



Virginia League of Social Services Directors



Position Paper

"Budget Reductions Of An Already Fiscally Stressed Service Delivery System"

ISSUE: Proposal for Restoration of Local Social Services Administrative Funds Reduction

Local social services agencies are facing historic increases in citizens applying for and receiving services and assistances. Agencies have struggled to meet the needs of the Commonwealth's most needy families, children, and individuals. This struggle has occurred while budgets and resources have dwindled. Despite the fact that agencies are challenged and pressed to do more, they are scheduled to take a 5% reduction in administrative funding for staff and operations.

This issue is the reality of the unprecedented recession that is upon us, and one that had begun to affect local departments over two years ago. Furthermore, the **5-year recession scenario** that seems to be working into 2013-14, by all accounts, is hardly what one can call a temporary problem. It is a long-term problem needing a long-term solution. Not only have all our local departments seen rapidly escalating caseload increases, as much as 25-50%, but also budget and hiring freezes, staff reductions, and budget reductions both on the Federal, State and local levels. The net effect of this confluence of events has not only taxed our dwindling resources, but also has had a profound effect on our hard-working, remaining frontline staff and managers.

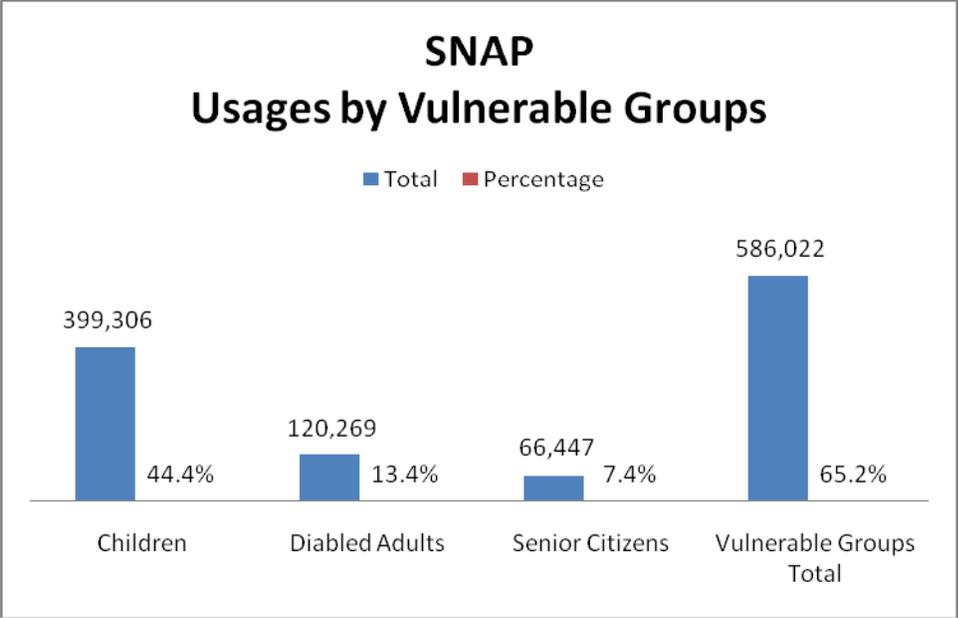
The fact is, of all the divisions, departments and agencies in the Commonwealth, the Local Departments of Social Services (LDSS) have not only been hit with the brunt of the recession, but also are on the frontline of service delivery, meeting the needs of an increasing number of citizens throughout the state. Recently the Senate Finance Committee, Health & Human Resources Subcommittee, received from Commissioner Martin D. Brown (VDSS) a presentation of the problem facing Social Services in these unprecedented times, and recommended that the 5% Administration reduction (FY12) be restored.

The FY11 and FY12 biennium budget calls for a reduction of five percent in LDSS's administrative funding. In terms of critical funding for service delivery, a five percent reduction equals \$5,799,369 in General Fund dollars, or \$17,615,274 in local budget dollars. Across the Commonwealth, LDSS's have seen unprecedented increases in citizens requesting assistance. Because of the state and national economic recession, citizens who have never utilized public assistance programs have found it necessary to file an application because of lost employment or reduced earnings.

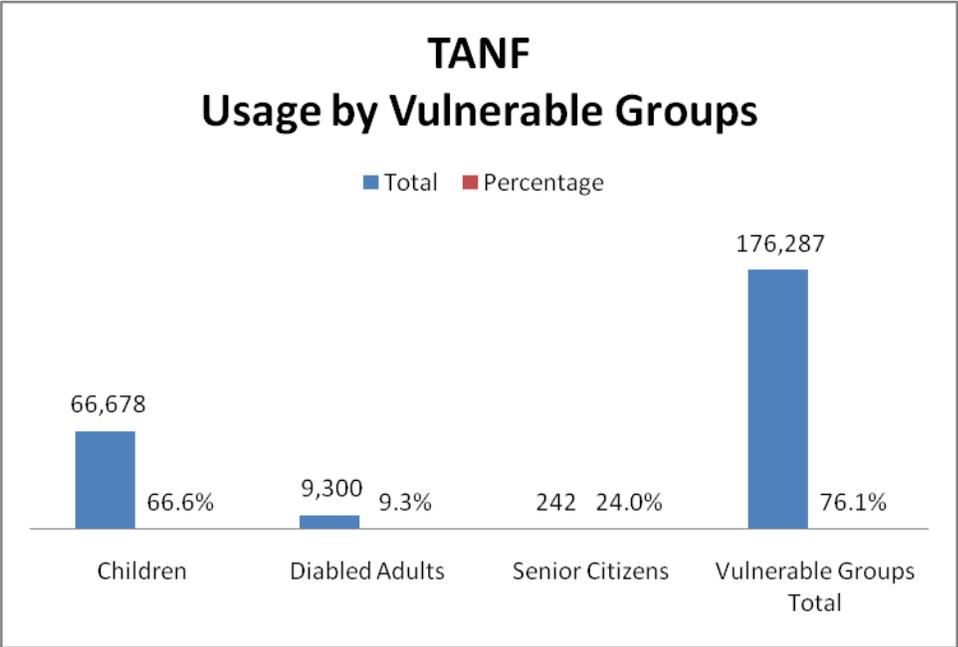
Evidence of these increases is demonstrated in the following data:

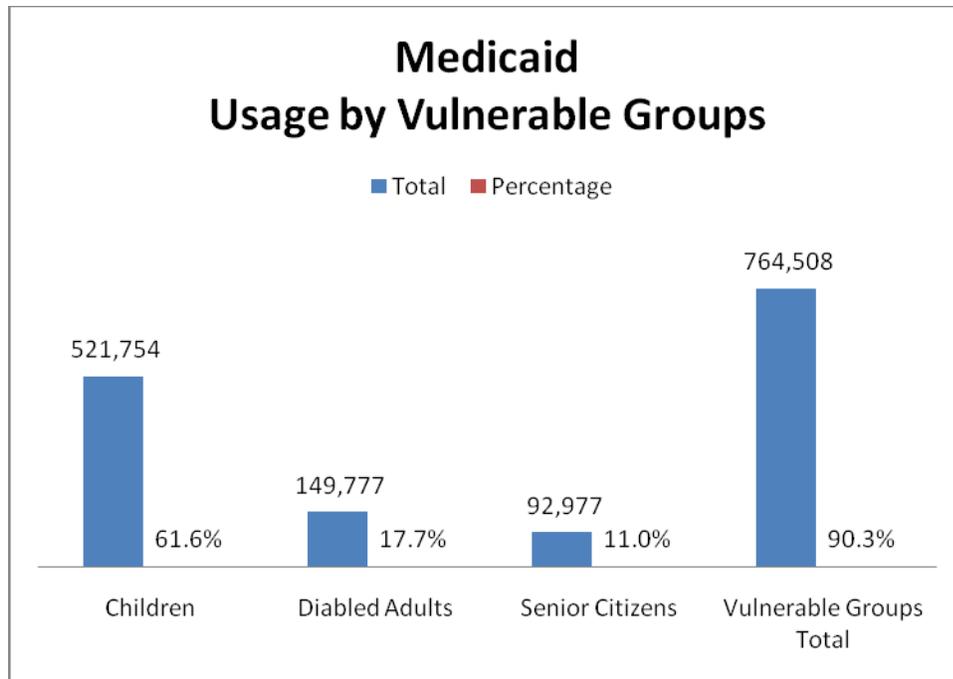
- Supplemental Nutrition Assistance Program (SNAP) (formerly known as Food Stamps) households have increased over 60% since July 2007.
- Applications for SNAP have increased over 70%.
- One in every 10 persons in Virginia utilizes SNAP assistance to meet their basic nutritional needs. During FY2010, about 1,150,000 individuals, or one in seven Virginians received SNAP and one in five children in Virginia received SNAP during FY2010. In addition, TANF (Temporary Assistance to Needy Families) cases have increased by 17% or over 37,000 cases.
- Medicaid enrollees have increased by greater than 14 percent, over 846,528 individuals. Also, more than 54,000 individuals receive FAMIS*. During FY2010, about one in seven Virginians received Medicaid, while one in four children received either Medicaid or FAMIS. Individuals utilizing assistance programs are primarily comprised of our most vulnerable and needy citizens.

Usages by these groups are displayed below:



**FAMIS will be discontinued in 2012 with the discontinuance of Federal funding.*





During this period of time, caseloads, work demands and Federal/State mandates have increased. However, there was no increase in administrative funding for LDSS's.

In short, LDSS's have found it necessary to manage significantly increasing workload responsibilities with less State funding, and greater staffing requirements. Increases in caseloads between October 2007 and October 2010, when SNAP increased 57% and Medicaid increased 21%. When considering TANF, VIEW, and Energy Assistance, the need would exceed 1000 new workers.

Until the beginning of the current FY11 Budget; because of critical efforts on the part of the state department of social services to protect services to citizens at the local level, LDSS's have not experienced a reduction in state administrative funding. Even up to that time, to provide funding for critical required services, many agencies have extensively utilized pass-through funding by which federal funds are matched with increased local funding when state funds are not available. For FY2010, local agencies utilized \$163,389,870 in pass through funding.

Given the significant impact of the recession upon LDSS's, the failure of the economy to recover to date, and the anticipated continuance of the need for local agencies to meet a heightened level of services for local citizens, restoration is requested of the 5% reduction in administrative funding. A restoration of funds does not provide funding for LDSS's expansion of

administrative capacity to meet the existing high volume demands, but rather simply maintains the existing level of funding and services. A continuance of the planned reduction of funding places agencies at significant risk of being unable to provide timely and accurate services to the Commonwealth's most needy and vulnerable citizens.

The current trend of budget reductions, underfunding and unfunded mandates can no longer be ignored and absorbed. The needs of our children and families must be addressed. There are children and their families facing homelessness, elderly on limited incomes with increasing critical needs as they age in place in their homes or apartments, and the disabled who cannot afford to live on SSI.

It is our strong belief that these ongoing budget reductions, underfunding, and unfunded mandates is irresponsible, neglectful of the people we serve, and jeopardizes our ability to maintain and meet established performance standards and expectations of our service delivery system to our citizens, community, and the Commonwealth.

Staff and Operations

		GF Dollars	Federal Match	Local
<u>FY11 Reductions</u>				
FY 2010 Base Budget				
GA Approved Reduction (2.4 %)	116,794,801	(2,805,096)	(3,976,710)	(541,519)
<u>FY 12 Reductions</u>				
FY2010 Base Budget	116,794,801			
GA Approved Reduction (2.6%)		(2,994,273)	(4,308,103)	(586,646)
Total Reduction: (5%)		(5,799,369)	(8,284,813)	(1,128,165)

This paper was prepared by the Virginia League of Social Services Executives, Administrative Committee

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