

The background of the slide features a light gray silhouette of a family of four walking away from the viewer in a field. The family consists of a man on the left, a woman in the center, and two children on the right. The scene is set against a bright, hazy background, suggesting a sunrise or sunset. Two thick orange horizontal bars are positioned above and below the main title.

Federal Block Grants

Government Operations and Audit Committee
March 28, 2017

Federal Fund Sources

- Vast majority of federal funds in DSS budget are Medicaid (Title XIX). Entitlement program where federal funds are available as long as the individual meets program eligibility.
- Remaining federal funds include Block Grants or other federal grants.
- Block grants are a fixed amount of federal funding. Amounts allocated to states typically established on historical expenditures in a base year.
- May remain flat or level funded – or have some inflationary factor applied each year.

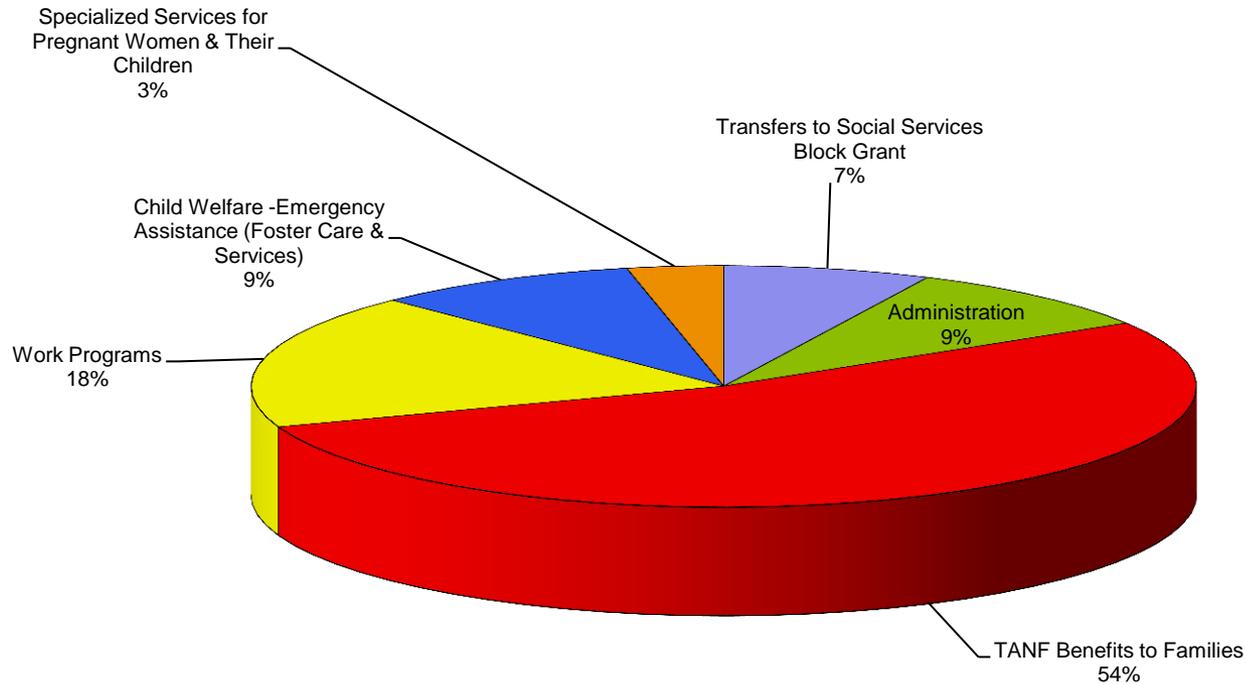
Block Grants

- Some block grants provide a fixed amount of federal funding not conditioned on state spending or match – 100% federal.
- Some block grants require a maintenance of effort or match of state funds.
 - TANF block grant provides federal funding at the capped level so long as the state spends minimum amount of its own state dollars on TANF-related initiatives
 - Child Care block grant – match rate set annually based on FMAP

Temporary Assistance to Needy Families

- TANF is used to fund a variety of programs including:
- TANF benefit to families - work program and individuals must meet work requirements.
 - SFY2016 Avg. Monthly caseload 3,032 (Avg. benefit \$443/mo)
 - 81% are non parent relative caretakers or disabled parents – remainder are required to participate in work activities.
- Child welfare - emergency assistance and foster care services.
- Specialized services for pregnant women and their children
- Annual Federal Grant: \$21.3 million
- \$8.5 million state general fund maintenance of effort

Temporary Assistance to Needy Families

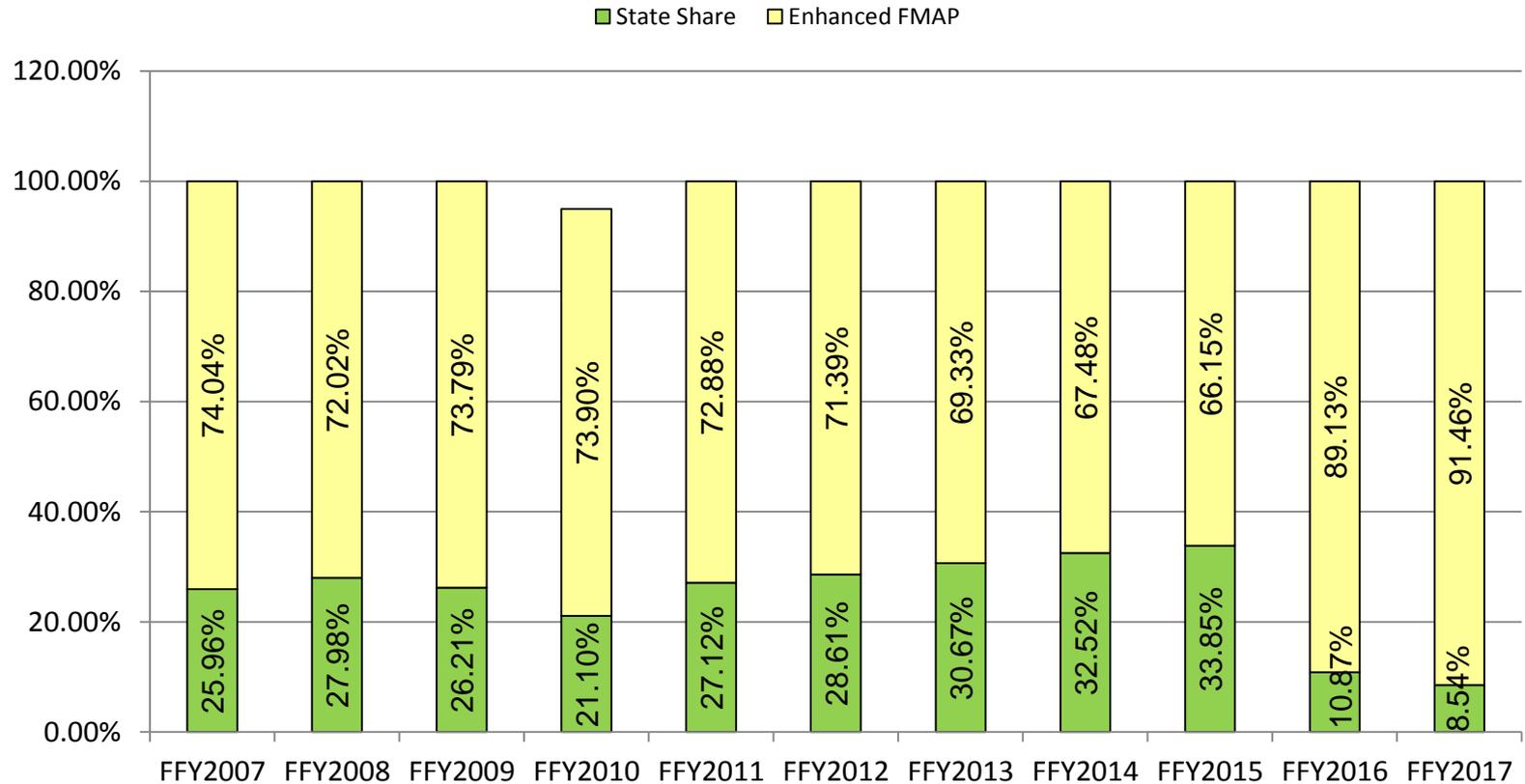


**SFY18 Recommended Budget
Federal TANF & General MOE Funds**

Children's Health Insurance Program (CHIP)

- Unlike Medicaid (Title XIX) CHIP is a block grant with a fixed amount of annual federal funds provided to each state.
 - Annual Federal Grant : \$23.6 million
 - SFY 16 Average monthly eligibles: 13,533
- State general fund match required. Averages 13-15% higher than the FMAP rate used in Medicaid Title XIX.
 - ACA provided a temporary additional 23% increase (for a total of 36%) to the CHIP match rate - ends September 30, 2019

History of CHIP FMAP- Federal Fiscal Year

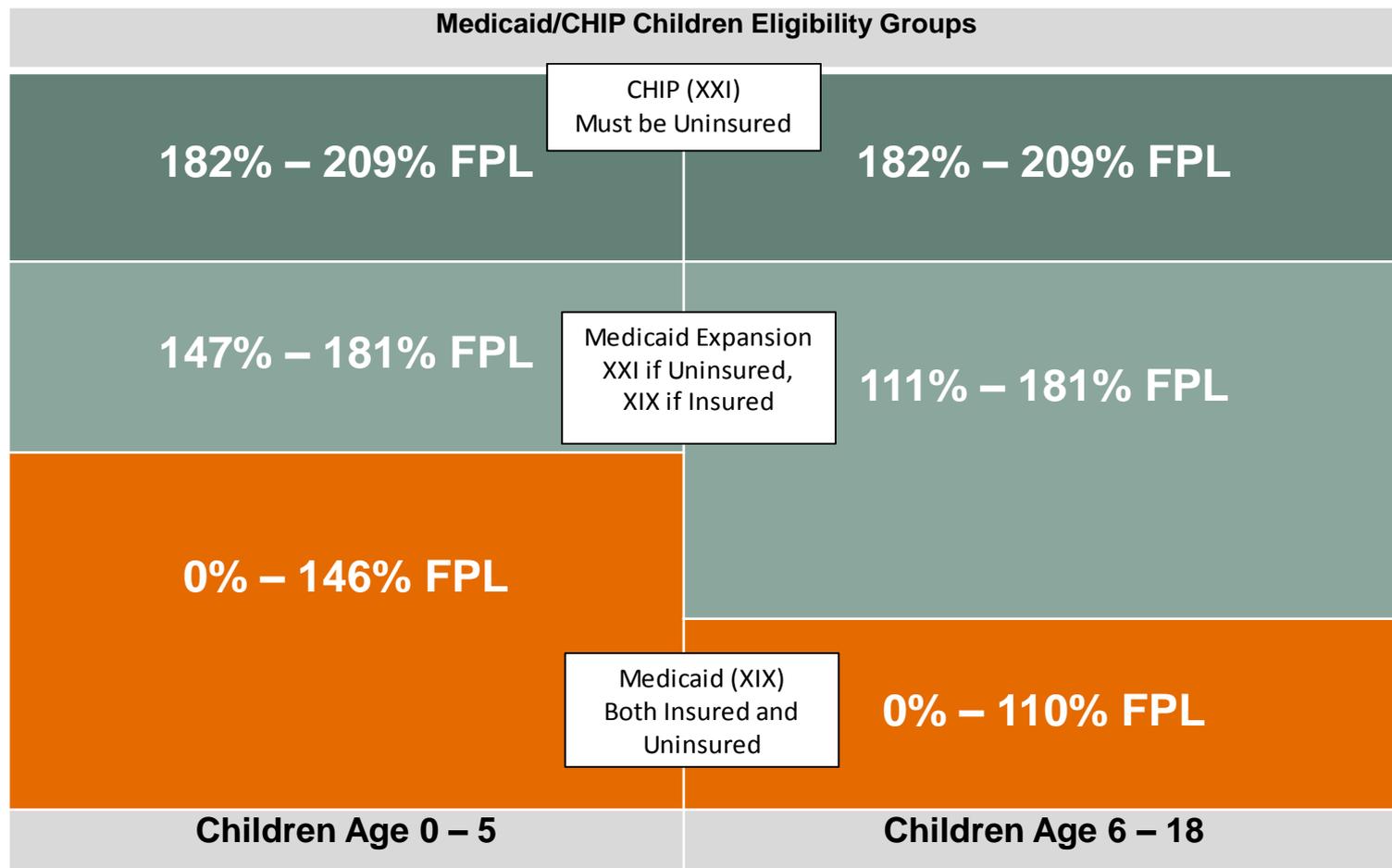


SFY17 (CHIP) Enhanced FMAP Blended Rates: 90.88% federal and 9.12% state

Children's Health Insurance Program (CHIP)

- Some states operate a stand alone separate program with different services than the Medicaid program.
- South Dakota CHIP and Medicaid programs mirror each other – i.e. same services and providers and operates what is referred to as a CHIP expansion program.
 - This allows flexibility to cover some uninsured children using CHIP that are also otherwise eligible for Medicaid. Fiscal benefit to SD because of higher CHIP match rate compared to Medicaid FMAP.
- SD Covers uninsured children up to 209% FPL (ACA converted income level)
 - Nearly every state provides coverage up to at least 209% FPL

Children's Health Insurance Program (CHIP)



Other Block Grants

Child Care & Development Block Grant

- Provides assistance to eligible working families with child care costs.
- Avg monthly: 2,132
- Payment directly to child care provider
- Annual Federal Grant: \$13.5 million FY2016
 - \$5.0 million matched at FMAP rate
 - \$802K (MOE)
 - Remaining – 100% federal

Other Block Grants

Low Income Home Energy Assistance (LIHEAP)

- Financial assistance to 22,175 households in 2016. Assist low income families with heating expenses.
 - Payment directly to heating provider
- 100% federal funds - no state match or MOE
- Annual federal grant: \$17.3 million (FY16)

Other Block Grants

Community Mental Health and Substance Abuse Treatment Grants

- Funding for community based mental health and substance abuse treatment services.
- Funding supports services delivered by 11 Community Mental Health Centers and 52 Substance Use Disorder providers.
- Numbers Served (SFY2016)
 - Mental Health: 19,825
 - Substance Use: 12,297
- Annual federal grant: \$7.1 million
- Maintenance of Effort

Other Block Grants

Community Services Block Grant

- Assistance gaining employment, emergency one time assistance with utility connections, rent or deposit, transportation, etc.
- Funding limited to federally defined Community Action Agencies.
- Annual federal grant: \$3.0 million (FY16)
- 100% federal funds - no state match or MOE

Social Services Block Grant

- Funding supports in home services for the elderly, child welfare.
- Annual federal grant: \$4.2 million (prior to TANF transfer)
- 100% federal – no match or MOE