



South Dakota Legislative Research Council

Issue Memorandum 95-16

AN ANALYSIS OF THE FUNDING OF DOMESTIC ABUSE SHELTERS

Introduction

In South Dakota, as in other states, concern over the extent of domestic abuse has led to expanded services to victims in recent years. Currently, the state of South Dakota provides grants from the general fund to shelters throughout the state, and state law requires that some locally collected revenue also be distributed to local facilities. In addition, shelters throughout the state receive funding from a number of federal grant programs, and many also raise money from non-profit and private funders such as the United Way and foundations.

Data provided by the domestic abuse shelters in South Dakota indicates that they vary considerably in their sources of funding and amount and type of service provided to clients. The federal government provides support through at least four grant programs, and shelters throughout the state receive significant funding from one or more of these programs. Many facilities do not depend heavily on state or federal grants, because they receive significant funding from private and local government sources. For many shelters, the state grant program provides less than \$10,000, which pays for a relatively small proportion of their services.

State Grant Program

In both fiscal years 1995 and 1996, the Legislature approved a special appropriation of

\$250,000 in general funds for grants to domestic abuse shelters. This amount marks a doubling of the amount appropriated in fiscal year 1994. The Legislature approved the initial increase for state grants to replace the loss of \$125,000 in federal money which the state was receiving from the Byrne grant program. The purpose and limits of the state grant program are described in the following section of law:

§ 25-10-27. Grants awarded pursuant to §§ 25-10-26 to 25-10-33, inclusive, may not exceed forty percent of the total cost of programs or services provided by the contractors, and shall be used by contractors to:

- (1) Establish or maintain shelter or service programs for victims of domestic or sexual abuse and their dependent children; or
- (2) Develop or establish training programs for persons engaged in areas related to the problems of domestic or sexual abuse.

The state forces shelters to find other sources of support by requiring that recipients not receive a majority of their funding from state grants. Very few shelters, however, receive state grant awards which put them near the forty percent threshold. Of the amount appropriated in FY96, \$25,000 was used for training grants under section two of the law above. This portion of the grant program is described by the following section of administrative rule:

1:10:01:05. Training programs shall offer training and technical assistance to service programs, including topics such as administration and service program delivery. Training program funds are awarded only to organizations whose primary purpose is the elimination of domestic violence and sexual assault.

Training grants are limited by rule to no more than ten percent of the amount appropriated, and the Department of Social Services, which administers the grant program since taking that responsibility over from the Governor's office two years ago, has elected to use the full allowed amount for this purpose in each of the last two years.

When training grant funds are subtracted, the state has provided a total of \$225,000 in general funds to support direct services to victims of domestic abuse. In FY96, the Department of Social Services has granted funds to twenty-six shelters, which means that the average shelter receives less than \$10,000 from the state grant program. Thus, most shelters receive far less than the statutory limit of forty percent of their funding from the state. Shelters do receive additional governmental funding, particularly from the federal government, which operates several programs that support services for domestic abuse victims.

Federal Grant Programs

The most significant federal grant program for domestic abuse shelters is the Victims of Crime Assistance (VOCA) program. Every shelter in the state which receives a state grant also receives a VOCA grant; VOCA is the only federal grant program which distributes funds as widely as the state program. VOCA funds are administered at the federal level by the Department of Justice, and the source of

funding is criminal fines levied by federal courts. In the most recent federal fiscal year, South Dakota received \$387,000 for these grants, which represents an increase of \$38,000 over the previous year.

VOCA funds are divided between the states by a formula based on population, and the amount received varies considerably since Congress appropriates only revenue raised by federal court actions for these grants. The Department of Social Services awards VOCA grants from the funding provided based on federal guidelines which require that the funds be used for the direct assistance of crime victims. These funds do not go exclusively to domestic abuse shelters, but the state has used a significant portion of this money to provide assistance, including temporary shelter, to domestic violence victims.

The federal government also sets aside a portion of the VOCA funds to make direct grants to agencies serving crime victims on Indian reservations. Domestic abuse shelters on Indian reservations in South Dakota receive funds through this portion of the program. Reservation facilities are allowed to participate in both parts of the program, and these shelters do also receive grants from the state's allotment of VOCA funds through the Department of Social Services.

In addition, the US Department of Health and Human Services makes grants to states for the Family Violence Prevention program. These funds are restricted to use in establishing, maintaining, and expanding programs to prevent family violence and provide shelter and other assistance to victims. Unlike VOCA, the funds for this program do not come from a dedicated source. The money in this program is distributed to states through a formula based on population, and, in the last federal fiscal

year, as in several prior years, South Dakota received \$200,000. The Department of Social Services awards grants from this pool to many of the domestic abuse shelters in the state.

Some domestic abuse shelters in South Dakota also receive grants which are awarded by the South Dakota Housing Development Authority. These grants are funded by a pool of federal money which is distributed to each state and is to be used to provide shelter to homeless people. Many clients of domestic abuse shelters meet the requirements of homelessness under this program, and some shelters are able to use these grants to expand their services. In the most recent federal fiscal year, South Dakota received \$366,000 for these grants. These funds are distributed to local governments and non-profit organizations for a variety of projects assisting the homeless, so domestic abuse shelters do not receive most of the money granted under this program.

Another minor source of federal funding for domestic abuse shelters is the Community Services Block Grant (CSBG). The federal government established this block grant in the early 1980s, and it has been funded at a nearly consistent level since, which gives South Dakota approximately \$1.8 million per year. These funds are administered by the Department of Social Services, which provides grants to local community action programs as required by federal law. These community entities are charged with using these funds to alleviate poverty and improve social conditions in their region, and one aspect of this involves the funding of domestic abuse shelters. In general, however, domestic abuse shelters receive only small grants from local community action programs, with the bulk of the CSBG allotment being used for other programs.

Between FY91 and FY94, the state received \$125,000 annually from the Byrne grant program which was used to support domestic abuse shelters. However, that grant program used to be restricted to no more than four consecutive years. Thus, the state did not receive any funds from this program in FY95. The four year restriction has since been removed, but the Department of Social Services did not apply to receive a Byrne grant in FY96. Instead, staff resources were devoted to obtaining money from the Stop Violence Against Women grant program which was created as part of the 1994 crime bill. The state has been granted \$426,364 from this program to be awarded to domestic abuse shelters. These funds may be available before the end of FY96 and will represent a significant expansion in funding for shelters in the state.

In the case of every federal grant, none of the funding can be used to substitute for state and local funding. For example, the new money from the Stop Violence Against Women grants cannot be used to reduce the amount of support provided by state and local sources. Thus, continued efforts at the state and local level to support shelters are necessary to receive the maximum available federal funding.

Other Funding Sources

In addition to state and federal grants, domestic abuse shelters receive funding from a number of other sources, including local fundraising, non-profits, and local governments. State law requires that a portion of marriage license and divorce filing fees collected by local governments be used for domestic abuse programs. The following statutes describe the distribution of these fees:

§ 25-1-10. Previous to any marriage within this state, a license for that purpose shall be obtained from the county register of deeds of any county, the fee for which is forty dollars. Ten dollars of the marriage license fee shall be retained by the county in which the fee is collected and placed in the county general fund. *Thirty dollars of the marriage license fee shall be deposited in the county domestic abuse program fund.* The license and record of marriage form shall be prescribed and furnished by the department of health. Certified copies of the marriage record shall be furnished by the county register of deeds for a fee of five dollars.

§ 16-2-45. The clerk of courts shall charge and collect a *fee of fifty dollars* for filing a divorce action. The fee shall be deposited in the county general fund as provided in § 16-2-30. *The county treasurer shall deposit half of the fee in the county domestic abuse program fund and half of the fee in the county general fund.*

These statutes raise money for the support of domestic abuse shelters, but their impact is modest in most areas. In total, the marriage license fee raised \$225,840 from 7,528 couples who purchased licenses in 1994. This amount is roughly equivalent to the amount granted under the state's general fund grant program. However, these fees are heavily concentrated in certain counties, with Minnehaha and Pennington receiving over 36% of the total raised by the marriage license fee dedication. The divorce license fees are similar in many respects. In FY94, for example, 3,680 couples filed for divorce, which raised a total of \$92,000 for county domestic abuse funds. Of the total filings, though, 45% were in Minnehaha and Pennington counties. Thus, the

marriage license and divorce filing fees make a significant contribution to domestic abuse shelters only in relatively densely populated and urban areas.

Some domestic abuse shelters receive grants from city and county governments in addition to the marriage license fee revenue, and some shelters receive funds from the state in addition to the general fund grant by obtaining limited funding from other sources such as the Children's Trust Fund and contracts with Child Protection Services. However, the vast majority of state and local government funding for domestic abuse shelters in South Dakota comes from the state's grant program and the dedication of marriage license and divorce filing fees.

Domestic abuse shelters also raise money in their local communities through a variety of fundraising efforts. In some cases, shelters receive significant funding from private foundations or non-profit grant-making organizations such as the United Way. The amount that shelters receive from private sources varies according to their ingenuity in accessing grants and raising money in their communities. However, the state encourages local support by mandating that shelters receive no marriage license fee revenue unless twenty percent of their total budget comes from other local sources. As a funding analysis shows, domestic abuse shelters in South Dakota receive support in various proportions from funding sources, both governmental and private.

Funding Analysis

Appended to this memo are two tables, the first of which is titled "State General Fund Grants to Domestic Abuse Shelters." This table shows

all of the grants to domestic abuse shelters under the service grant portion of the program. The grants to training programs, for a total of \$25,000 in both years, are not included. Looking at the grant data, the average grant in both years is less than \$10,000 and dropped between FY95 and FY96. The drop occurred because two shelters, in Martin and Mobridge, received grants in FY96 but not in FY95. The only other shelter to receive an increase was in Custer. The average shelter received a grant decrease of 7.7% in FY96 because the total amount awarded, \$225,000, did not change between the two years. Most of the grant cuts were between four and six percent. The only cut over ten percent was the 29.5% cut from the grant to the shelter in Burke; this cut was made to prevent the Burke shelter's state grant from exceeding the forty percent maximum of the shelter's budget. The state grant program spreads its limited funds widely, with only three shelters, in Sioux Falls, Rapid City and Aberdeen, receiving more than \$10,000, and only one shelter receiving less than \$5,000 in FY96. If more shelters are added to the list of recipients without an increase in the total appropriated, the already modest grants will have to decrease further.

The first table also includes information on the number of shelter days provided by each facility, and these numbers vary considerably. Interestingly, the amount granted to shelters does not correlate closely with the number of days provided. The average grant amount per shelter day is a little less than \$6, but many shelters either provide shelter days at significantly higher or lower cost to the state. One reason for the variability is that the state is not a major funder of these programs, so facilities that can raise money through other sources, such as those in Aberdeen and Rapid City, are able to provide more service per dollar received from the state. In addition,

some facilities, such as those in Redfield and Sisseton, provide very few shelter days at comparatively high cost. The shelters in Sioux Falls indicate that shelter days are not the sole consideration in the grant process, since one recipient provides a large number and the other provides almost none. Thus, it appears that some shelters use their grants for other allowable service activities, such as referral and advocacy.

The second table, "Sources of Funding for Domestic Abuse Shelters," demonstrates the size and composition of the budgets of domestic abuse shelters in South Dakota. The second column of this table illustrates the percentage of shelter budgets which comes from the state grant program. The statutory limit of forty percent is reached only in the case of Burke, and only two other shelters are over thirty percent. The average shelter receives fifteen percent of its budget from the state grant, and eleven shelters receive less than ten percent; thus, in most cases, the state grant program is not providing a large share of the support of domestic abuse shelters.

The third column of the table displays the percentage of shelter budgets which comes from federal grants, and the average of thirty-five percent indicates that federal grants play a much larger role than state grants in the support of domestic abuse shelters in South Dakota. As further demonstration of this, the average federal grant support of nearly \$50,000 is five times greater than the average state grant. Federal grants are a key portion of most shelter budgets; in fact, only six shelters receive less than a quarter of their budget from federal grants. The greatest dollar amounts and percentages are received by the shelters in Fort Thompson and Mission; the comparatively high level of federal support for these shelters

occurs because some federal funds are dedicated to facilities on Indian reservations.

The fourth column of the table demonstrates the percentage of shelter budgets which comes from marriage license and divorce filing fees. In most cases, this percentage is fairly small; however, on average, these fees contribute a slightly higher amount to shelter budgets than do state grants. Unlike the state grant program, these fees are not evenly distributed among shelters, with Rapid City and Sioux Falls receiving twice as much as any other shelter. In addition, only nine shelters receive more than ten percent of their budget from these fees.

The fifth column of the table shows the percentage of shelter budgets which comes from other governmental sources, which includes grants from cities, counties, and other state programs. The bulk of these funds represents direct support provided to shelters by local government. Interestingly, the average amount contributed to shelter budgets from this source also exceeds the average state grant amount. However, these grants are far from evenly distributed. Eight shelters receive no money from these sources, while an equal number are receiving more than ten percent of their budgets from these government grants. All of the grants included in this column are in addition to the marriage license fees, which are collected and then granted to domestic abuse shelters by local governments according to state law.

The sixth column of the table illustrates the percentage of shelter budgets which comes from private sources, including local fundraising, foundation grants, and donations from non-profits such as the United Way. These sources are a key portion of most shelter

budgets, and the average of more than \$35,000 is the highest from any source. Those facilities which are particularly resourceful, or have a large metropolitan area from which to draw support, are the biggest beneficiaries of private support. For an average shelter, about seventy percent of its support comes from private sources or federal grants, which dwarfs the generally modest contributions of state and local government.

Audit Requirements

During recent years' debates over appropriation of general funds for grants to domestic abuse shelters, some legislators have questioned whether shelters are subjected to audits of their use of state money. In fact, the state does not audit domestic abuse shelters as it does state agencies which spend large amounts of general funds. However, shelters are subjected to audits, the results of which are reviewed by the Department of Social Services.

Any shelter with a total budget of more than \$25,000 is required by the federal government to submit to an audit by an independent accounting firm in order to receive VOCA funds. Since all shelters which receive state grants also receive VOCA grants, all state grant recipients with budgets over \$25,000 are independently audited. The remaining shelters, which could number as few as two in FY96 according to the budget data in the second table appended to this memo, receive a site review by Department of Social Services staff to evaluate how the grant money is being used. Thus, most shelters' use of funds is audited, and all shelters receive some form of review each year.

Conclusion

In recent debates over the appropriation of general funds to domestic abuse shelters, some legislators have questioned the size of shelter budgets and what percentage the state is contributing. State law limits state grants to no more than forty percent of a shelter's budget, and data provided by the shelters indicates that the state offers a relatively modest amount of their total support, with state grants averaging less than \$10,000 while total shelter budgets average more than \$130,000. Even including the other contribution controlled by state law, marriage license and divorce filing fees, the total state contribution averages only approximately \$20,000. The most significant sources of support for shelters in South Dakota are federal grants and various forms of private funding.

These findings lead directly to two opposite conclusions. To some people, the state may be viewed as not contributing its share to domestic abuse shelters, forcing them to be overly dependent on private fundraising and federal grants. On the other hand, the state may be viewed as not needing to continue contributing at its current level, since foundations, non-profits, and the federal government are providing a level of funding which has marginalized the impact of the state's modest contributions. The accuracy of either of these views can be determined only after extensive study of the circumstances surrounding domestic abuse shelters in South Dakota, including the quality of the services they are providing, the extent of any existing unmet needs and unserved areas, and the availability of funds from sources other than state government to provide for any expansion of services.

This issue memorandum was written by Jeff Bostic, Fiscal Analyst for the Legislative Research Council. It is designed to supply background information on the subject and is not a policy statement made by the Legislative Research Council.

State General Fund Grants to Domestic Abuse Shelters					
Shelter Location	FY95 Grant	FY96 Grant	Percent change in Budget from FY95 to FY96	FY95 Shelter Days Provided	FY95 Grant \$ per Shelter Day
Aberdeen	\$11,620	\$11,200	-3.6	4716	\$2.46
Brookings	\$10,380	\$9,960	-4.0	909	\$11.42
Burke	\$7,097	\$5,000	-29.5	101	\$70.27
Custer	\$7,000	\$8,000	14.3	215	\$32.56
Flandreau	\$7,920	\$7,811	-1.4	177	\$44.75
Fort Thompson	\$8,472	\$8,052	-5.0	1,442	\$5.88
Hot Springs	\$7,920	\$7,811	-1.4	450	\$17.60
Huron	\$8,492	\$8,072	-4.9	918	\$9.25
Lake Andes	\$8,228	\$7,808	-5.1	937	\$8.78
Lemmon	\$9,204	\$8,784	-4.6	155	\$59.38
Madison	\$8,748	\$8,328	-4.8	1,692	\$5.17
Martin	\$0	\$2,000	---	---	---
Mission	\$8,470	\$8,050	-5.0	5,434	\$1.56
Mitchell	\$10,024	\$9,604	-4.2	1,109	\$9.04
Mobridge	\$0	\$7,400	---	---	---
Pierre	\$10,320	\$9,900	-4.1	1,829	\$5.64
Rapid City	\$15,166	\$14,740	-2.8	6,806	\$2.23
Redfield	\$7,920	\$7,810	-1.4	14	\$565.71
Sioux Falls: Children's Inn	\$15,171	\$14,762	-2.7	6,378	\$2.38
Sioux Falls: CAR&DV	\$8,248	\$7,828	-5.1	4	\$2,062.00
Sisseton	\$8,220	\$7,800	-5.1	29	\$283.45
Spearfish	\$8,960	\$8,540	-4.7	999	\$8.97
Sturgis	\$9,120	\$8,700	-4.6	2,205	\$4.14
Vermillion	\$8,860	\$8,440	-4.7	260	\$34.08
Watertown	\$10,420	\$10,000	-4.0	2,000	\$5.21
Yankton	\$9,020	\$8,600	-4.7	603	\$14.96
Total	\$225,000	\$225,000	0	39,382	---
Average	\$9,375	\$8,654	-7.7	1,641	\$5.71

Sources of Funding for Domestic Abuse Shelters

Shelter Location	State Grant		Federal Grants		Marriage License Fees		Other Govt. Sources		Private Sources		Total Budget
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
Aberdeen	\$11,200	6	\$53,694	30	\$16,000	9	\$0	0	\$100,450	55	\$181,344
Brookings	\$9,960	8	\$34,422	26	\$7,000	5	\$19,500	15	\$60,400	46	\$131,282
Burke	\$5,000	40	\$6,300	50	\$0	0	\$0	0	\$1,200	10	\$12,500
Custer	\$8,000	36	\$6,500	30	\$2,500	11	\$2,000	9	\$3,000	14	\$22,000
Flandreau	\$8,000	28	\$9,800	35	\$2,340	8	\$5,000	18	\$3,000	11	\$28,140
Fort Thompson	\$8,052	6	\$126,291	94	\$0	0	\$0	0	\$0	0	\$134,343
Hot Springs	\$6,800	9	\$9,300	12	\$3,500	5	\$0	0	\$58,000	75	\$77,600
Huron	\$8,100	19	\$12,800	30	\$0	0	\$12,400	29	\$9,000	21	\$42,300
Lake Andes	\$11,300	3	\$54,900	15	\$1,500	0	\$4,000	1	\$296,000	81	\$367,700
Lemmon	\$10,000	23	\$17,500	40	\$675	2	\$1,000	2	\$14,300	33	\$43,475
Madison	\$8,700	18	\$9,100	19	\$2,400	5	\$0	0	\$27,705	58	\$47,905
Mission	\$8,050	2	\$506,436	97	\$0	0	\$0	0	\$5,000	1	\$519,486
Mitchell	\$9,604	10	\$29,400	32	\$12,000	13	\$10,000	11	\$31,650	34	\$92,654
Mobridge	\$7,400	28	\$8,300	32	\$1,000	4	\$0	0	\$9,542	36	\$26,242
Pierre	\$9,900	7	\$51,408	36	\$8,000	6	\$8,000	6	\$65,900	46	\$143,208
Rapid City	\$15,000	7	\$66,000	29	\$50,000	22	\$8,500	4	\$88,500	39	\$228,000
Redfield	\$7,500	25	\$10,300	34	\$1,900	6	\$5,800	19	\$4,500	15	\$30,000
Sioux Falls: Children's Inn	\$14,746	2	\$72,914	11	\$75,000	11	\$136,608	20	\$377,106	56	\$676,374
Sioux Falls: CAR&DV	\$7,828	12	\$14,961	22	\$0	0	\$10,760	16	\$33,000	50	\$66,549
Sisseton	\$7,800	9	\$19,179	21	\$0	0	\$20,000	22	\$43,800	48	\$90,779
Spearfish	\$8,540	15	\$28,349	49	\$7,800	14	\$3,000	5	\$10,000	17	\$57,689
Sturgis	\$8,700	15	\$28,602	51	\$10,000	18	\$1,500	3	\$7,576	13	\$56,378
Vermillion	\$8,440	33	\$7,000	28	\$5,000	20	\$0	0	\$4,830	19	\$25,270
Watertown	\$10,000	6	\$37,000	21	\$25,000	14	\$16,000	9	\$85,612	49	\$173,612
Yankton	\$8,600	14	\$22,700	38	\$6,400	11	\$1,200	2	\$20,500	35	\$59,400
Average	\$9,089	15	\$49,726	35	\$9,521	7	\$10,611	8	\$54,423	34	\$133,369

