Human Services Funding Deficit

Counties Must Act to Secure Administrative Costs
What is the Human Services Funding Deficit?

It’s the more than $1 billion annual shortfall between the state’s funding for eight human services programs and the actual costs incurred by counties to deliver the services.
The Human Services Funding Deficit

Counties are legislatively mandated to administer numerous human services programs on the state’s behalf.

Funding for these services is frozen at 2001 cost levels.
The Programs

- Child Welfare
- CalWORKs Eligibility
- Food Stamps Administration
- Foster Care Eligibility
- Adult Protective Services
- In-Home Supportive Services Administration
- Adoptions
- Medi-Cal Eligibility
The May Revise Estimates the Following Funding Shortfalls in 2008-09
Federal and State Funds

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount (Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Welfare Services</td>
<td>$616 Million</td>
</tr>
<tr>
<td>CalWORKs</td>
<td>$250.6 Million</td>
</tr>
<tr>
<td>Food Stamps Administration</td>
<td>$83.9 Million</td>
</tr>
<tr>
<td>IHSS Administration</td>
<td>$78.2 Million</td>
</tr>
<tr>
<td>Foster Care Administration</td>
<td>$12.5 Million</td>
</tr>
<tr>
<td>Adoptions</td>
<td>$22.1 Million</td>
</tr>
</tbody>
</table>
## Cumulative Funding Shortfalls 2001-08

**Federal and State Dollars**

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child Welfare Services</td>
<td>$745.6 Million</td>
</tr>
<tr>
<td>CalWORKs</td>
<td>$360.1 Million</td>
</tr>
<tr>
<td>Food Stamps</td>
<td>$184.4 Million</td>
</tr>
<tr>
<td>Medi-Cal</td>
<td>$152.5 Million</td>
</tr>
<tr>
<td>IHSS</td>
<td>$102.6 Million</td>
</tr>
<tr>
<td>Adult Protective Svcs</td>
<td>$49 Million</td>
</tr>
<tr>
<td>Adoptions</td>
<td>$40.1 Million</td>
</tr>
<tr>
<td>Foster Care</td>
<td>$14.8 Million</td>
</tr>
</tbody>
</table>
 Counties Backfill the Funding

Since 2001, Counties have backfilled human services programs to the tune of

$595 Million

(Child Welfare Services, Food Stamps, Adoptions, IHSS, Foster Care Eligibility and CalWORKs).
2008-09 State Budget

- The May Revision pegs the Human Services Funding Deficit for 2008-09 at $1.063 Billion.

- This represents a $183 million increase over last year’s estimate.

The May Revision provides neither funding nor solutions for closing the gap.
2008-09 State Budget

- The proposed budget adds a new program to the funding deficit.

- The Administration is proposing to cut funds for county Medi-Cal eligibility by $152.5 million ($76.2 million General Fund).
What’s at Risk?

- Counties are struggling to meet accountability standards and avoid penalties, putting the state and counties at risk for hundreds of millions of dollars in federal penalties.

- California has incurred past federal penalties for Food Stamps and is currently fighting Child Welfare penalties. Counties share in federal penalties for CalWORKs.
What’s at Risk?

- Freezing program funding also shifts costs to counties and increases the county share of program costs above statutory sharing ratios, while at the same time running contrary to the constitutional provisions of Proposition 1A.
Counties Respond

The CSAC Executive Committee formed the Human Services Funding Deficit Work Group in September 2007

- Led by Sacramento County Supervisor Roger Dickinson

- Includes Supervisors, County Counsels, Welfare Directors, and Affiliate Members
Your Turn: Making the Human Services Funding Deficit a Priority in Your County

Elevate the issue in your county by discussing it during your

- Board Meetings
- Budget Hearings
- Legislative Visits
- Interactions with the Media
Deflecting the Critics in Tough Fiscal Times

- The Human Services Funding Deficit first began in 2001.
- Counties have been inadequately funded for the costs of these programs in both boom and bust years.
- The state and counties face federal penalties in many of these programs.
- Counties do not have the discretionary income to backfill the state’s responsibilities for these programs.
- Service delivery to vulnerable children, families, and seniors is impacted.
State vs. County Revenue Growth
1990-2005

State and County Revenue Growth

Fiscal Year

Dollars (in millions)
The State Must Step Up:

Funding Must Be Aligned with Programs and Priorities
Program Growth Over Time:
State General Fund Only
FY 2007-08 Compared to FY 2003-04

Courtesy of the County Welfare Directors Association
Human Services Funding Deficit Resources

The Human Services Funding Deficit Work Group offers a number of resources on the CSAC Web site:

- County-by-County numbers
- Talking Points
- Feedback Form
We Need Your Feedback!

Share your insights and efforts by completing an easy online feedback form, available on CSAC’s Web site at

www.csac.counties.org

Click on Advocacy/
Health and Human Services/
Human Services Funding Deficit Section
Talk to the Legislature!

- Talk about it during your legislative visits today and tomorrow
- Use the county-by-county numbers to illustrate your point
- Explain the local impacts of trying to administer a slate of chronically under funded programs
The Human Services Funding Deficit:

Counties Must Act to Secure Administrative Costs

Thank You