
Department of Economic Security

February 2-3, 2016

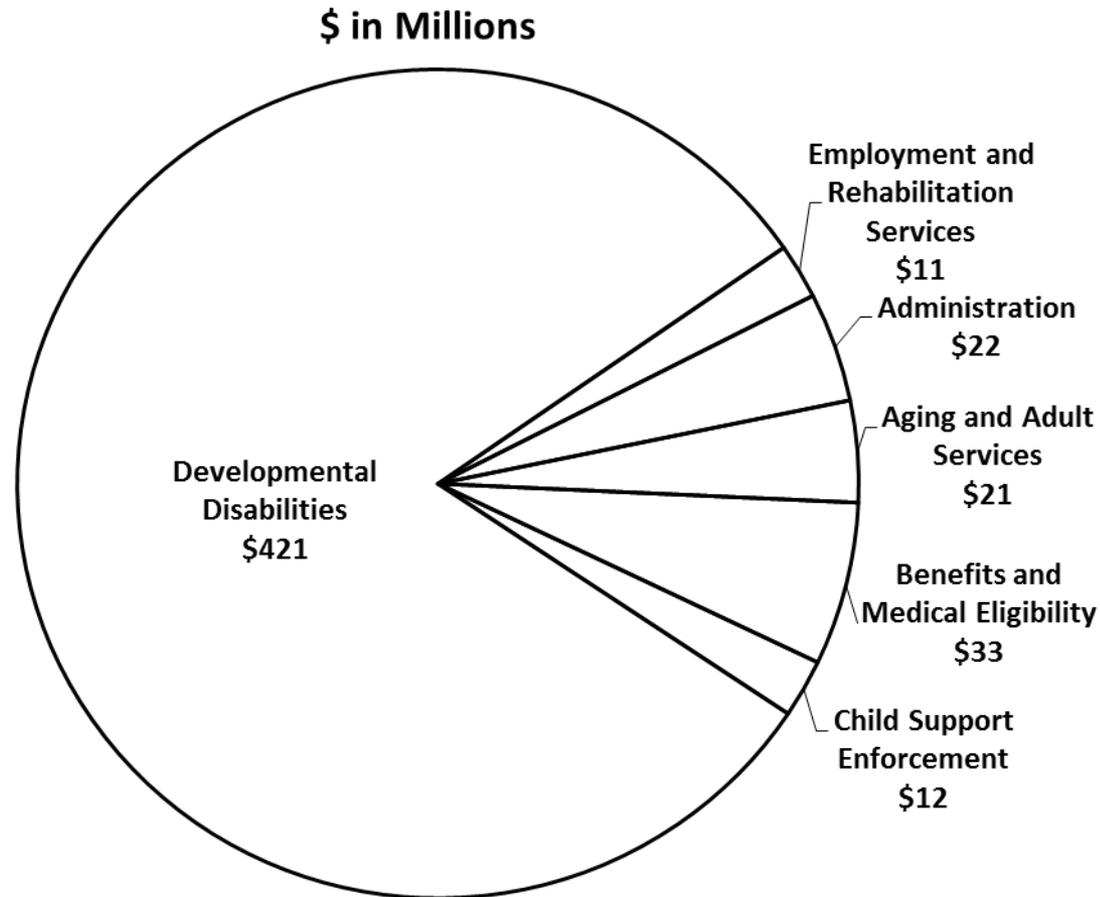
Appropriations Committee Hearings

JLBC

Revised 2/3/16

Department of Economic Security

- General Fund by Agency Function



'17 GF Baseline = \$520 M

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- Total '17 Baseline Funding

	<u>\$ in Millions</u>
General Fund	\$ 520.0
Medicaid Long-Term Care Federal Match	893.2
Federal TANF Block Grant	86.7
Federal Child Care Block Grant	107.8
Other Appropriated Funds	150.3
Federal Grants (non-appropriated)	1,963.0
Unemployment Insurance - non-appropriated	304.6
Other Non-Appropriated Funds	<u>20.7</u>
Total	\$4,046.3

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- Major '17 Baseline Changes

	GF \$ in Millions	
	<u>JLBC Baseline</u>	<u>Executive</u>
☐ Developmental Disabilities Caseload/Inflation	\$27.8	\$30.0
☐ TANF Cash Benefits Savings	(4.0)	0.0
<ul style="list-style-type: none"> • Savings from reducing lifetime limit to 12 months • Previously estimated at \$(9.0) M savings 		
'17 Total	\$23.8	\$30.0

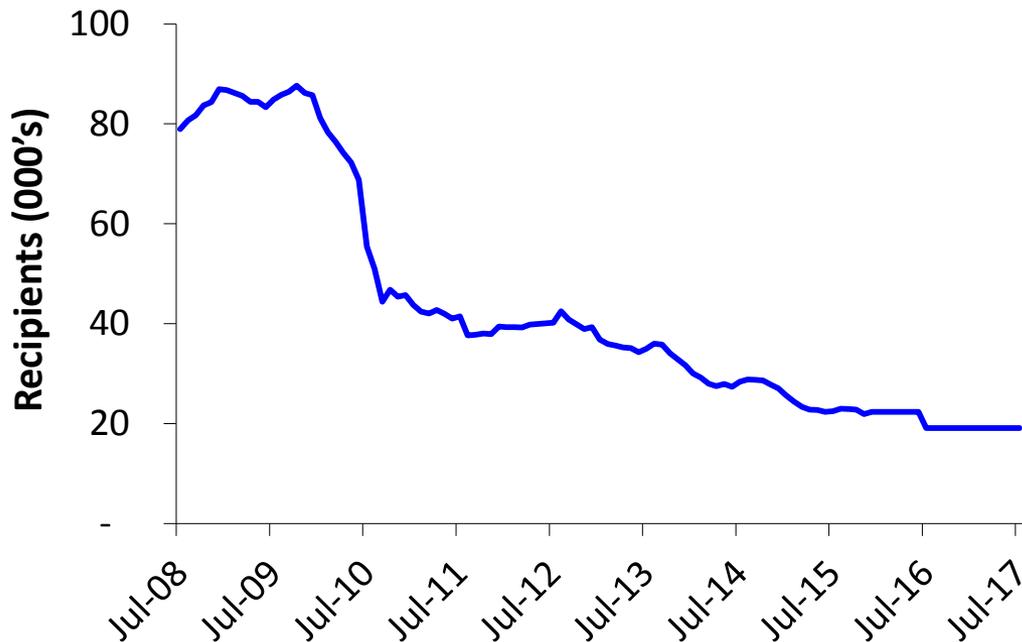
Developmental Disabilities

- ❑ Serves clients with cognitive disabilities, cerebral palsy, autism, and epilepsy
- ❑ Funded with GF and matching Federal Medicaid dollars ('17 = 69.16% match)
- ❑ Baseline and Executive formula growth assumptions are similar:
 - Baseline Average '17 caseloads = 30,418
 - Executive Average '17 caseloads = 30,410
 - Baseline '17 capitation growth = 2.5%
 - Executive '17 capitation growth = 3.0%
- ❑ '16 DD shortfall
 - '16 appropriation based on 4.5% caseload growth and revised estimates show 5.0% growth, leaving \$3.6 M shortfall; DES also used \$3.2 M of '16 appropriation for '15 capitation
 - Baseline uses \$6.8 M of surplus TANF to address shortfall and Executive recommends a \$8.1 M GF supplemental

Cash Benefits Program Generating Surplus

- Surplus grows with 1-year time cap in '17

TANF Cash Benefits Caseloads



- TANF Cash Benefits caseloads have been decreasing for several years
- The Baseline assumes flat '16 caseload or 22,355 in '16, producing surplus of \$13.4 M
- The Baseline assumes a decrease in '17 caseload to 19,064 due to 1-year cap, producing surplus of \$17.3 M

Is there enough TANF surplus for Baseline and Executive recommendations?

Cash Benefits Cost Projections (millions)

	<u>'16</u>	<u>'17</u>
Cash Benefits TANF Appropriation	45.0	45.0
Cash Benefits Cost	<u>31.6</u>	<u>27.7</u>
Cash Benefits Surplus	\$13.4	\$17.3
TANF Block Grant Carry Forward/Structural Balance	<u>9.4</u>	<u>3.1</u>
Total TANF Available	\$22.8	\$20.4

Cost of Baseline and Executive TANF Recommendations (millions)

Baseline

DES Operating Backfill	3.5	3.5
TANF/GF Swap with DCS for DD Shortfall	6.8	
TANF/GF Swap with DCS for Cap Savings		4.0

Executive

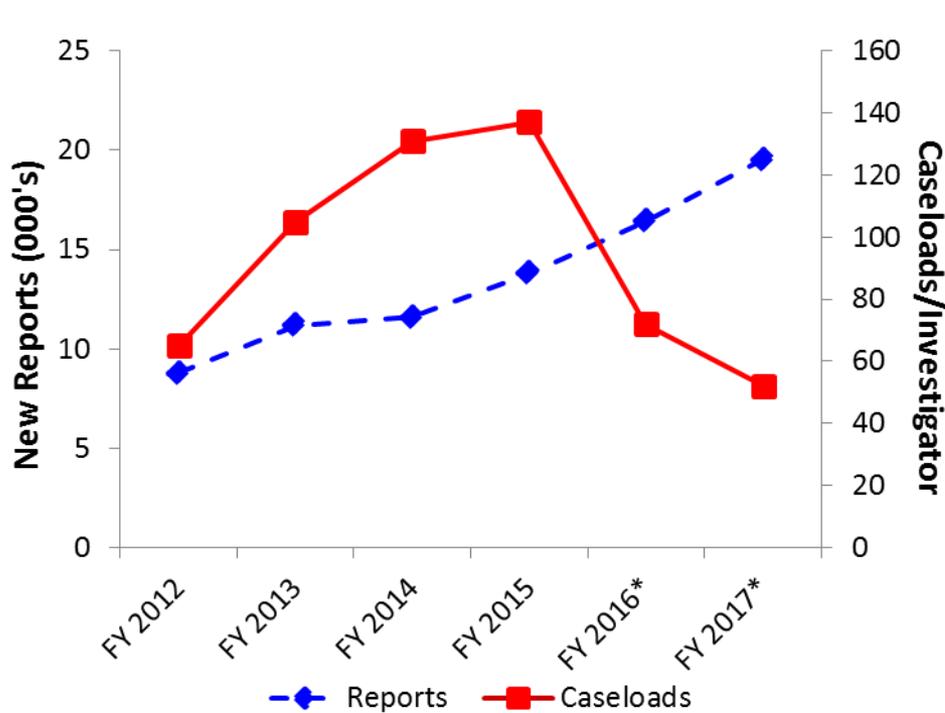
TANF Increases to DCS	<u>13.6</u>	<u>11.0</u>
Total Cost	\$23.9	\$18.5

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- Major '17 Executive Policy Issues

	<u>GF \$ in Millions</u>
<input type="checkbox"/> State-Only Long Term Care Services Shortfall <ul style="list-style-type: none"> • Funds room and board at DD group homes • 2014 law decreased income DES can collect from clients; Executive backfills lost revenue • Ongoing structural shortfall of \$4.4 M 	2.4
<input type="checkbox"/> Reinstate DD Adult Preventive Dental	1.2
<input type="checkbox"/> Eliminate Finger Imaging Requirement	(0.9)
<input type="checkbox"/> Child Care 5.8% Provider Rate Increase <ul style="list-style-type: none"> • Last increase was 4% in FY 2007 	6.4
<input type="checkbox"/> Vocational Rehabilitation Services Increase <ul style="list-style-type: none"> • Brings federal match of \$19.2 M for 4,100 VR clients 	4.7
<input type="checkbox"/> Adult Protective Services – 21 FTE	3.0
<input type="checkbox"/> Hiring Freeze Lump Sum	<u>(2.6)</u>
'17 Total	\$14.2

Adult Protective Services



* Executive projections

- APS investigates reports of abuse, neglect, and exploitation of vulnerable and incapacitated adults
- Actual growth in '15 was 19%; Exec assumes 19% growth in '16 and '17
- DES received \$1.2 M for 11 additional APS staff in '16; used new and temporary staff to bring down investigator caseloads
- Average caseloads per investigator were 137 in '15; Exec projects 72 in '16 and 55 in '17 with recommended funding
- Executive recommends \$2.0 M for 21 new FTE and \$1.0 M for IT enhancements to APS database
 - \$0.7 M are one-time funds for database

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- Website links

- JLBC Baseline -
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- Executive Budget -
[Department of Economic Security](#)