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Highlights of the FY 2010 Budget for the Department of Human Services and the Department of Behavioral Health and Developmental Disabilities

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State lawmakers cut the FY 2010 general fund budget for the Department of Human Services (DHS) by \$112.3 million (18.1 percent) and the Department of Behavioral Health and Developmental Disabilities (DBHDD) by \$118.6 million (14.7 percent).

These severe cuts are lessened by the General Assembly's use of additional federal funds through the American Recovery and Reinvestment Act of 2009 (ARRA) – \$19.6 million for DHS and \$65.1 million for DBHDD. Additional relief was provided to DHS by using \$27.4 million in federal TANF funds to replace state funds.

By using these federal funding sources for these two departments, the total budget cut to DHS is \$65.2 million (10.5 percent), and \$53.5 million, or 6.6 percent, to DBHDD.

Budget Overview

During the recent legislative session the General Assembly passed and the governor signed into law HB 228 which reorganized the Department of Human Resources. Beginning July 1, 2009, various programs, attached agencies, and corresponding funds will be transferred from the renamed Department of Human Services (DHS) to the newly created Department of Behavioral Health and Developmental Disabilities (DBHDD), and the Department of Community Health (DCH).ⁱ

The FY 2010 general fund cut to DHS is \$112.3 million (18.1 percent) compared to the FY 2009 budget (HB 990) as passed during the 2008 legislative session. The General Assembly allocated \$19.6 million in additional federal funds through the American Recovery and Reinvestment Act (ARRA), and \$27.4 million in federal TANF funds to replace state funds. Using these federal funding sources result in an actual budget cut of \$65.2 million, or 10.5 percent.

The FY 2010 general fund cut to DBHDD is \$118.6 million (14.7 percent). Lawmakers replaced some state funds with \$65.1 million in ARRA funds through the enhanced Medicaid match. Therefore actual overall budget cuts to DBHDD are \$53.5 million (6.6 percent).

Many of these programs are also funded by the federal Temporary Assistance for Needy Families (TANF) block grant. See GBPI's report: *"Georgia's Allocation of Federal TANF Funds in FY 2010: A Continued*

Shift Toward Child Welfare-Related Services Despite Fewer Available Funds” for more information on the impact of changes in available federal TANF funds.

Table I
DHS and DBHDD State Fund Changes from FY 2009 to FY 2010 ⁱⁱ

	FY 2009 State Funds	FY 2010 State Funds	FY 2010 ARRA to replace State Funds	FY 2010 TANF to replace State Funds	Change (\$)	Change (%)
DHS Programs	\$621,711,481	\$509,461,256	\$19,634,037	\$27,391,209	-\$65,224,979	-10.5%
DBHDD Programs	\$809,013,403	\$690,425,261	\$65,059,142	\$0	-\$53,529,000	-6.6%

Note: FY 2009 and FY 2010 state fund data includes administration appropriations.

Department of Human Services

Child Welfare-Related Services

These services include a range of programs to protect children and strengthen the family. The programs:

- 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 provide education about family violence to communities across the state.
- Support and facilitate permanently placing children by prescreening families as well as providing support and financial services after adoption.

Georgia’s FY 2010 appropriations cut state funds for child welfare-related services 27.7 percent (\$78.6 million). Over \$34 million in state funds is replaced with \$7.2 million in ARRA Foster Care Title IV-E funds and \$27.4 in TANF funds, resulting in an overall cut to child welfare-related services of 15.5 percent (\$44.1 million).

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

	FY 2009 State Funds	FY 2010 State Funds	ARRA to replace State Funds	TANF to replace State Funds	Change (\$)	Change (%)
Adoption Services	\$35,568,642	\$33,316,992	\$3,140,444	\$0	\$888,794	2.5%
Child Care Licensing	\$8,759,268	\$1,157,575	\$0	\$0	-\$7,601,693	-86.8%
Child Welfare Services	\$117,613,541	\$100,022,290	\$0	\$0	-\$17,591,251	-15.0%
Family Violence Services	\$6,151,950	\$5,001,950	\$0	\$0	-\$1,150,000	-18.7%
Out-of-Home Care	\$115,871,866	\$65,834,813	\$4,037,474	\$27,391,209	-\$18,608,370	-16.1%
SUBTOTAL	\$283,965,267	\$205,333,620	\$7,177,918	\$27,391,209	-\$44,062,520	-15.5%

Specific state fund cuts to services include:

- **Child Care Licensing:** As a result of the DHR restructure, \$6 million from the Office of Regulatory Services was transferred to the Department of Community Health Planning and Regulatory Services. The remaining general funds in the Child Care Licensing Program are cut by 58 percent.
- **Child Welfare Services:** The number of child protective services caseworkers is reduced through attrition for a budget reduction of \$11.1 million in general revenue funds and \$14 million in federal funds). DHS claims that the 15:1 caseload ratio will be maintained.
- **Family Violence:** Cuts funding for domestic violence centers by \$615,000 and rape crisis centers by \$535,000.
- **Out of Home Care:** State general funds are cut by \$50 million. Through the replacement of \$27.4 million in state funds with federal TANF funds and \$4 million in state funds with ARRA Foster Care Title IV-E funds, the budget cut overall is \$18.6 million. The overall cuts include \$1.2 million to the Room Board and Watchful Oversight accounts, and \$4.7 million due to higher utilization of in-home services.

Low-Income Family Supports

The supports to low-income Georgia families include:

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

Georgia's FY 2010 appropriations cut state funds for low-income family supports by 5.3 percent (\$10.8 million).

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

	FY 2009 State Funds	FY 2010 State Funds	Change (\$)	Change (%)
Child Care Services	\$58,577,959	\$54,262,031	-\$4,315,928	-7.4%
Child Support Services	\$24,963,922	\$24,273,903	-\$690,019	-2.8%
Eligibility Determination	\$56,870,673	\$56,622,168	-\$248,505	-0.4%
Food Stamp Eligibility and Benefits	\$39,590,489	\$37,193,255	-\$2,397,234	-6.1%
Support for Needy Families – Basic Assistance	\$100,000	\$100,000	\$0	0%
Support for Needy Families – Family Assistance	\$6,464,606	\$3,865,357	-\$2,599,249	-40.2%
Support for Needy Families – Work Assistance	\$7,695,000	\$7,695,000	\$0	0%
Family Connection	\$9,600,837	\$9,002,243	-\$598,594	-6.2%
SUBTOTAL	\$203,863,486	\$193,013,957	-\$10,849,529	-5.3%

Specific program impacts include:

- **Child Care Services:** Cuts state general funds by \$4.2 million and eliminates nearly all TANF funding. Recognized \$36 million in ARRA program specific funds, which according to HB 119, are to be spent in the "CAPS program waiting list and their child care needs."

- Child Support Services: Provides \$14 million in program specific ARRA funds to increase current support paid to families.
- Food Stamp Eligibility – Recognizes \$2 million in ARRA funds for increased caseloads that nearly offsets cuts through attrition (\$2.2 million state funds and \$1.1 million in federal funds). The number of Georgia food stamp recipients grew 84 percent between FY 2002 and FY 2008, from 591,608 to 1,086,410 recipients, and continues to rise during this current recession.
- Support for Needy Families – Basic Assistance: Transfers \$4.0 million in TANF funds to Out of Home Care and Child Care Services.
- Support for Needy Families – Work Assistance: Eliminates \$5.3 million in TANF funds for transfers to the Department of Labor, the Department of Community Affairs, and the Technical College System of Georgia to fund out-of-home-care activities.

The FY 2010 budget also includes \$54.1 million in program specific ARRA funding. The \$1.045 million appropriated from the Elder Support Nutritional Services Incentive Program was used to supplant state funds. The remaining funds were not used to supplant state funds but were appropriated in order to supplement existing state and federal efforts.

**Table 4
Program Specific ARRA Funding**

	FY 2010 ARRA Non-Budget Stabilization Funds
Child Care Services	\$36,000,000
Child Support Services	\$14,000,000
Food Stamp Eligibility and Benefits	\$2,000,000
Support for Needy Families - Basic Asst	\$1,100,000
Elder Support Nutritional Services Incentive Program	\$1,045,000
SUBTOTAL	\$54,145,000

Elder Services

These services for older Georgians include:

- Prevention from and investigation of abuse, exploitation, and neglect.
- Supports the option of remaining in one’s community for those who need a nursing-home level of care.
- Health, employment, nutrition, and other support and education services to many elderly who remain in their own home.

Lawmakers cut state funds for elder services by 21.2 percent (\$19.5 million). However, more than \$12 million in state funds are replaced with \$11.4 million in enhanced Medicaid funds and \$1 million in ARRA funds for the Nutritional Services Incentive Program, resulting in an overall budget cut to elder services of 7.6 percent (\$7 million).

**Table 5
Elder Services State Fund Changes from FY 2009 to FY 2010**

	FY 2009 State Funds	FY 2010 State Funds	FY 2010 ARRA to Replace State Funds	Change (\$)	Change (%)
Elder Abuse Investigations & Prevention	\$14,577,451	\$14,031,363	\$0	-\$546,088	-3.7%
Elder Community Living Services	\$74,875,441	\$57,235,190	\$11,411,119	-\$6,229,132	-8.3%
Elder Support Services	\$2,059,156	\$819,884	\$1,045,000	-\$194,272	-9.4%
Council on Aging	\$252,352	\$208,220	\$0	-\$44,132	-17.5%
SUBTOTAL	\$91,764,400	\$72,294,657	\$12,456,119	\$7,013,624	-7.6%

Specific state fund highlights include:

- Elder Abuse Investigations and Prevention – Eliminates the Public Guardianship program (\$328,000).
- Elder Community Living Services – Cut \$1.3 million for respite care; a savings of \$1.4 million through eliminating the planned three percent provider rate increase originally budgeted in FY 2009 budget; and a cut of \$250,000 by eliminating the Naturally Occurring Retirement Communities in Metro-Atlanta and Savannah.
- Elder Support Services – Uses \$1.0 million in ARRA funds to restore state fund cuts for the National Services Incentive Program for Meals on Wheels and congregate meals for at-risk seniors. Eliminates funds for Life Long Planning Program (\$1.0 million).

Department of Behavioral Health and Developmental Disabilities

Addictive Diseases and Mental Health Services

Serving 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 with mental illness, mental health services include evaluation, treatment, crisis stabilization, and residential services.

Georgia's FY 2010 appropriations reduces state funds for addictive disease and mental health services by 11.9 percent (\$66.9 million). State funding of \$22.3 million is replaced with ARRA enhanced Medicaid funds, resulting in an overall cut to addictive disease and mental health services programs of 7.9 percent (\$44.6 million).

Table 6
Addictive Diseases and Mental Health State Fund Changes from FY 2009 to FY 2010

	FY 2009 State Funds	FY 2010 State Funds	FY 2010 ARRA to replace State Funds	Change (\$)	Change (%)
Adult Addictive Diseases Services	\$47,941,247	\$42,217,093	\$0	-\$5,724,154	-11.9%
Child & Adolescent Addictive Diseases	\$9,420,763	\$3,090,414	\$0	-\$6,330,349	-67.2%
Adult Forensic Services	\$46,249,924	\$45,030,040	\$0	-\$1,219,884	-2.6%
Child & Adolescent Forensic Services	\$3,103,859	\$3,082,330	\$0	-\$21,529	-0.7%
Adult Mental Health Services	\$237,141,537	\$212,914,878	\$13,539,260	-\$10,687,399	-4.5%
Child & Adolescent Mental Health Services	\$90,721,809	\$64,717,709	\$8,776,359	-\$17,227,741	-19.0%
Adult Nursing Home Services	\$2,383,183	\$2,383,863	\$0	\$680	0%
Direct Care Support Services	\$122,634,924	\$120,435,376	\$0	-\$2,199,548	-1.8%
Substance Abuse Prevention	\$1,238,772	\$121,627	\$0	-\$1,117,145	-90.2%
Sexual Offender Review Board	\$955,737	\$906,108	\$0	-\$49,629	-5.2%
SUBTOTAL	\$561,791,755	\$494,899,438	\$22,315,619	\$44,576,698	-7.9%

Specific state fund cuts to services include:

- **Adult Addictive Diseases:** Eliminates funds for opioid maintenance therapy (\$1.6 million), as well as \$1.3 million from core and specialty service. Defers expansion of a pilot substance abuse treatment program for families and children (\$3.3 million). Reduces non-medically necessary community support services by \$1 million.
- **Child and Adolescent Addictive Diseases:** Suspends the planned expansion of clubhouse programs (\$3.3 million), eliminates parolee outpatient services (\$1.2 million), and reduces child and adolescent substance abuse core services (\$551,986).
- **Adult Mental Health:** General fund cuts are \$24.2 million. Due to \$13.5 million in additional federal funds from the enhanced Medicaid match, the budget is reduced by \$10.7 million overall. Cuts include funding for supported employment for adult mental health consumers (\$3 million), and cuts to adult mental health services contracts (\$1.7 million).
- **Child and Adolescent Mental Health Services:** General revenue funds are reduced by \$26 million (28.7 percent). Due to \$8.8 million in additional federal funds from the ARRA enhanced Medicaid match, the budget is reduced by \$17.2 million (19 percent). Cuts include funding for non-medically necessary community support services (\$1 million). Planned expansion of summer activities for youth with serious emotional disturbances are deferred, saving (\$1 million). More than \$8.1 million in general funds is removed from the budget from various programs with budget language inserted stating that “Agency Funds” were to replace the state funds.
- **Substance Abuse Prevention:** Funding for nine positions is cut from state funding (\$838,000), and offset with federal funds.

Developmental Disabilities

Developmental disability programs provide evaluation, residential support, education services to promote independence, and support for children, adolescents, and adults.

Georgia's FY 2010 appropriations reduce state funds for developmental disabilities services by 23.4 percent (\$50.4 million). State funding of \$42.7 million was offset with enhanced Medicaid funds, resulting in an overall cut to developmental disabilities programs of 3.5 percent (\$7.5 million).

**Table 7
Developmental Disabilities (DD) State Fund Changes from FY 2009 to FY 2010**

	FY 2009 State Funds	FY 2010 State Funds	FY 2010 ARRA to replace State Funds	Change (\$)	Change (%)
Adult DD Services	\$194,722,380	\$157,596,363	\$31,622,732	-\$5,503,285	-2.8%
Child & Adolescent DD Services	\$20,819,083	\$7,564,278	\$11,120,791	-\$2,134,014	-10.3%
Gov Council on DD Services	\$70,917	\$56,231	\$0	-\$14,686	-20.7%
Sub-total	\$215,612,380	\$165,216,872	\$42,743,523	-\$7,451,985	-3.5%

Specific state fund changes that impact developmental disability services include:

- MRWP is a home and community-based waiver for persons of any age who have been diagnosed with a developmental disability. The budget also provides \$2.5 million in general funds and \$500,000 in federal funds to annualize the cost of 365 MRWP slots.
- For adults, provides \$1.9 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 more than 6,700 Georgians. This waiting list increases by 1,000 people every year.

Conclusion

Lawmakers cut millions of dollars from vital government services used by Georgians most in need in FY 2010. Although \$84.7 million ARRA funds are preventing \$84.7 million more service cuts to DHS and DBHDD, with the economy in a recession, many of the programs within DHS and DBHDD are facing an increased number of participants just as their budgets are being reduced.

Now that over \$84 million of ARRA funds are in the base budget of DHS and DBHDD, it is important for policymakers to plan strategically for FY 2011 and FY 2012 when ARRA funds are no longer available. Economic growth is expected to be weak over the next several years, therefore additional revenues will be necessary to avoid additional budget cuts to programs within the DHS and DBHDD.

ⁱ House Bill 228 is available at http://www.legis.ga.gov/legis/2009_10/sum/hb228.htm.

ⁱⁱ All FY 2010 budget data is from the Committee on Conference Report on HB 119.

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