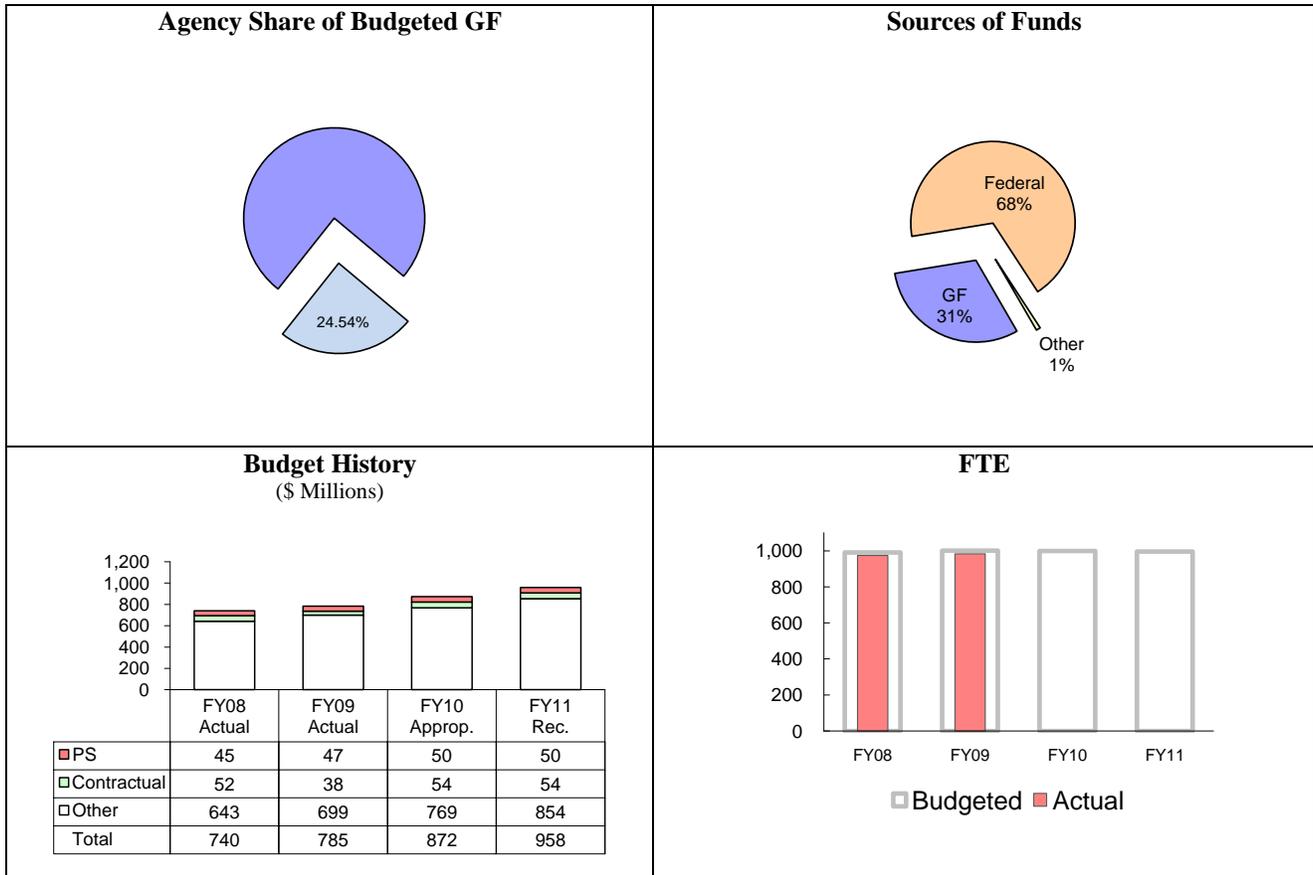


FY11 Budget Briefing

Department of Social Services



Key Responsibilities

- The Department of Social Services strengthens and supports 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.

Key Personnel

- | | |
|---|---|
| <ul style="list-style-type: none"> ➤ Deb Bowman, Secretary ➤ Brenda Tidball-Zeltinger, Chief Finance Officer ➤ Larry Iversen (Medical Services) ➤ Virgena Wieseler (Child Protection Services) ➤ Patricia Monson (Child Care Services) ➤ Dan Todd (Legal Services) | <ul style="list-style-type: none"> ➤ Kim Malsam-Rysdon, Deputy Secretary ➤ Sharon Sonnenschein (Economic Assistance) ➤ Marilyn Kinsman (Adult Services & Aging) ➤ Terry Walter (Child Support) ➤ Mark Close (Operations and Technology) ➤ Valerie Porter-Hanson (Constituent Liaison) |
|---|---|

Department Total – Social Services

The Department of Social Services' recommended budget consists of \$294,589,175 from the general fund, \$655,282,347 of federal fund authority, \$8,062,044 from other funds, and 995.5 FTEs.

Item:	Actual FY09	Budgeted FY10	Agency Requested FY11	Governor Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	47,276,326	49,729,332	49,729,332	49,974,246	244,914	0.5%
Travel	1,738,996	2,156,344	2,156,344	2,156,344	-	0.0%
Contractual Services	37,959,903	53,670,387	53,889,799	53,858,532	188,145	0.4%
Supplies & Materials	3,074,536	3,200,977	3,200,977	3,200,977	-	0.0%
Grants And Subsidies	694,099,455	762,547,625	883,473,672	847,612,680	85,065,055	11.2%
Capital Outlay	339,413	1,072,787	1,072,787	1,072,787	-	0.0%
Other	53,466	58,000	58,000	58,000	-	0.0%
Total	784,542,095	872,435,452	993,580,911	957,933,566	85,498,114	9.8%
Funding Types:						
General	252,994,635	247,964,703	308,540,776	294,589,175	46,624,472	18.8%
Federal	526,498,829	614,517,375	677,227,981	655,282,347	40,764,972	6.6%
Other	5,048,630	9,953,374	7,812,154	8,062,044	(1,891,330)	(19.0%)
Total	784,542,094	872,435,452	993,580,911	957,933,566	85,498,114	9.8%
FTE	983.7	998.5	998.5	995.5	(3.0)	(0.3%)

Salary Policy

The Governor recommends no salary policy.

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	-	-	-	-
3% Across-the-Board	-	-	-	-
Health Insurance	150,938	196,973	11,168	359,079
Total	150,938	196,973	11,168	359,079

Excess Personal Services Agency History

Amount appropriated for personal services that exceeded personal services needs.

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>All Funds</u>	<u>FTE</u>
FY09	0	2,030,872	475,298	2,506,170	17.8
FY08	0	1,420,359	293,146	1,713,505	16.9
FY07	(135,000)	1,306,739	333,197	1,504,936	15.3
FY06	(624,861)	973,980	1,337,418	1,686,536	11.7
FY05	353,868	749,287	92,079	1,195,234	3.8
5 Yr Avg.	(81,199)	1,296,247	506,228	1,721,276	13.1

Department's FY10 Highest Priorities

- Increase access to quality services for our customers.
- Reduce abuse, neglect and exploitation of vulnerable people.
- Continually improve customer services.
- Manage internal processes and procedures to achieve our mission.
- Ensure employees possess necessary competencies.

Commonly Used Social Services Acronyms:

ARRA: American Recovery & Reinvestment Act of 2009 (aka-Federal Stimulus)

EPSDT: Early Periodic Screening, Diagnosis, and Treatment (EPSDT) Program

FMAP: Federal Medical Assistance Percentage

LIEAP: Low Income Energy Assistance Program

SMI: Supplemental Medical Insurance

SNAP: Supplemental Nutrition Assistance Program (formerly known as food stamps)

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

Major Expansion and Reduction

Budget Item	Governor's Recommendation		
	State General Fund	Total Funds	FTE
A. FMAP	20,182,813	0	
B. Administration:			
Clerical Support FTE reduction	(48,249)	(98,910)	(2.5)
C. Economic Assistance:			
Weatherization Grants-remove ARRA authority		(8,000,000)	
LIEAP Benefit increases		12,000,000	
Community Assistance-remove ARRA authority		(3,000,000)	
Auxiliary Placement increase		143,803	
TANF Grants-caseload growth of 302 cases		1,457,174	
SSI Supplementation	16,740	16,740	
SNAP-Nutrition Education		58,773	
D. Medical & Adult Services:			
School Based Administration		900,000	
Mandatory Provider Inflation	1,894,011	4,532,080	
Medical Services-increased utilization	2,080,708	5,960,204	
Medical Services-increased clients	5,265,528	15,188,197	
Medical Services-revised FY10 estimates (see Attachemnt A for Medical Services detail)	14,191,627	42,074,058	
Medicare Part D funding flip	2,153,526	0	
Indian Health Services		20,160,575	
FTE reduction	(8,321)	(15,255)	(0.5)
In-home Services Grant		103,145	
In-home Services funding flip	(100,000)	0	
Community Support Services-remove ARRA authority		(500,000)	
Long-term Care-decreased caseload	(333,826)	(956,248)	
Victim's Services-remove ARRA authority		(448,286)	
E. Children's Services			
UJS referee costs	21,675	85,000	
Subsidized Adoptions & Medical	729,802	1,137,985	
Court Ordered Supervision	(660,000)	(660,000)	
Child Care Direct Assistance-remove ARRA authority		(5,000,000)	
Child Support-remove ARRA authority	1,087,500	0	
Health Insurance	150,938	359,079	
Total of items listed	46,624,472	85,498,114	(3.0)

A. FMAP

An increase of \$20,182,813 from the general fund is due to a change in the FMAP (Federal Medical Assistance Percentage) rate. This change results in an appropriation shift to the general fund from federal funds.

(The Federal government pays a share of the medical assistance expenditures under each State's Medicaid program. That share, known as the FEDERAL MEDICAL ASSISTANCE PERCENTAGE or FMAP, is determined annually by the feds with a formula that compares the State's average per capita income level with the national income average. States with a higher per capita income level are reimbursed a smaller share of their costs. In State Fiscal Year 2011, the blended federal share will be 65.09% and the state share will be 34.91%.

Note: this is only a portion of the total cost of the FMAP change to South Dakota. The Department of Human Services and the Department of Corrections budgets are also impacted.

<i>Division</i>	<i>Amount</i>
Administration	4,904
Economic Assistance	5,662
Medical & Adult Services	19,098,261
Children's Services	1,073,986
DEPARTMENT TOTAL	<u>\$20,182,813</u>

B. ADMINISTRATION

➤ Clerical Support: The Governor recommends a **decrease of \$98,910 (\$48,249 general) and 2.5 FTEs** due to restructuring clerical duties.

C. ECONOMIC ASSISTANCE

➤ Weatherization Grants: The Governor recommends a **decrease of \$8,000,000** of federal fund authority which represents the stimulus authority being removed.

➤ LIEAP Benefits: The Governor recommends an **increase of \$12,000,000** of federal fund authority for LIEAP benefits.

➤ Community Assistance: The Governor recommends a **decrease of \$3,000,000** of federal fund authority which represents the stimulus authority being removed.

➤ Auxiliary Placement Support Staff: The Governor recommends an **increase of \$143,803** of other funds which represents 4 youth placed in group and residential treatment centers.

➤ TANF Grants: The Governor recommends an **increase of \$1,457,174** of federal fund authority based on projected caseload growth of 302 cases. The average grant is estimated to be \$402.09/month for SFY11. The department states this expansion is necessary to ensure enough cash grant dollars are available to help those needy families with children that qualify and are eligible for TANF. The projected increase would be the result of a continuing uncertain economy and variables such as labor market conditions etc.

➤ SSI State Supplementation: The Governor recommends an **increase of \$16,740** of general funds due to an increase of 93 individuals served.

➤ SNAP – Nutrition Education: The Governor recommends an **increase of \$58,773** of federal fund authority for the Nutrition Education Program administered by SDSU.

D. MEDICAL & ADULT SERVICES

- FMAP funding "flip" from federal funds to general funds for the Medical and Adult Services division is **\$19,098,261**.
- School Based Administration: The Governor recommends an **increase of \$900,000** in federal funds for school based administration. Local school districts may claim administrative expenses related to the district's students that are eligible for Medical Assistance Programs. The increase will cover the growth due to increased Medicaid eligibility rates and increasing costs.
- Medical Services-Mandatory Provider Inflation: The Governor recommends an **increase of \$4,532,080** due to provider inflation. Mandatory provider inflation applies to services or programs where federal requirements or the State's approved Medicaid State Plan require reimbursement based on actual costs. (The Governor recommends no increase for discretionary provider inflation.) (\$1,894,011 general)

<u>Breakdown</u>	<u>General Funds</u>	<u>Total</u>
Physician Services – 2.57%	40,903	117,168
Medicare Crossover – 5%	392,106	1,123,191
Medicare Part A premium – 4.2%	77,127	220,932
Medicare Part B premium – 11.86%	817,269	2,341,074
BBA expanded SMI – 11.86%	0	163,109
Part D – 3.97%	566,606	566,606
TOTAL	\$1,894,011	\$4,532,080

- Medical Services-Increased Utilization: The Governor recommends an **increase of \$5,960,204** due to increased utilization of medical services. (\$2,080,708 general)
- Medical Services-Increased Clients: The Governor recommends an **increase of \$15,188,197** due to increased utilization of medical services. (\$5,265,528 general)
- Medical Services-Revised FY10 Estimates: The Governor recommends an **increase of \$42,074,058** due to increased costs for medical services. (\$14,191,627 general)

NOTE: See attachment A for the Medical Services budget detail.

- Medicare Part D (Clawback): The Governor recommends a **funding flip of \$2,153,526 (+general - other)** in the Medicare Part D state contribution. One-time “other fund” cash was used last year as a result of the settlement of lawsuits involving drug companies by the Consumer Protection Division of the Attorney General's Office.
- Indian Health Services: The Governor recommends an **expansion of \$20,160,575 of federal fund authority** due to revised FY10 estimates.
- Adult Services & Aging-Administration: The Governor recommends a **decrease of \$15,255 and .5 FTE** due to restructuring duties. (\$8,321 general)

- In-Home Services: The Governor recommends an **increase of \$103,145 of federal fund** authority for contractual services for the Aging and Disability Resource Center Federal Grant Award for redesigning system access for Home and Community Based Services and Long Term Care Services. Also, recommending a temporary **funding flip of \$100,000** from general funds to other funds to spend Homemaker Fees funds.
- Community Support Services: The Governor recommends a **decrease of \$500,000 of federal fund** authority due to the ARRA funds for the Elderly Nutrition Program.
- Long-term Care Services: The Governor recommends a **decrease of \$956,248** (-\$333,826 general) due to a projected decrease in utilization.
- Victim's Services: The Governor recommends a **decrease of \$448,286 of federal fund** authority due to the ARRA funds for Victim's Services.

E. CHILDREN'S SERVICES

- FMAP funding "flip" from federal funds to general funds for the Children's Services division is **\$1,073,986**.
- Contract Payments to State Agencies: The Governor recommends an **increase of \$85,000** to reimburse the Unified Judicial System for the referee costs for child support modification and order establishment cases when referee hearings are conducted. There is a projected increase in caseloads due to significant changes to child support guideline schedules and the status of the economy. (\$21,675 general)
- Subsidized Adoptions and Medical: The Governor recommends an **increase of \$1,137,985 (729,802 general)** in the area of subsidized adoptions and medical due to increased FY10 subsidies and increased FY11 utilization. Subsidized Adoption is provided for children who have medical, emotional, or behavioral problems, or who are otherwise hard to place for adoption due to their special needs, race, age, or because they are part of a large sibling group.
- Court Ordered Supervision: The Governor recommends a **decrease of \$660,000 general funds** for court ordered supervision. The decrease will end contracts with private agencies and the program will be restructured so the department's staff can perform the tasks.
SDCL 26-8A-22 and SDCL 26-8A-26 (This project provides for contracts with private agencies to work in collaboration with Child Protection Services in fulfilling the responsibility set by the court in providing supervision of family situations where children are returned to parents. 2007 HB1072.)
- Child Care Direct Assistance: The Governor recommends a **decrease of \$5,000,000 of federal fund** authority due to the ARRA funds being removed for FY11.
- Child Support: The Governor recommends an **increase of \$1,087,500 general funds and equal decrease of federal fund** authority due to the provisions of ARRA ending. Child support incentive funds can no longer be used as a match.

Administration

The Administration Division manages and coordinates all other offices, programs, and activities in the agency. It provides the services of legal, statistical analysis, budgetary review, accounting and financial management, provider reimbursement and audits, electronic benefits, and operations and technology services.

The total recommended budget for Administration consists of \$26,563,892 and 177.2 FTEs.

Item:	Actual FY09	Budgeted FY10	Agency Requested FY11	Governor Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	7,554,747	7,953,683	7,953,683	7,919,584	(34,099)	(0.4%)
Travel	93,679	158,962	158,962	158,962	-	0.0%
Contractual Services	8,829,726	17,055,177	17,055,177	17,055,177	-	0.0%
Supplies & Materials	121,811	140,953	140,953	140,953	-	0.0%
Grants And Subsidies	209,889	216,865	216,865	216,865	-	0.0%
Capital Outlay	332,256	1,072,351	1,072,351	1,072,351	-	0.0%
Other	215	-	-	-	-	0.0%
Total	17,142,323	26,597,991	26,597,991	26,563,892	(34,099)	(0.1%)
Funding Types:						
General	6,844,230	7,144,448	7,149,352	7,130,823	(13,625)	(0.2%)
Federal	10,286,716	19,234,426	19,229,522	19,213,952	(20,474)	(0.1%)
Other	11,377	219,117	219,117	219,117	-	0.0%
Total	17,142,323	26,597,991	26,597,991	26,563,892	(34,099)	(0.1%)
FTE	173.7	179.7	179.7	177.2	(2.5)	(1.4%)

REVENUES – None Reported

➤ Clerical Support: The Governor recommends a **decrease of \$98,910 (\$48,249 general) and 2.5 FTEs** due to restructuring clerical duties.

➤ FMAP change (-federal + general) for the Administration Division is **\$4,904**.

SELECTED STATISTICAL DATA

	Actual FY08	Actual FY09	Estimated FY10	Estimated FY11
<i>ADMINISTRATIVE HEARINGS:</i>				
Fair Hearings Requested	490	522	525	525
<i>LEGAL SERVICES:</i>				
Abuse & Neglect (civil)	5	5	7	8
Admin. Appeals of Fair Hearing Decisions	4	5	6	8
Administrative Hearings	39	75	80	85
SD Supreme Court Appeals	27	33	35	38
Discrimination Complaints	1	3	6	7
Eligibility	63	80	85	90
Post-trial Proceedings	4	1	3	4
Prosecution of Child Abuse (criminal)	16	9	20	20
Records Request	144	155	160	165
Recoveries / Welfare Fraud	20	16	25	25
<i>RECOVERIES and INVESTIGATIONS:</i>				
<i>Fraud Investigation Activity:</i>				
Investigations Assigned	903	807	825	825
Tips Completed	501	447	450	450
Tips Substantiated	314	247	250	250
Fraud Prevention Investigations Completed	148	169	175	175
Fraud Prev. Investigations Substantiated	118	156	160	160
Investigations Completed	1,759	1,752	1,700	1,700
Total Dollars Recovered	\$5,928,474	\$6,537,525	\$6,300,000	\$6,400,000

Economic Assistance

The Economic Assistance division provides financial, medical, food, and energy assistance to eligible people to enable them to achieve and maintain a reasonable standard of living.

The total recommended budget for Economic Assistance consists of \$92,928,266 and 320.5 FTEs.

Item:	Actual FY09	Budgeted FY10	Agency Requested FY11	Governor Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	15,260,742	15,767,722	15,767,722	15,882,715	114,993	0.7%
Travel	316,516	399,886	399,886	399,886	-	0.0%
Contractual Services	1,875,718	2,064,590	2,064,590	2,064,590	-	0.0%
Supplies & Materials	1,141,741	1,051,013	1,051,013	1,051,013	-	0.0%
Grants And Subsidies	51,997,283	70,853,572	74,163,891	73,530,062	2,676,490	3.8%
Capital Outlay	580	-	-	-	-	0.0%
Other	-	-	-	-	-	0.0%
Total	70,592,580	90,136,783	93,447,102	92,928,266	2,791,483	3.1%
Funding Types:						
General	21,810,259	21,201,421	21,789,922	21,279,286	77,865	0.4%
Federal	48,719,537	68,635,362	71,357,180	71,205,177	2,569,815	3.7%
Other	62,783	300,000	300,000	443,803	143,803	47.9%
Total	70,592,579	90,136,783	93,447,102	92,928,266	2,791,483	3.1%
FTE	319.1	320.5	320.5	320.5	0.0	0.0%

REVENUES – None Reported

- Weatherization Grants: The Governor recommends a **decrease of \$8,000,000** of federal fund authority which represents the stimulus authority being removed.
- LIEAP Benefits: The Governor recommends an **increase of \$12,000,000** of federal fund authority for LIEAP benefits.
- Community Assistance: The Governor recommends a **decrease of \$3,000,000** of federal fund authority which represents the stimulus authority being removed.
- Auxiliary Placement Support Staff: The Governor recommends an **increase of \$143,803** of other funds which represents 4 youth placed in group and residential treatment centers.
- TANF Grants: The Governor recommends an **increase of \$1,457,174** of federal fund authority based on projected caseload growth of 302 cases. The average grant is estimated to be \$402.09/month for SFY11. The department states this expansion is necessary to ensure enough cash grant dollars are available to help those needy families with children that qualify and are eligible for TANF. The projected increase would be the result of a continuing uncertain economy and variables such as labor market conditions etc.
- SSI State Supplementation: The Governor recommends an **increase of \$16,740** of general funds due to an increase of 93 individuals served.
- SNAP – Nutrition Education: The Governor recommends an **increase of \$58,773** of federal fund authority for the Nutrition Education Program administered by SDSU.
- FMAP change (-federal +general) for the Economic Assistance Division is **\$5,662**.

SELECTED STATISTICAL DATA

	Actual FY08	Actual FY09	Estimated FY10	Estimated FY11
<i>ENERGY ASSISTANCE</i>				
<i>Weatherization:</i>				
Homes Weatherized/Average Cost	656/\$4,644	665/\$4,265	1,430/\$5,595	1,298/\$5,595
Elderly Households Served	496	344	740	671
<i>Energy Assistance:</i>				
Households Served/Elderly Households Served	18,059/6,904	19,511/7,389	19,921/7,544	20,339/7,703
<i>Community Assistance:</i>				
Individuals Served	31,985	34,856	35,000	35,000
<i>MEDICAL ELIGIBILITY</i>				
Total Avg. Persons Eligible (XIX & XXI)	102,310	104,520	111,783	116,004
Aged/Blind	5,593/84	5,546/84	5,481/84	5,420/84
Disabled Adults/Disabled Children	11,226/2,680	11,444/2,815	11,647/2,941	11,854/3,071
Low Income Family (LIF) Adults/Children	10,800/17,955	10,727/18,047	11,418/18,331	11,581/18,331
DSS and DOC Foster Care Children	3,755	3,728	3,800	3,850
Pregnant Women (Pregnancy Related Serv.)	1,903	1,873	1,855	1,833
<i>Medical Programs for Low Income Children:</i>				
Title XIX Funded	33,532	34,959	40,294	43,614
Title XXI Funded <140%/140-200% of FPL	8,984/2,487	9,254/2,564	9,732/2,694	9,996/2,766
<i>Medicare Savings:</i>				
QMB	3,311	3,409	3,506	3,604
SLMB	1,702	1,761	1,832	1,898
Qualified Individuals	826	908	970	1,040
Renal Disease	10	6	6	6
<i>FOOD & NUTRITION PROGRAMS:</i>				
SNAP Benefits Issued	\$75,977,064	\$97,224,026	\$127,409,067	\$139,359,132
SNAP Certified Households/Persons Avg./Mo.	26,013/62,816	29,009/66,398	32,968/79,123	36,061/86,546
SNAP: Employ. & Training Participants (Ave./mo)	1,702	2,397	2,450	2,550
SNAP: Annual Job Placements	2,723	3,108	3,200	3,300
TANF CASES (Per Mo./Avg. Pay)	2,876/\$373.95	2,931/\$381.96	3,163/\$393.43	3,218/\$402.09
TANF Parent Cases (Average per Month)	895	896	910	920
Annual Job Placements	1,238	1,031	1,200	1,250
<i>AUXILIARY PLACEMENT:</i>				
Children Served	534	552	556	560
DOC Children/CPS & Auxiliary Children	232/302	230/322	236/320	238/322

Medical and Adult Services

The Medical and Adult Services division provides medical assistance to eligible South Dakotans under Medicaid (Title XIX of the Social Security Act). It also provides a range of in-home and community-based services to older adults in accordance with the Older Americans Act as well as administering the Victim Assistance programs.

The total recommended budget for Medical and Adult Services consists of \$748,681,498 and 145.0 FTEs.

Item:	Actual FY09	Budgeted FY10	Agency Requested FY11	Governor Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	6,822,172	7,680,652	7,680,652	7,715,603	34,951	0.5%
Travel	249,532	315,633	315,633	315,633	-	0.0%
Contractual Services	21,334,428	27,601,949	27,705,094	27,705,094	103,145	0.4%
Supplies & Materials	518,763	431,895	431,895	431,895	-	0.0%
Grants And Subsidies	587,435,004	625,602,257	746,324,984	712,512,837	86,910,580	13.9%
Capital Outlay	404	436	436	436	-	0.0%
Other	517	-	-	-	-	0.0%
Total	616,360,820	661,632,822	782,458,694	748,681,498	87,048,676	13.2%
Funding Types:						
General	191,077,992	189,400,278	246,006,602	233,657,854	44,257,576	23.4%
Federal	423,819,862	467,188,006	533,561,080	512,031,914	44,843,908	9.6%
Other	1,462,967	5,044,538	2,891,012	2,991,730	(2,052,808)	(40.7%)
Total	616,360,821	661,632,822	782,458,694	748,681,498	87,048,676	13.2%
FTE	139.9	145.5	145.5	145.0	(0.5)	(0.3%)

REVENUES – None Reported

FMAP (Federal Medical Assistance Percentage) is the percentage of federal matching funds a state receives for its Medicaid Program. It is calculated based on a three-year average of state per capita personal income compared to the national average. South Dakota's share of the FMAP rate is going down because its personal income is going down. In State Fiscal Year 2011, the blended federal share will be 65.09% and the state share will be 34.91%.

➤ FMAP funding "flip" from federal funds to general funds for the Medical and Adult Services division is **\$19,098,261**.

➤ School Based Administration: The Governor recommends an **increase of \$900,000** in federal funds for school based administration. Local school districts may claim administrative expenses related to the district's students that are eligible for Medical Assistance Programs. The increase will cover the growth due to increased Medicaid eligibility rates and increasing costs.

➤ Medical Services-Mandatory Provider Inflation: The Governor recommends an **increase of \$4,532,080** due to provider inflation. Mandatory provider inflation applies to services or programs where federal requirements or the State's approved Medicaid State Plan require reimbursement based on actual costs. (The Governor recommends no increase for discretionary provider inflation.) (\$1,894,011 general)

<u>Breakdown</u>	<u>General Funds</u>	<u>Total</u>
Physician Services – 2.57%	40,903	117,168
Medicare Crossover – 5%	392,106	1,123,191
Medicare Part A premium – 4.2%	77,127	220,932
Medicare Part B premium – 11.86%	817,269	2,341,074
BBA expanded SMI – 11.86%	0	163,109
Part D – 3.97%	566,606	566,606
TOTAL	\$1,894,011	\$4,532,080

- Medical Services-Increased Clients: The Governor recommends an **increase of \$15,188,197** due to increased utilization of medical services. (\$5,265,528 general)
- Medical Services-Increased Utilization: The Governor recommends an **increase of \$5,960,204** due to increased utilization of medical services. (\$2,080,708 general)
- Medical Services-FY10 Revised Estimates: The Governor recommends an **increase of \$42,074,058** due to increased costs for medical services. (\$14,191,627 general)

NOTE: See attachment A for the Medical Services budget detail.

- Medicare Part D (Clawback): The Governor recommends a **funding flip of \$2,153,526 (+general - other)** in the Medicare Part D state contribution. One-time “other fund” cash was used last year as a result of the settlement of lawsuits involving drug companies by the Consumer Protection Division of the Attorney General's Office.
- Indian Health Services: The Governor recommends an **expansion of \$20,160,575 of federal fund authority** due to revised FY10 estimates.
- Adult Services & Aging-Administration: The Governor recommends a **decrease of \$15,255 and .5 FTE** due to restructuring duties. (\$8,321 general)
- In-Home Services: The Governor recommends an **increase of \$103,145 of federal fund authority** for contractual services for the Aging and Disability Resource Center Federal Grant Award for redesigning system access for Home and Community Based Services and Long Term Care Services. Also, recommending a temporary **funding flip of \$100,000** from general funds to other funds to spend Homemaker Fees funds.
- Community Support Services: The Governor recommends a **decrease of \$500,000 of federal fund authority** due to the ARRA funds for the Elderly Nutrition Program.
- Long-term Care Services: The Governor recommends a **decrease of \$956,248 (-\$333,826 general)** due to a projected decrease in utilization.
- Victim’s Services: The Governor recommends a **decrease of \$448,286 of federal fund authority** due to the ARRA funds for Victim’s Services.

SELECTED STATISTICAL DATA

	Actual FY08	Actual FY09	Estimated FY10	Estimated FY11
<i>MEDICAL SERVICES:</i>				
<i>Average Persons Eligible:</i>				
Aged/Blind	5,593/84	5,546/84	5,481/84	5,420/84
Disabled Adults/Children	11,226/2,680	11,444/2,815	11,647/2,941	11,854/3,071
Low Income Family (LIF) Adults/Children	10,800/17,955	10,797/18,047	11,418/18,331	11,581/18,331
DSS & DOC Foster Care Children	3,755	3,728	3,800	3,850
Pregnant Women	1,903	1,873	1,855	1,833
QMB	3,311	3,409	3,506	3,604
<i>Medical Services Programs for Children:</i>				
Title XIX Funded	33,532	34,959	40,294	43,614
Title XXI Funded, Under 140% of FPL	8,984	9,254	9,732	9,996
Title XXI Funded 140%-200% of FPL	2,487	2,564	2,694	2,766
Total Title XIX Eligibles	90,839	92,702	99,357	103,242
Total Title XXI Eligibles	11,471	11,818	12,426	12,762
Total Avg. Persons Eligible (XIX & XXI)	102,310	104,520	111,783	116,004
Total Average Cost Per Title XIX Eligible	\$3,884	\$4,088	\$4,671	\$4,787
<i>Average Cost Per Title XIX Eligible by Service:</i>				
Physicians	\$710	\$774	\$825	\$849
Inpatient Hospital	\$983	\$1,129	\$1,256	\$1,283
Outpatient Hospital	\$371	\$394	\$414	\$410
Prescription Drugs	\$342	\$366	\$407	\$416
All Other Services	\$1,478	\$1,425	\$1,769	\$1,829
<i>Program Utilization (Avg Mo Utiliz/Cost):</i>				
Physician Services	29.29/\$199.39	29.26/\$212.52	31.28/\$215.21	32.21/\$215.50
Inpatient Hospital	1.55/\$5,371.09	1.65/\$5,725.86	1.69/\$5,954.30	1.73/\$5,954.30
Outpatient Hospital	7.05/\$438.19	6.87/\$477.81	7.06/\$488.24	6.99/\$488.24
Other Medical	3.14/\$321.35	3.13/\$343.38	3.14/\$364.38	3.14/\$364.38
Chiropractic Services	1.00/\$34.83	1.05/\$36.14	1.09/\$36.14	1.14/\$36.14
Medicare Crossover	8.19/\$197.13	8.58/\$251.42	8.67/\$206.99	8.76/\$217.34
Indian Health Services	22.38/\$507.70	20.77/\$479.29	32.38/\$533.29	32.38/\$533.29
<i>Prescription Drugs:</i>				
Avg. Utilization/Prescriptions Per Month	23.65/2.67	23.14/2.67	23.77/2.69	23.92/2.69
Average Cost Per Prescription	\$69.99	\$68.75	\$71.39	\$71.39
<i>Adult Services:</i>				
Average Eligible Clients	27,619	27,871	28,790	29,099
Dental Average Utilization/Cost	5.07/\$181.26	5.36/\$186.23	5.52/\$191.82	5.69/\$191.82
Optometrist Average Utilization/Cost	1.88/\$92.35	1.69/\$120.36	1.81/\$120.36	1.81/\$120.36
<i>Children's Services (EPSDT)</i>				
Avg. Children - LIF/Foster Care	17,955/3,755	18,047/3,728	18,331/3,800	18,331/3,850
Expanded Medical/Disabled	33,532/2,680	30,384/2,815	35,694/2,941	38,914/3,071
<i>Avg. Monthly Utilization/Cost:</i>				
Screening	1.47/\$68.08	1.11/\$86.19	1.47/\$86.19	1.47/\$86.19
Dental Services	7.84/\$178.85	8.50/\$182.14	8.93/\$137.00	9.24/\$131.93
Optometric Services	1.53/\$82.44	1.37/\$105.26	1.53/\$105.26	1.53/\$105.26
Treatment Services	1.73/\$914.16	1.55/\$1,094.56	1.49/\$1,094.56	1.49/\$1,094.56
<i>Supplemental Medical Insurance (Buy-In):</i>				
Part A Recipients/Premium	955/\$416.55	969/\$433.00	969/\$452.00	969/\$471.00
Part B Recipients/Premium	15,456/\$94.95	15,637/\$96.40	15,914/\$103.45	16,190/\$115.50
Balance Budget Act Expanded SMI/Premium	846/\$94.96	932/\$100.06	1,025/\$103.45	1,128/\$115.50
<i>Childrens Care Hospital:</i>				
Avg. Residents/Per Diem Paid	58/\$387.69	59/\$461.02	65/\$484.76	65/\$484.76
<i>Renal Disease:</i>				
Avg. Monthly Eligibles	10	6	6	6
Avg. Monthly Cost Per Eligible	\$171.75	\$64.71	\$85.88	\$85.88

<i>Managed Care Program Participants:</i>				
Eligibles/Physicians in Primary Care	80,887/745	78,407/691	84,508/713	88,244/745
<i>Claims Processing:</i>				
Claims Processed	4,137,672	4,677,770	5,030,235	5,220,180
Claims Processed Per Eligible Person	40	45	45	45
<i>ADULT SERVICES AND AGING:</i>				
Avg. Monthly Consumers Served	5,568	5,689	5,800	5,900
Annual Unduplicated Consumers Served	8,291	8,476	8,662	8,853
Title XIX Waiver Program Clients	1,171	1,187	1,234	1,283
In-Home Waiver-Unduplicated Consumers	165	142	148	154
Assisted Living Waiver-Unduplicated Consumers	1,006	1,045	1,086	1,129
<i>In-Home Services (Non-Waiver)</i>				
Nursing & Homemaker Aide Consumers	5,701	5,653	5,879	5,892
Contracted Nursing & Homemaker Aide Hours	326,937	319,629	341,082	343,110
Respite and Caregiver Clients	695	637	731	833
<i>Community Support Services</i>				
Adult Day Hours/Consumers	61,469/167	57,310/156	65,656/200	65,656/200
Transportation Trips/Clients	444,210/9,799	443,192/8,886	450,000/9,750	460,000/9,900
Elderly Nutrition Program Meals Served	1,529,471	1,488,328	1,552,575	1,552,575
Nutrition Consumers Served per Day	6,112	6,021	6,150	6,150
<i>Long Term Care Services</i>				
Nursing Facilities - Clients	3,647	3,609	3,609	3,586
Assisted Living Centers - Clients	695	726	726	726
Adult Foster Care	17	12	12	12
<i>Victims Services</i>				
Unduplicated Victims Served	17,942	16,077	17,000	18,000
Unduplicated Victims Sheltered	4,492	4,674	5,000	5,500
Victims Compensation Claims Approved	196	238	280	340

Children's Services

The Children's Services division provides services to families in the areas of child support and enforcement, child protection services, and child care services.

The total recommended budget consists of \$89,759,910 and 352.8 FTEs.

Item:	Actual FY09	Budgeted FY10	Agency Requested FY11	Governor Recommended FY11	Inc/Dec FY11	% Change From FY10
Personal Services	17,638,665	18,327,275	18,327,275	18,456,344	129,069	0.7%
Travel	1,079,269	1,281,863	1,281,863	1,281,863	-	0.0%
Contractual Services	5,920,031	6,948,671	7,064,938	7,033,671	85,000	1.2%
Supplies & Materials	1,292,221	1,577,116	1,577,116	1,577,116	-	0.0%
Grants And Subsidies	54,457,279	65,874,931	62,767,932	61,352,916	(4,522,015)	(6.9%)
Capital Outlay	6,172	-	-	-	-	0.0%
Other	52,734	58,000	58,000	58,000	-	0.0%
Total	80,446,371	94,067,856	91,077,124	89,759,910	(4,307,946)	(4.6%)
Funding Types:						
General	33,262,154	30,218,556	33,594,900	32,521,212	2,302,656	7.6%
Federal	43,672,714	59,459,581	53,080,199	52,831,304	(6,628,277)	(11.1%)
Other	3,511,503	4,389,719	4,402,025	4,407,394	17,675	0.4%
Total	80,446,371	94,067,856	91,077,124	89,759,910	(4,307,946)	(4.6%)
FTE	351.0	352.8	352.8	352.8	0.0	0.0%

➤ FMAP funding "flip" from federal funds to general funds for the Children's Services division is **\$1,073,986**. (general fund increase)

➤ Contract Payments to State Agencies: The Governor recommends an **increase of \$85,000** to reimburse the Unified Judicial System for the referee costs for child support modification and order establishment cases when referee hearings are conducted. There is a projected increase in caseloads due to significant changes to child support guideline schedules and the status of the economy. (\$21,675 general)

➤ Subsidized Adoptions and Medical: The Governor recommends an **increase of \$1,137,985 (729,802 general)** in the area of subsidized adoptions and medical due to increased FY10 subsidies and increased FY11 utilization. Subsidized Adoption is provided for children who have medical, emotional, or behavioral problems, or who are otherwise hard to place for adoption due to their special needs, race, age, or because they are part of a large sibling group.

➤ Court Ordered Supervision: The Governor recommends a **decrease of \$660,000 general funds** for court ordered supervision. The decrease will end contracts with private agencies and the program will be restructured so the department's staff can perform the tasks.

SDCL 26-8A-22 and SDCL 26-8A-26 (This project provides for contracts with private agencies to work in collaboration with Child Protection Services in fulfilling the responsibility set by the court in providing supervision of family situations where children are returned to parents. 2007 HB1072.)

➤ Child Care Direct Assistance: The Governor recommends a **decrease of \$5,000,000 of federal fund** authority due to the ARRA funds being removed for FY11.

➤ Child Support: The Governor recommends an **increase of \$1,087,500 general funds and equal decrease of federal fund** authority due to the provisions of ARRA ending.

REVENUES

	Actual FY08	Actual FY09	Estimated FY10	Estimated FY11
Direct from Noncustodial Parents	16,531,849	16,632,310	16,700,000	16,800,000
Income Withholding	49,910,545	51,111,850	52,000,000	53,000,000
Non-DCS Collections	15,472,446	15,208,825	15,300,000	15,400,000
IRS Tax Refund Offsets	6,768,055	7,451,364	6,500,000	6,500,000
Received from Other States	6,112,094	6,078,175	6,100,000	6,100,000
Total	94,794,989	96,482,524	96,600,000	97,800,000

SELECTED STATISTICAL DATA

	Actual FY08	Actual FY09	Estimated FY10	Estimated FY11
<i>CHILD SUPPORT:</i>				
<i>Distribution of Collections:</i>				
DCS Payments to Families	\$67,653,511	\$70,599,058	\$70,600,000	\$71,700,000
Non-DCS Payments to Families	\$15,472,446	\$15,208,825	\$15,300,000	\$15,400,000
DCS Payments to Other States	\$7,280,893	\$7,037,808	\$7,100,000	\$7,200,000
State Share of TANF/IVE Collected	\$1,736,608	\$1,389,914	\$1,332,000	\$1,295,000
Federal Share of TANF/IVE	\$2,651,531	\$2,246,919	\$2,268,000	\$2,205,000
Federal Incentive Payments	\$1,405,637	\$1,856,155	\$2,093,000	\$2,400,000
Total Cases	53,300	52,360	54,200	56,200
TANF/IVE Cases	3,379	3,630	3,700	3,800
Non-TANF Cases	28,536	29,088	30,000	31,000
TANF/IVE Arrears Only Cases	6,504	4,730	4,900	5,100
Non-DCS Cases	9,105	9,710	10,200	10,700
Non-Jurisdictional Cases	5,776	5,202	5,400	5,600
Total Payments Processed	558,369	560,224	565,000	570,000
Total Payments Disbursed	433,069	444,391	450,000	455,000
Payments Disbursed Electronically	417,619	426,839	432,000	437,000
Payors - DCS Cases	29,719	30,144	32,000	33,000
Payors - Non-DCS Cases	3,008	2,952	3,000	3,100
Paternities Established	521	668	720	770
Voluntary Paternity Acknowledgements	3,320	3,179	3,300	3,400
Support Orders Established	2,481	2,933	3,100	3,300
Support Order Modifications Processed	2,763	3,186	3,400	3,700
Successful Enforcement Actions	40,036	37,906	39,000	40,000
TANF Cases Closed With Collections	1,822	2,101	2,200	2,200
Customer Service Calls to Voice Response	461,752	422,792	400,000	400,000
Internet Customer Service Queries	582,540	576,829	600,000	620,000
New Hires Reported	200,033	172,160	180,000	190,000
New Hire Matches with DCS Cases	18,653	15,884	16,560	17,480
<i>CHILD PROTECTION SERVICES:</i>				
All Types of Requests for Services	16,991	17,281	17,000	17,000
Abuse and Neglect (A/N) Requests for Svcs.	14,374	14,777	14,700	14,700
Assigned A/N Requests for Svcs./Children	3,668/6,971	3,946/7,249	4,000/7,000	4,000/7,000
Completed A/N Requests for Svcs./Children	3,618/6,622	3,893/6,823	3,920/6,900	3,920/6,900
Required Safety Response Requests/Children	1,178/2,337	1,208/2,283	1,200/2,300	1,200/2,300
Children Requiring Removal from Home	1,431	1,478	1,480	1,480
Children Staying at Home Needing Services	1,159	1,273	1,275	1,280

Continued....

<i>Adoption Subsidies:</i>				
Mo. Avg. Maintenance & Med./Med. Only	1,327/27	1,404/21	1,481/25	1,558/30
Annual Maintenance Cost Per Client	\$4,655	\$4,740	\$6,312	\$6,451
<i>Subsidized Guardianships:</i>				
Average Clients/Cost Per Year	160/\$3,948	156/\$4,022	170/\$4,023	175/\$4,023
<i>Alternative Care Placements:</i>				
Relative Placements Avg. Clients/Month	220	177	190	200
Avg. Out-of-Home Paid Placements/Month	1,185	1,194	1,223	1,227
<i>Pd Placements-Mo. Avg. Clients/Avg. Cost:</i>				
Basic Foster Care	646/\$441	637/\$438	647/\$438	647/\$438
Specialized Foster Care	58/\$736	56/\$742	58/\$742	58/\$742
Treatment Foster Care	110/\$1,978	107/\$1,972	110/\$1,972	110/\$1,972
Emergency Care	121/\$354	130/\$392	130/\$392	130/\$392
Group Care	71/\$3,799	78/\$3,975	82/\$3,975	86/\$3,975
Psychiatric Residential Facilities for Children	179/\$6,478	186/\$6,548	196/\$7,617	196/\$7,617
<i>Outcome Measures:</i>				
Children Returned Home/Placed for Adopt.	816/188	900/167	930/166	930/173
Children Emancipated/Guardianships	72/78	79/84	85/94	90/99
Children Discharged to Relatives/Other Perman	71/225	42/215	60/205	60/205
<i>CHILD CARE SERVICES:</i>				
Average Monthly Families Served	2,914	2,814	3,011	3,111
Average Monthly Children Served	4,988	4,852	5,119	5,289
Average Monthly Payment Per Case	\$412	\$411	\$426	\$439
<i>Child Care Licensing and Registration:</i>				
Registered Family Day Care Providers	900	921	940	950
Licensed Group Family Day Care Centers	93	79	77	75
Licensed Day Care Centers	170	187	191	195
Licensed Out-of-School Time Programs	162	158	155	153

Other Departmental Issues

A. General Fund Reversions – FY03-FY09

FY03- \$ 3,337,370
FY04- \$ 200,081
FY05- \$ 369,894
FY06- \$ 8,228
FY07- \$ 455,473
FY08- \$ 00
FY09- \$ 00

B. Letters of Intent

None

C. Committee Requests

➤ The Committee requests that the Department continue to provide updated 'fact sheets' regarding the following: Sales Tax on Food Refund Program; MMIS; TANF Carryover Funds; Funding Sources; and the Federal Poverty Guidelines and Program Eligibility document.