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Overview and Summary of Governor's FY 2010 Budget Proposal for the Department of Human Resources

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During this recession, as demand for DHR services increases, DHR Programs and attached agencies will collectively suffer a 9.2 percent decrease in funds of over \$149 million under the Governor's proposed budget. Of this decrease \$33.1 million is a deferral of state contributions to Other Post Employment Benefits (OPEB) fund to pay long-term liabilities of the State Health Benefit Plan, and \$18.5 million is a deletion of funds appropriated for salary increases in FY 2009.

Table 1: DHR Programs State Fund Changes from FY 2009 to FY 2010

	FY 2009 (HB 990)	FY 2010 Gov Proposal	Change (\$)	Change (%)
DHR Programs	\$1,631,202,946	\$1,481,920,698	(-\$149,282,248)	(-9.2%)

This analysis compares state funds in the Governor's FY 2010 Georgia Budget Proposal with the original FY 2009 Georgia Appropriation (HB 990)ⁱ. The impact of the state fund reductions are examined in the following program areas: Child Welfare Related Services, Low-Income Family Supports, Addictive Diseases and Mental Health Services, Developmental Disabilities, Elder Services, and Public Health. Please note, many of these programs are also funded by the federal Temporary Assistance for Needy Family (TANF) funding. See "*Overview and Summary of Governor's FY 2010 Budget Proposal for the TANF Program*" for more information on the impact of changes in available federal TANF funds.

Child Welfare Related Services

This area includes a range of services to protect children and strengthen the family, including

- Investigate allegations of child abuse, abandonment, and neglect.
- Provide safe and appropriate temporary homes for children removed from their families due to abuse, abandonment, or neglect.
- Inspect and license foster care residential facilities, child placing agencies, and health care facilities
- Provide safe shelter and related services for victims of family violence and their dependent children and to provide education about family violence to communities across the state.
- Support and facilitate permanent placement of children by prescreening families and providing support and financial services after adoption.

For FY 2010, the Governor proposes to reduce state funds for Child Welfare Related Services 16.8 percent (\$47.7 million).

Table 2: Child Welfare Related Services State Fund Changes from FY 2009 to FY 2010

	FY 2009 (HB 990)	FY 2010 Gov Proposal	Change (\$)	Change (%)
Adoption Services	\$35,568,642	\$37,396,464	\$1,827,822	5.1%
Child Welfare Services	\$117,613,541	\$100,239,849	(-\$17,373,692)	(-14.8%)
Facility and Provider Regulation	\$8,759,268	\$2,123,791	(-\$6,635,477)	(-75.8%)
Family Violence Services	\$6,151,950	\$4,701,950	(-\$1,450,000)	(-23.6%)
Out-of-Home Care	\$115,871,866	\$91,826,047	(-\$24,045,819)	(-20.8%)
Subtotal	\$283,965,267	\$236,288,101	(-\$47,677,166)	(-16.8%)

Specific state fund cuts will impact the following programs:

- Deferral of state contributions to Other Post Employment Benefits (OPEB) fund to pay long-term liabilities of the State Health Benefit Plan (\$1.8 million), and deletion of funds appropriated for salary increases in FY 2009 (\$2.9 million).
- Reduce child protective services caseworkers through attrition and maintain a 15:1 caseload ratio (\$9.5 million with an additional cut in federal funds of \$14.1 million).
- Reduce Child Placing Agency reimbursement rates for the lowest 3 levels of care provided (\$2 million).
- Reduce \$4.8 million to reflect savings due to higher utilization of in-home services.
- Transfer \$1.9 million in state funds and \$2.3 million in federal funds to Adoption Services to fund projected caseload growth.
- Eliminate 6 vacant positions (\$0.5 million) with Facility and Provider Regulation.
- Eliminate FY 2009 new funding for family violence shelters (\$0.8 million) and sexual assault centers (\$0.6 million).

Low-Income Family Supports

This area includes a range of services and supports to low-income Georgia families, including:

- Subsidized child care,
- Access to (eligibility determination) state and federal assistance and support services (e.g., health care, food stamps, TANF, energy assistance, and others),
- State and federal assistance and support services (e.g., health care, food stamps, TANF, energy assistance, and others), and
- Child Support Services.

For FY 2010, the Governor proposes to reduce these programs 6.7 percent (\$13.6 million).

Table 3: Low-Income Family Supports State Fund Changes from FY 2009 to FY 2010

	FY 2009 (HB 990)	FY 2010 Gov Proposal	Change (\$)	Change (%)
Child Care Services	\$58,577,959	\$54,065,184	(-\$4,512,775)	(-7.8%)
Child Support Services	\$24,963,922	\$24,420,191	(-\$543,731)	(-2.2%)
Eligibility Determination	\$56,870,673	\$56,288,190	(-\$582,483)	(-1.0%)
Food Stamp Eligibility and Benefits	\$39,590,489	\$36,659,226	(-\$2,931,263)	(-7.4%)
Support for Needy Families - Basic Asst	\$100,000	\$100,000	\$0	0%
Support for Needy Families - Family Asst	\$6,464,606	\$2,383,227	(-\$4,081,379)	(-63.1%)
Support for Needy Families - Work Asst	\$7,695,000	\$7,695,000	\$0	0%
Family Connection	\$9,600,837	\$8,633,677	(-\$967,160)	(-10.1%)
Subtotal	\$203,863,486	\$190,244,695	(-\$13,618,791)	(-6.7%)

Specific state fund cuts will impact the following programs:

- Deferral of state contributions to OPEB fund to pay long-term liabilities of the State Health Benefit Plan (\$3.0 million), and deletion of funds appropriated for salary increases in FY 2009 (\$2.7 million).
- Reduce state funds to Child Care Services (the state subsidized child care program also known as Child Care and Parent Services, CAPS) by \$4.5 million. For SFY 2010, the overall CAPS budget will be reduced by about \$10 million.ⁱⁱ As a result, CAPS will only have the capacity to serve an average of approximately 51,000 children per month in SFY 2010, 3,000 less than in SFY 2009 and a seven year low.ⁱⁱⁱ
- Reduce food stamp eligibility determination positions through attrition (\$2.2 million in state funds and \$1 million in federal funds), while the number of food stamp applicants and recipients in Georgia continues to grow. From SFY 2002 to SFY 2008, the number of Georgia food stamp recipients grew 84 percent, from 591,608 to 1,086,410 recipients.
- Reduce eligibility determination positions through attrition (\$2.6 million state funds and \$1.2 in federal funds). These positions promote access to health care for low-income families, children, pregnant women and persons who are aged, blind or disabled.

Addictive Diseases and Mental Health Services

For children, adolescents and adults, addictive disease programs provide services for the safe withdrawal from abused substances and promote a transition to productive living. For Georgians of all ages with mental illness, mental health services include evaluation, treatment, crisis stabilization and residential services. For FY 2010, the Governor proposes to reduce these programs by 9.8 percent (\$55.2 million).

Table 4: Addictive Disease and Mental Health State Fund Changes from FY 2009 to FY 2010

	FY 2009 (HB 990)	FY 2010 Gov Proposal	Change (\$)	Change (%)
Adult Addictive Disease Service	\$47,951,247	\$40,843,529	(\$7,107,718)	(-14.8%)
Child & Adolescent Addictive Diseases	\$9,420,763	\$2,668,868	(\$6,751,895)	(-71.6%)
Adult Forensic Services	\$46,249,924	\$43,324,819	(\$2,925,105)	(-6.3%)
Child & Adolescent Forensic Services	\$3,103,859	\$3,023,044	(\$80,815)	(-2.6%)
Adult Mental Health Services	\$237,141,537	\$222,695,256	(\$14,446,281)	(-6.1%)
Child & Adolescent Mental Health Services	\$90,721,809	\$72,108,642	(\$18,613,167)	(-20.5%)
Adult Nursing Home Services	\$2,383,183	\$2,383,863	\$680	0%
Direct Care Support Services	\$122,634,924	\$117,390,610	(\$5,244,314)	(-4.3%)
Subtotal	\$559,607,246	\$504,438,631	(\$55,168,615)	(-9.8%)

Specific state fund cuts will impact the following programs:

- Deferral of state contributions to OPEB fund to pay long-term liabilities of the State Health Benefit Plan (\$13.0 million), and deletion of funds appropriated for salary increases in FY 2009 (\$6.1 million).
- Reduce child and adolescent non-medically necessary community support services by \$4 million.
- Defer expansion of a pilot substance abuse treatment program for families and children (\$3.3 million).
- Cut Adult Addictive Disease core and specialty services funding by \$1.3 million.
- Reduce supported employment funding for adult mental health consumers by \$3 million.
- Cut adult mental health services contracts by \$1.7 million.
- Defer planned expansion of summer activities for youth with serious emotional disturbances (\$1.0 million).

Developmental Disabilities

For children, adolescents and adults, developmental disease programs provide evaluation, residential, support, and education services to promote independence. For FY 2010, the Governor proposes to reduce these programs by 4.3 percent (\$9.3 million).

Table 5: Developmental Disabilities (DD) State Fund Changes from FY 2009 to FY 2010

	FY 2009 (HB 990)	FY 2010 Gov Proposal	Change (\$)	Change (%)
Adult DD Services	\$194,722,380	\$186,540,071	(-\$8,182,309)	(-4.2%)
Child & Adolescent DD Services	\$20,619,083	\$19,581,330	(-\$1,037,753)	(-5.0%)
Gov Council on DD Services	\$70,917	\$33,285	(-\$37,632)	(-53.1%)
Subtotal	\$215,412,380	\$206,154,686	(-\$9,257,694)	(-4.3%)

Specific state fund cuts will impact the following programs:

- Deferral of state contributions to OPEB fund to pay long-term liabilities of the State Health Benefit Plan (\$4.3 million), and deletion of funds appropriated for salary increases in FY 2009 (\$1.7 million).
- Reduce funds (\$3.4 million) for 135 vacant Mental Retardation Waiver Program (MRWP) slots provided for in FY 2009. MRWP is a home and community-based waiver for persons who have been diagnosed with a developmental disability. This reduction will put pressure on the regions when people present to the state from prison, caregiver death, homeless shelter, and other circumstances. These services should not be considered surplus slots, rather they were funds built into the system to respond to need.
- Provide \$2.5 million in state funds and \$0.5 million in federal funds to annualize the cost of 365 MRWP slots.
- Provide funds (\$2.4 million) for 150 MRWP slots for the Money Follows the Person program. These slots are to help move individuals from institutions to the community.

Note, there is no new funding to reduce the MRWP waiting list of over 6,700 Georgians and this waiting list increases by 1,000 every year.

Elder Services

This area includes a range of services for older Georgians, including:

- Prevention from and investigation of abuse, exploitation, and neglect.
- The option of remaining in one's community for those in need of nursing home level of care.
- Health, employment, nutrition and other support and education services to remain in ones own home and community.

For FY 2010, the Governor proposes to reduce these programs by 11.4 percent (\$10.5 million).

Table 6: Elder Services State Fund Changes from FY 2009 to FY 2010

	FY 2009 (HB 990)	FY 2010 Gov Proposal	Change (\$)	Change (%)
Elder Abuse Investigations & Prevention	\$14,577,451	\$13,939,541	(-\$637,910)	(-4.4%)
Elder Community Living Services	\$74,875,441	\$66,430,706	(-\$8,444,735)	(-11.3%)
Elder Support Services	\$2,059,156	\$743,387	(-\$1,315,769)	(-63.9%)
Council on Aging	\$252,352	\$194,703	(-\$57,649)	(-22.8%)
Subtotal	\$91,764,400	\$81,308,337	(-\$10,456,063)	(-11.4%)

Specific state fund cuts will impact the following programs:

- Deferral of state contributions to OPEB fund to pay long-term liabilities of the State Health Benefit Plan (\$0.3 million), and deletion of funds appropriated for salary increases in FY 2009 (\$0.1 million).
- Reduce funds for non-Medicaid home and community based respite services through attrition (\$2.9 million) and Alzheimer's respite services and training (\$0.5 million).
- Discontinue Wellness: Take Charge of Your Health Program and reduce funding for wellness and nutrition education programs (\$0.9 million).
- Defer FY 2009 funds for Nutritional Services Incentive Program (\$1.0 million).
- Discontinue Life Long Planning Program (\$1.0 Million).

Public Health Programs and Services

Georgia's public health system consists of agencies and departments at the state, regional, and county level. At the state level, the Division of Public Health (DPH) is the lead public health agency in Georgia; however, the system also includes 18 regional health districts in Georgia, as well as County Health Departments located in each of Georgia's 159 counties. DPH is responsible for performing and/or coordinating a wide variety of programs and services, from smoking and substance abuse prevention to immunizations and other treatment services. The Governor's budget for DPH is made up of 13 broad budgeted programs, though DPH operates more than 50 individual programs/services.

Table 7: Public Health Programs State Fund Changes from FY 2009 to FY 2010

	FY 2009 (HB 990)	FY 2010 Gov Proposal	Change (\$)	Change (%)
Adolescent and Adult Health Promotion	\$7,814,807	\$4,683,455	(\$3,131,352)	(40.1%)
Adult Essential Health Treatment Services	\$2,637,099	\$1,294,656	(\$1,342,443)	(50.9%)
Emergency Prep. and Trauma System Improvement	\$4,464,515	\$26,214,314	\$21,749,799	487.2%
Epidemiology	\$4,497,939	\$4,275,240	(\$222,699)	(5.0%)
Immunization	\$3,195,266	\$2,647,773	(\$547,493)	(17.1%)
Infant and Child Essential Health Treatment Services	\$30,651,928	\$26,703,475	(\$3,948,453)	(12.9%)
Infant and Child Health Promotion	\$15,214,935	\$10,459,430	(\$4,755,505)	(31.3%)
Infectious Disease Control	\$31,420,533	\$29,515,338	(\$1,905,195)	(6.1%)
Injury Prevention	\$607,613	\$256,578	(\$351,035)	(57.8%)
Inspections & Environmental Hazard Control	\$4,046,105	\$3,896,530	(\$149,575)	(3.7%)
Public Health Grants to Counties	\$71,857,328	\$62,911,949	(\$8,945,379)	(12.4%)
Substance Abuse Prevention	\$1,238,772	\$---	(\$1,238,772)	(100.0%)
Vital Records	\$3,764,443	\$3,486,612	(\$277,831)	(7.4%)
Subtotal	\$181,411,283	\$176,345,350	(\$5,065,933)	(2.8%)

Specific state fund cuts will impact the following programs:

- Deferral of state contributions to OPEB fund to pay long-term liabilities of the State Health Benefit Plan (\$7.8 million), and deletion of funds appropriated for salary increases in FY 2009 (\$3.8 million).
- Implement a 3.5 percent reduction, totaling \$2.5 million, in Public Health Grants to counties.
- Eliminate 2 filled state positions and 18 filled health district health promotion coordinator positions generating savings of \$1.1 million.
- Eliminate 34 vacant state positions and \$2 million associated with these positions.
- Take various reductions totaling \$3.3 million to account for “administrative efficiencies” and other cost-saving strategies. In particular, this includes a \$2.3 million reduction in funding services for special needs children for utilizing an “integrated and more medically appropriate system.”
- Eliminates \$13.1 million in TANF dollars currently funding the Division of Public Health. These funds appear to be redirected to other DPH programs in order to offset General Fund reductions in those programs. At least \$6.5 million of these funds are currently going to family planning services in DPH and will be redirected elsewhere.^{iv}
- Eliminate \$250,000 in General Fund support for suicide prevention programs, as well as \$150,000 in tobacco funding for suicide prevention.
- Eliminates funding for a variety of services and programs such as the YMCA Fit for Life program, funding for Hemophilia of Georgia, car seat and car bed purchases, sickle cell services in Fulton and DeKalb counties, nutrition education, cancer education, the diabetes care coalition, the state health lab (eliminates sat. hours), the Infant and Maternal Health Ad. Council. Savings for these reductions total \$1.7 million.
- Generate more than \$1 million in savings by reducing administrative and contract expenses.
- Eliminate \$769,500 in new funding added in FY 2009 for various new initiatives.

In addition to the previously mentioned reductions, the Governor’s proposal directs \$23 million to the Georgia Trauma Network Commission. These funds represent new revenue from the implementation of new fines for “Super Speeders,” and are included in the above budget for the Emergency Preparedness and Trauma System Improvement Program. Offsetting this increase is also a \$1 million reduction in existing General Fund support for Trauma Centers. Furthermore, additional Trauma Center funding is reflected in the DCH Budget Overview, but not shown above. The Governor’s DCH proposal includes appropriations for Trauma Centers totaling \$37 million in revenue from the Governor’s proposal for new provider taxes on hospitals and commercial HMOs.

Excluding this new revenue of \$23 million, existing DHR public health programs and functions face reductions totaling \$28.1 million, or 15.5%, relative to the original FY 2009 appropriation.

Policy Questions to Consider

1. How does a \$47 million cut in child welfare related services affect the states obligations in regards to the “Kenny A” settlement?
2. In light of the recession, what is the impact on struggling working families of the \$4.5 million state funds cut (\$10 million total) to the CAPS program. Budgeted funding would allow the CAPS program only to serve an average of approximately 51,000 children per month in FY 2010, 3,000 less than in FY 2009 and a seven year low?^v
3. In light of the recession and the expected increased need for services, what is the impact of decreased funds for eligibility determination to help the most vulnerable Georgians access available state and federal assistance and support services (e.g., health care, food stamps, TANF, energy assistance, and others)?

4. How will the cuts to mental health services allow Georgia to fulfill its obligations under the recently agreed settlement with the United States Justice Department?
5. In that there is no new funding for the MRWP waiting list, what is the plan to help those in the community on the MRWP waiting list (6,700 Georgians), especially considering that the waiting list increases by 1,000 every year?
6. In light of Georgia's low overall public health rankings, what is the impact on services and overall public health of the various fund transfers and position eliminations within the Division of Public Health?

ⁱ http://www.legis.ga.gov/legis/2007_08/senate/sbo/HB990_CC_SBEO_Version.pdf

ⁱⁱ According to the DHR Budget office the Governor's SFY 2010 Georgia Budget Proposal for Child Care Services overstates the federal Child Care and Development Block Grant by \$10 million.

ⁱⁱⁱ Author calculation based on data provided by DHR Budget Office

^{iv} The amount of the family planning shift is uncertain, based on various numbers in the Governor's budget proposal. The original DHR proposal was to shift \$10 million currently funding family planning services to the Out of Home Care program to offset a general fund reduction. The Governor's proposal specifically notes a \$6.5 million reduction in TANF funds for family planning services, but additional information show TANF funds reductions to DPH exceeding this amount.

^v Author calculation based on data provided by DHR Budget Office