09 to 1,475 in FY10 at an average annual costs of \$7,095 and funding to cover the projected deficit.	\$638,874	\$361,695	\$0	\$1,000,569
<b>Reduction to Court Ordered Supervision:</b> Reduction due to revised projections.	(\$210,000)	\$0	\$0	(\$210,000)
<b>Totals:</b>	<b>\$289,589</b>	<b>\$562,349</b>	<b>\$0</b>	<b>\$860,938</b>

# Child Protection Services

## FY10 Governor's Revised Budget Changes

SUMMARY OF REVISED BUDGET CHANGES	GENERAL	FEDERAL	OTHER	TOTAL
<b>Removal of Inflation:</b> Inflation for Tribal Contracts, Foster Care, Group Care, Psychiatric Residential Facilities, etc.	(\$300,317)	(\$209,360)	(\$4,085)	(\$513,762)
<b>Elimination of the Compensation Package:</b>	(\$193,203)	(\$147,268)	\$0	(\$340,471)
<b>Revised projections for Subsidized Guardianship:</b>	(\$20,942)	\$0	\$0	(\$20,942)
<b>Revised projections for Subsidized Adoption:</b>	(\$125,746)	(\$71,039)	\$0	(\$196,785)
<b>Removal of Independent Living Services (ILS) Expansion:</b> Expansion to meet the increased demand for transitional services, including services needed to improve outcomes for both youth transitioning and youth that have already transitioned out of foster care.	(\$222,000)	\$0	\$0	(\$222,000)
<b>Removal of Minor Items:</b> For operating costs; postage, office supplies, maintenance contracts, etc.	(\$18,699)	(\$15,929)	\$0	(\$34,628)
* <b>Reduction to Court Ordered Supervision:</b> Reduction due to revised projections.	(\$210,000)	\$0	\$0	(\$210,000)
<b>Totals:</b>	<b>(\$1,090,907)</b>	<b>(\$443,596)</b>	<b>(\$4,085)</b>	<b>(\$1,538,588)</b>

\* FY09 Base budget cut.

# **Division of Child Care Services (CCS)**

## **Services Provided:**

- **Subsidies to assist eligible working families with their child care costs**
- **Licensing and registration of child care programs**
- **Professional development and training opportunities for child care providers**
- **Project 8, Governor's Child Seat Program**

## **Provide Services For:**

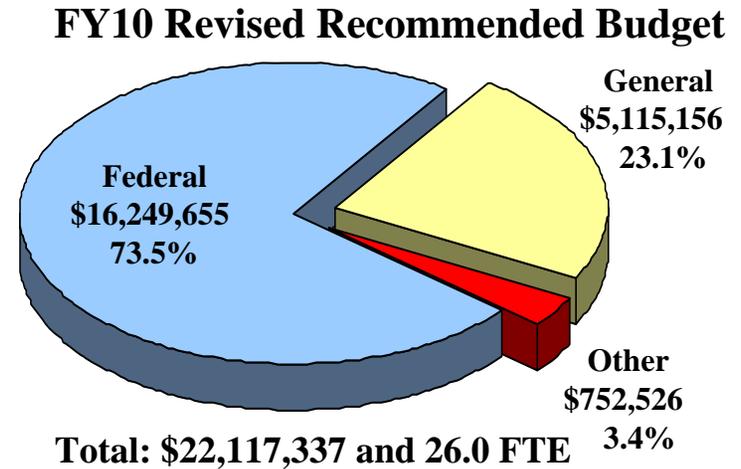
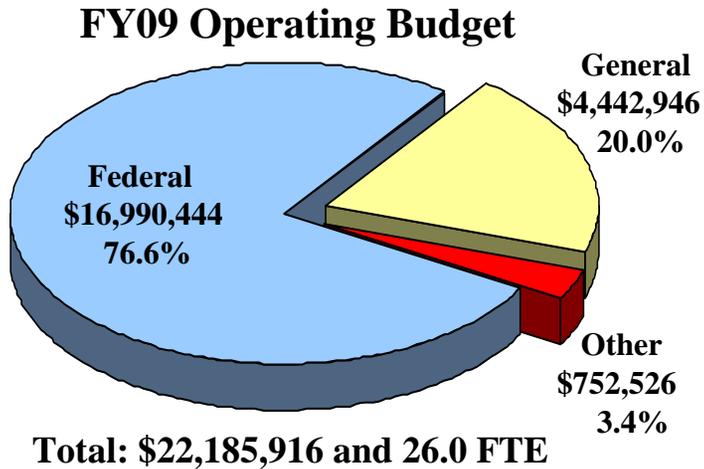
- **Low income families with children**
- **Child care providers**
- **Parents seeking information on child care and proper car seat installation**

## **Service Delivery:**

- **Centralized eligibility determinations for child care assistance**
- **Regional child care licensing and registration services located in 8 communities**
- **Contracts with service providers - Regional Early Childhood Enrichment & After School program development and support**

# Child Care Services

## FY09 Budget Compared to FY10



MAJOR BUDGET INCREASES AND DECREASES	GENERAL	FEDERAL	OTHER	TOTAL
<b>Child Care Block Grant Match Increase:</b>	(\$48,481)	\$48,481	\$0	\$0
<b>Child Care Direct Assistance:</b> Funding requested due to the increased costs per case and consumer expansion for 100 cases.	\$720,691	(\$591,270)	\$0	\$129,421
<b>Before &amp; After School Program:</b> Child Care Services will no longer fund first year start-up programs.	\$0	(\$198,000)	\$0	(\$198,000)
<b>Totals:</b>	<b>\$672,210</b>	<b>(\$740,789)</b>	<b>\$0</b>	<b>(\$68,579)</b>

# Child Care Services

## FY10 Governor's Revised Budget Changes

SUMMARY OF REVISED BUDGET CHANGES	GENERAL	FEDERAL	OTHER	TOTAL
<b>Removal of Inflation:</b> Child Care Resource Services.	(\$22,935)	(\$3,571)	\$0	(\$26,506)
<b>Elimination of the Compensation Package:</b>	(\$12,330)	(\$20,705)	\$0	(\$33,035)
<b>Totals:</b>	(\$35,265)	(\$24,276)	\$0	(\$59,541)